Sustainability Is Legacy Leadership: A Blueprint for India's Business Future

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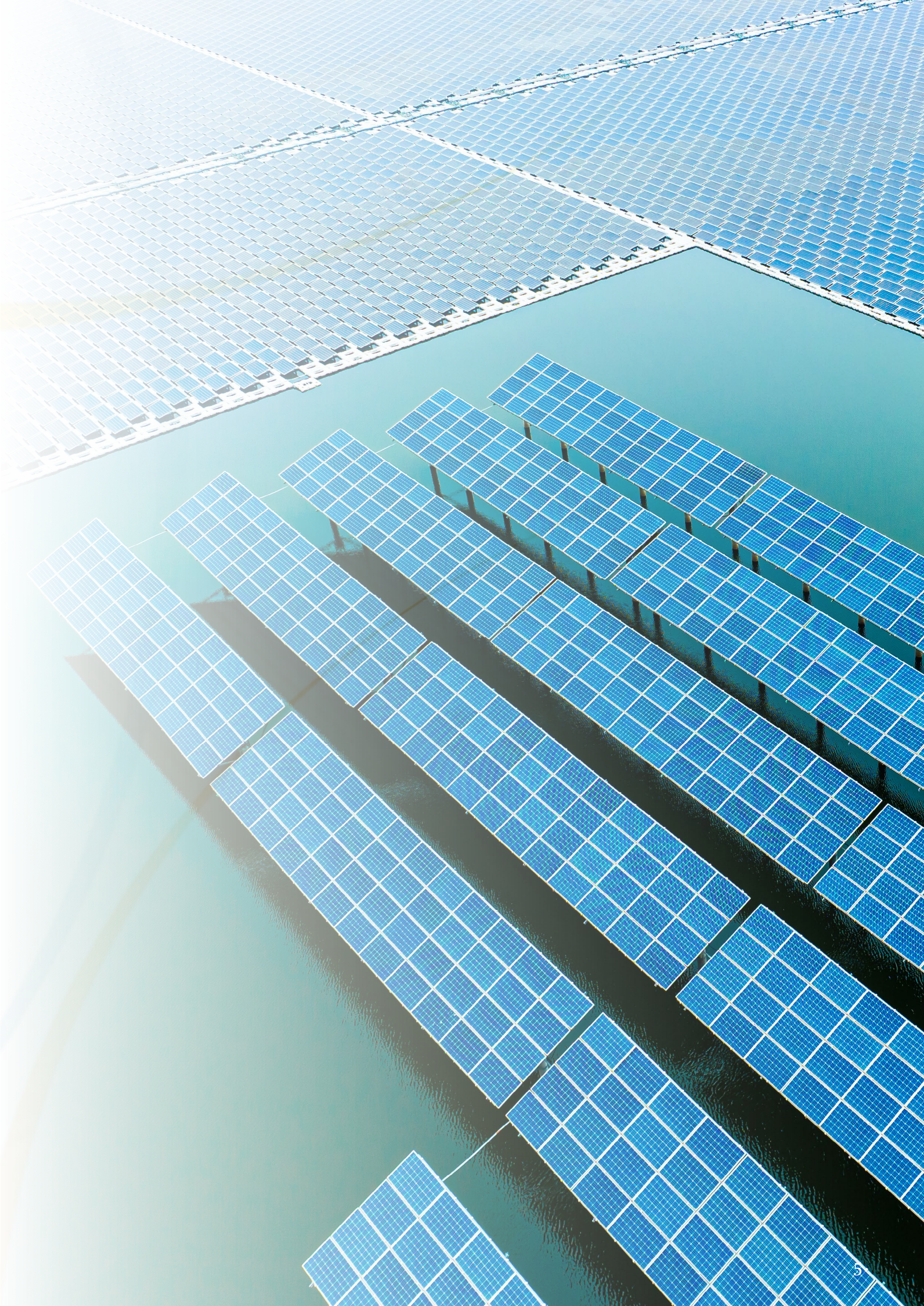
**for bios please refer to the appendix*



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Introduction

India has entered a defining period as a major world economy, marked by the convergence of optimism, ambition, and the shared vision of Viksit Bharat. Powered by the complementary strengths of the public and private sectors, this vision places sustainability at the heart of progress. It presents a dual reality: a complex challenge that demands urgent action, and a powerful opportunity to shape innovation, resilience, and long-term value.

While regulatory frameworks like CSR and BRSR have laid the foundation for corporate responsibility, the time has come to move beyond compliance. By embedding sustainability into core strategy and operating models, businesses can optimize resource use, strengthen supply chain resilience, and unlock new growth markets. In India's cost-conscious economy, companies leading this shift are already demonstrating that sustainable practices cut costs, open new revenue streams, and enhance long-term competitiveness. Sustainability, done right, is proving to be economically sound and commercially rewarding.

At the heart of this transformation lies leadership. Sustainability is not a side project; it is a test of governance maturity and strategic foresight. Leaders who embrace this agenda are not only mitigating risk but also unlocking innovative opportunities and shaping "future-ready" organizations. These are organizations that balance short-term performance with enduring impact. Boards and CEOs must champion this agenda, aligning purpose with performance and mobilizing entire organizations to act.

This report offers a blueprint for sustainability-led leadership—one that integrates purpose, vision, and business strategy. This leadership is visionary, courageous, and resilient. It challenges business-as-usual, balances short-term results with long-term outcomes, and leverages ecosystems to drive collective impact. It also draws strength from India's deep-rooted cultural ethos of stewardship and interconnectedness, reminding us that sustainability is not a foreign import, but a deeply Indian value.

The "how" of sustainability is brought to life through five compelling case studies. These showcase Indian businesses that are not just responding to sustainability pressures but redefining what it means to lead. From CEO advocacy to board-level ownership, grassroots innovation to ecosystem partnerships, these examples demonstrate the transformative power of sustainability-led leadership.

India's rise to 99th place in the 2025 Sustainable Development Report, up from 121st in 2022, signals clear momentum. It reflects the country's growing capacity to align development with sustainability. But this is just the beginning. The journey towards a more inclusive, resilient, and sustainable future will require bold leadership, shared responsibility, and unwavering commitment.

Chapter 1:

India at a Crossroads Amid a Global Crisis

The most widely accepted definition of sustainability originates from the Brundtland Commission's 1987 report, *Our Common Future,* which defines it as "meeting the needs of the present without compromising the ability of future generations to meet their own needs."[1] This definition informed the development of the UN Sustainable Development Goals (SDGs) and continues to guide many purpose-driven strategies across institutions and businesses.

The United Nations' SDGs provide a universal and integrated framework to contextualize the world's most pressing challenges and enable them to be measured, addressed and tracked. Adopted by all UN Member States in 2015, the 2030 Agenda for Sustainable Development lays out 17 interlinked goals—an urgent call to action for both developed and developing nations, grounded in the spirit of global partnership. By setting clear targets and indicators, the SDGs help governments, businesses, civil society and individuals align actions and track achievements towards a more sustainable and equitable world.[2]

The Brundtland Commission's definition offers the vision of sustainability rooted in intergenerational responsibility; the SDGs operationalize that vision through measurable goals; and the Planetary Boundaries framework translates that vision and ambition into actionable limits. It defines a set of scientifically established thresholds that mark the safe operating space for humanity, providing businesses with a concrete foundation for risk management, long-term resilience, and sustainable growth within Earth's ecological limits.[3] Increasingly, the Planetary Boundaries framework serves as a foundational, science-based lens informing global standards, widely accepted ESG frameworks, and internal tools such as risk and strategy frameworks, materiality assessments and impact valuation models.

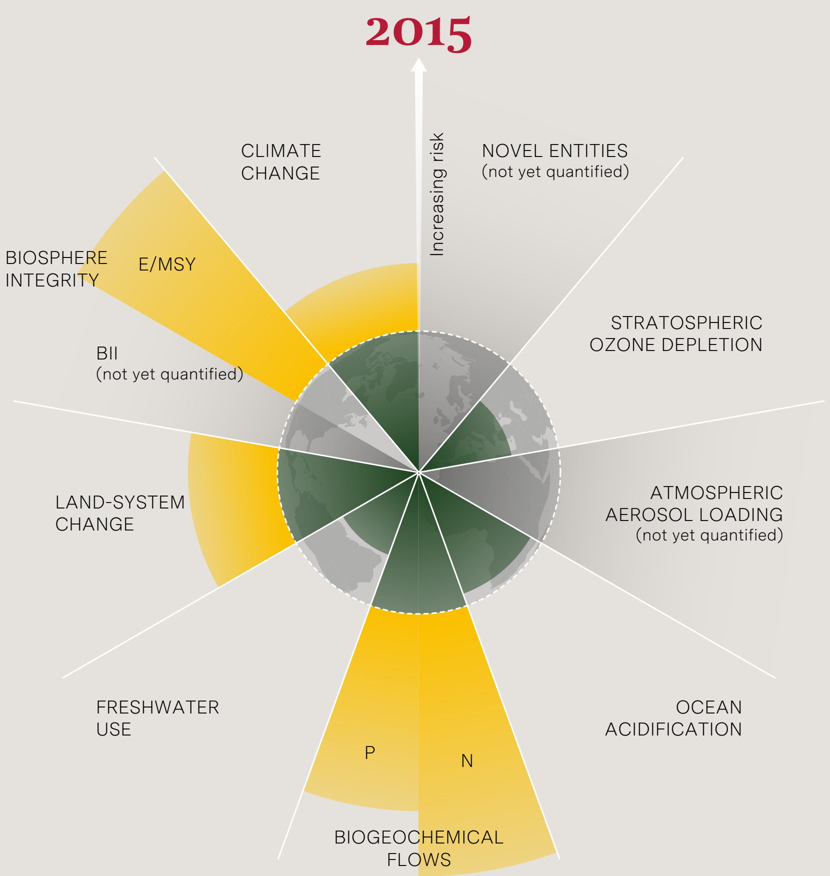
250 Years of Progress: A Cautionary Tale

In just the past two-and-a-half centuries, industrial activity, fossil fuel use, deforestation, chemical pollution and overconsumption have breached seven out of the nine planetary boundaries, including climate change, biosphere integrity, biogeochemical flows (nitrogen and phosphorus), land-system change, freshwater use, and novel entities (like plastic and chemicals).[4] The scale and pace of these changes are unprecedented in Earth's history, occurring over an unnaturally short geological time frame.

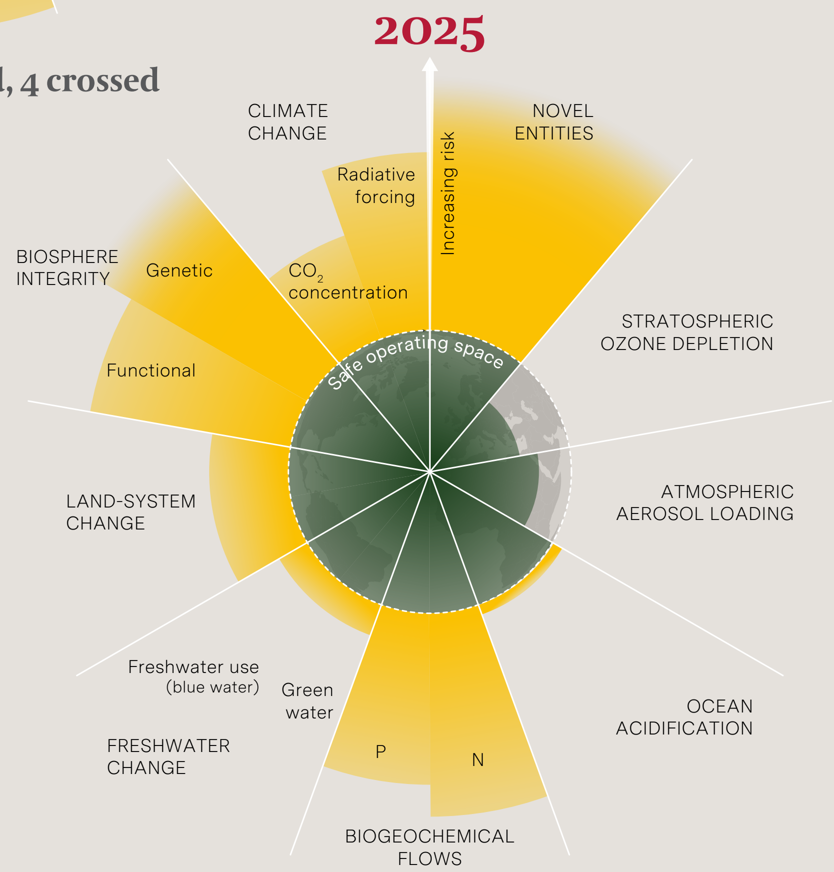
1 "Brundtland Report", World Commission on Environment and Development, 1987
2 "The 2030 Agenda for Sustainable Development", United Nations, September 2015
3 "Brundtland Report", World Commission on Environment and Development, 1987; "Planetary boundaries", Stockholm Resilience Centre, 2023
4 "Planetary boundaries", Stockholm Resilience Centre, 2025

Figure 1:

Planetary Boundaries: The shrinking 'safe operating space' for business and society



7 boundaries assessed, 4 crossed



9 boundaries assessed, 7 crossed

Credit: Azote for Stockholm Resilience Centre, Stockholm University. Based on analysis in Sakschewski and Caesar et al. 2025, Steffen et al. 2015

Overproduction and overconsumption continue to strain the Earth's finite resources at a rate approximately 1.7 times faster than the planet can regenerate them each year.[5] In just the last 50 years, we have generated massive amounts of waste, much of it without considering sustainable disposal methods. Instead, these waste materials have been released into the global environment, accumulating across ecosystems. This growing burden threatens the very foundations of life we depend on: clean air, safe water and food security—all of which rely on stable and resilient climate systems.

As we discuss the responsibilities of developed nations and the rights of developing and emerging markets to pursue industrialization, it is crucial to acknowledge that the sustainability challenges we face today are global in nature and common to all. The rapid growth of industries can exacerbate the stress already placed on our planet, leading to increased natural disasters and ecological degradation. This reality underscores the need for a dual approach: we must prioritize sustainable practices that protect the environment while also supporting economic growth. Collective action is essential to address these pressing issues and ensure that development does not come at the expense of our planet's health.

History has shown that when faced with existential threats, the global community can rise to the occasion. The Montreal Protocol, which successfully curbed ozone-depleting substances, and the rapid scale-up of renewable energy technologies are powerful reminders that coordinated action can yield transformative results. These green shoots offer hope that we can still course-correct, if we act intentionally and decisively.

> "The Montreal Protocol succeeded because everyone worked together—governments setting fair rules, scientists guiding decisions, international institutions providing support, and industries such as air conditioning and refrigeration making bold technological shifts. That alignment turned an existential threat into one of the world's most successful collective actions, with outcomes that include millions of skin cancer cases prevented and 0.5°C of global warming averted by 2100. This also shows the Protocol's long-lasting impact, as without it, CFC emissions alone would add roughly half a degree in a century when the world must stay within the 1.5°C Paris Agreement goal."

Atul Bagai
Board Director / Advisor on Sustainability Strategy & Systems Change

[5] "How many Earths? How many countries?", Earth Overshoot Day, 2013

Deepening Global 'Grievance Crisis'

Although sustainability has gained significant prominence in global discourse over the past five years, many passionate advocates have become disillusioned by recent announcements from major corporations retracting their public commitments, particularly those related to diversity, equity and inclusion (DEI), and climate action targets. Compounding these challenges are growing geopolitical tensions that threaten global stability, prompting nations to prioritize self-reliance and security in their supply chains.

Against this backdrop, the world appears to be entering a "grievance crisis," according to the 2025 Edelman Trust Barometer, with a significant shift in public sentiment marked by widespread dissatisfaction and distrust towards institutions such as government and business. Nearly 70% of global respondents believe that leaders deliberately mislead the public, pushing trust in leadership to an all-time low. Equally concerning, only 36% believe the next generation will be better off than today's—a disheartening signal that sustainability is increasingly seen as a lost cause, and grievance is becoming the new norm.[6]

India as an Outlier Buoyed by Economic Growth

Interestingly, the 2025 Edelman Trust Barometer reveals that respondents in India show comparatively higher levels of trust in their leaders and institutions than many other countries. This relative optimism suggests a unique foundation for sustainable development in India, indicating that belief in collective progress still holds strong.

Despite global economic headwinds, India stands out as one of the fastest-growing major economies. In May 2025, NITI Aayog CEO BVR Subrahmanyam announced that India has achieved a significant milestone, becoming a US$4 trillion economy and ranking as the world's fourth-largest economy in nominal terms.[7] As India looks ahead to the centenary of its independence in 2047, the nation stands at a pivotal crossroads, aspiring to transition from a developing country to "Viksit Bharat": *India as a developed nation characterized by robust infrastructure, high per-capita income and global technology leadership.*[8]

This ambition is underpinned by a policy framework that seeks to integrate economic growth with sustainability and social inclusion. India's commitment to the UN 2030 Agenda for Sustainable Development is evident through the SDG India Index, developed by NITI Aayog, which benchmarks state-level progress and promotes competitive federalism. The National Guidelines on Responsible Business Conduct (NGRBC), released by the Ministry of Corporate Affairs in 2019, serve as India's official sustainability framework, aligning business practices with global norms. The NGRBC principles emphasize ethical governance, respect for human rights, environmental stewardship and inclusive growth, reinforcing that economic progress must be underpinned by accountability and sustainability.[9] The Business Responsibility and Sustainability Report (BRSR), mandated by SEBI for the top 1,000 listed companies, is based on these principles.[10]

Notably, India is among the first G20 nations to have met its Paris Agreement commitments, including surpassing the target of achieving 40% of its installed electricity capacity from non-fossil fuel sources nearly a decade ahead of schedule.[11] This milestone is part of a broader national effort to align economic growth with sustainability goals. India's approach spans multiple dimensions—from clean energy and green industrialization to digital public infrastructure, to inclusive development and circular economy initiatives—reflecting a commitment to long-term resilience and alignment with the SDGs.

[6] "Global Report Trust and the Crisis of Grievance", 2025 Edelman Trust Barometer, 21 January 2025
[7] "India overtakes Japan to become fourth largest economy, says NITI Aayog; $4 trillion GDP milestone achieved", India Times, 25 May 2025
[8] "India's 2047 Vision Aims to Transform Country into Hub of Innovation, Sustainable Growth: PM Modi", Outlook Business, 25 April 2025

[9] "MCA releases national guidelines on responsible business conduct", Press Information Bureau, Government of India, Ministry of Corporate Affairs, 13 March 2019
[10] "Business Responsibility and Sustainability Reporting by listed entities", SEBI Circular, 10 May 2021
[11] "India first among G-20 nations to meet Paris Agreement goals, says PM Modi," The Tribune, 11 February 2025

"Embedding global sustainability commitments into national laws and policies is essential to ensure accountability, prevent regression, and strengthen country ownership. International cooperation further enables evidence-based implementation, knowledge exchange, and robust data systems. SDG 17 on partnerships is central to this effort, bringing together governments, business, and civil society to achieve mutually beneficial outcomes. For instance, public-private partnerships are a critical enabler, already advancing projects in energy/resource efficiency, circular economy models, and system-adapted climate strategies."

Atul Bagai
Board Director / Advisor on Sustainability Strategy & Systems Change

Charting a Uniquely Sustainable Path to Economic Convergence

To achieve its 2047 vision, India has a solid platform to sustainably deliver on the three critical areas that serve as cornerstones for economic convergence with developed nations:

Human Capital is the bedrock of India's transformation. With an estimated 50% of the working-age population engaged in formal employment, there is significant room for growth.[12]

Prioritizing youth employment and skill development alongside manufacturing expansion will be vital. Furthermore, enhancing workforce inclusion can drive substantial economic benefits, potentially adding up to 1% in annual GDP growth by increasing women's participation from around 35.6% today to 50%.[13]

Knowledge Capital presents a rare opportunity for India to converge with developed economies without replicating their carbon-intensive growth models. Because economic growth is heavily reliant on asset heavy and hard-to-abate sectors (such as metals, cement, energy and infrastructure), this requires rethinking growth models and solving for sustainability at the very outset. Sustainability must be a nonnegotiable "design principle" at this critical inflexion point for the country, as we build out new industrial capacities and supply chains in EVs, renewables, aerospace, defense and electronics.
This will require a step-change in R&D investment and fostering innovation ecosystems, including access to affordable capital for start-ups and MSMEs, even for small-ticket projects. India's current R&D spending stands at around 0.7% of GDP, indicating significant potential to ramp up R&D investments towards the global average of 2.3%.[14]

Physical Capital is fundamental to India's economic growth and progress towards sustainable development. Significant investments in transportation, logistics and digital connectivity have already laid the groundwork for industrial output and job creation. As infrastructure development continues, it is essential to adopt a "do no harm" principle, ensuring that projects are designed and executed with sustainability in mind. This approach will help mitigate environmental and social costs, ultimately reinforcing India's commitment to long-term development while avoiding ecological degradation and deepening inequality.

Policy Enables–And Business Must Step Up To Deliver

According to World Bank estimates, enhancing India's investment-to-GDP ratio from around 33.5% today to 40% will be key to achieve its 2047 Viksit Bharat ambition. Public sector investment alone is unlikely to close this gap, requiring private sector participation and ease of capital access. While the public sector plays a critical role in enabling growth, its capacity to expand output and investment is constrained by fiscal pressures and the need to maintain macroeconomic stability. Meanwhile, the private sector—accounting for nearly 60% of India's GDP—is central to driving innovation, employment and sustainable development. This makes it not just a beneficiary, but also a principal agent in shaping India's long-term trajectory.[16]

India's vision of sustainable growth rests on both the public sector's regulatory architecture and private sector adoption. Public sector efforts to address systemic sustainability challenges typically focus on policies, financing mechanisms and institutional support needed to scale up SDG-aligned interventions. In line with this focus, India has built a strong policy base for sustainable business practices, including frameworks such as Extended Producer Responsibility (EPR), plastic bans, renewable energy targets, Zero Liquid Discharge (ZLD) mandates and environmental clearance norms.

Policies such as EPR and ZLD are fostering a developing ecosystem for sustainable technologies, incentivizing private investment, driving innovation and encouraging early adoption. With increased uptake, technologies mature and costs naturally decline—as evidenced by the trend in renewable energy, where solar power in many use cases has dropped to as low as half the cost of power from new coal-powered plants.[17]

[12] "Labor Force Participation Rate, Total (% of Total Population Ages 15+) (Modeled ILO Estimate), India", World Bank Open Data
[13] "India: Accelerated Reforms Needed to Speed up Growth and Achieve High-Income Status by 2047", World Bank, 28 February 2025; "Exclusive | India's Future Growth: World Bank's Anna Bjerde highlights investment, gender equality and renewable energy," CNBC TV18, 7 March 2025

[14] "Research and development expenditure (% of GDP) – India", World Bank, April 2025
[15] "India: Accelerated Reforms Needed to Speed up Growth and Achieve High-Income Status by 2047", World Bank, 28 February 2025
[16] "National Accounts Statistics 2024", Ministry of Statistics and Programme Implementation (MoSPI), Government of India, 16 May 2024
[17] "India, a major user of coal power, is making large gains in clean energy adoption. Here is how", The Associated Press, 20 February 2024

"While EPR may seem daunting to some, it is essential for companies to fulfill their obligations or risk losing the ability to sell their products. Neglecting EPR responsibilities can lead to severe environmental consequences. Companies should recognize the long-term benefits and not just see the immediate costs. A shift in mindset towards sustainability is not just beneficial for the environment, but also crucial for the long-term success and viability of businesses."

Shailesh Haribhakti
Non-Executive Chairman & Independent Director on multiple Boards

Public-Private Collaboration as a Catalyst

Translating policy into impact requires more than regulation. It demands effective collaboration between government and industry. India has demonstrated how policy clarity and institutional mechanisms can create the conditions for private sector innovation and scale.

A standout example is the Solar Energy Corporation of India (SECI), a public sector entity that has played a pivotal role in scaling renewable energy through transparent auctions, long-term power purchase agreements (PPAs) and risk mitigation mechanisms. SECI's model illustrates how government leadership can create enabling market structures that the private sector can confidently build upon, delivering transformative results at scale.

Another strong example is JSW Group's large-scale green hydrogen steel pilot project at its Vijayanagar plant in Karnataka. It was announced in 2022 following the Union Budget 2021, which introduced the National Green Hydrogen Mission.[18] This initiative has helped create enabling market conditions, with the project benefiting from government support in the form of incentives, subsidies and regulatory backing aimed at reducing costs and improving financial viability. To further strengthen policy support for green steel, India's leadership in defining a Green Steel Taxonomy marks a global first, offering a clear and standardized framework for classifying low-emission steel.[19]

Business Case for Private Sector Sustainability Pioneers

As the largest contributor to India's GDP, private sector activities have significant impact on multiple SDGs, for better or for worse. Ensuring "net positive" impact of business activities can reap dividends, whereas negative external impact can become a debilitating business risk and liability.

[18] "Corporate Presentation", JSW Energy, February 2022
[19] "Union Minister of Steel and Heavy Industries, Shri H.D. Kumaraswamy, Releases India's Green Steel Taxonomy", Ministry of Steel, 12 December 2024

In their book "Net Positive", former Unilever CEO Paul Polman and sustainable business guru Andrew Winston outline five principles that underpin a net positive business—taking responsibility of the company's impacts on the wider world; focusing more on the long term (while seeking good results in all time frames); serving multiple stakeholders and putting their needs first; embracing collaboration and transformative change beyond the company; and, as a result of all this work, providing shareholders with solid returns.

Businesses that are early movers benefit most from the transition to sustainable technologies and operating models. While early-stage government incentives (where applicable) can help partially offset initial capital burdens, they represent just one aspect of the overall benefits that can be achieved. Businesses that act quickly begin to develop internal expertise, build institutional memory and establish best practices ahead of their peers. They foster stronger relationships with suppliers, influence product specifications, and often gain preferred access to technology pilots, customization and after-sales support.

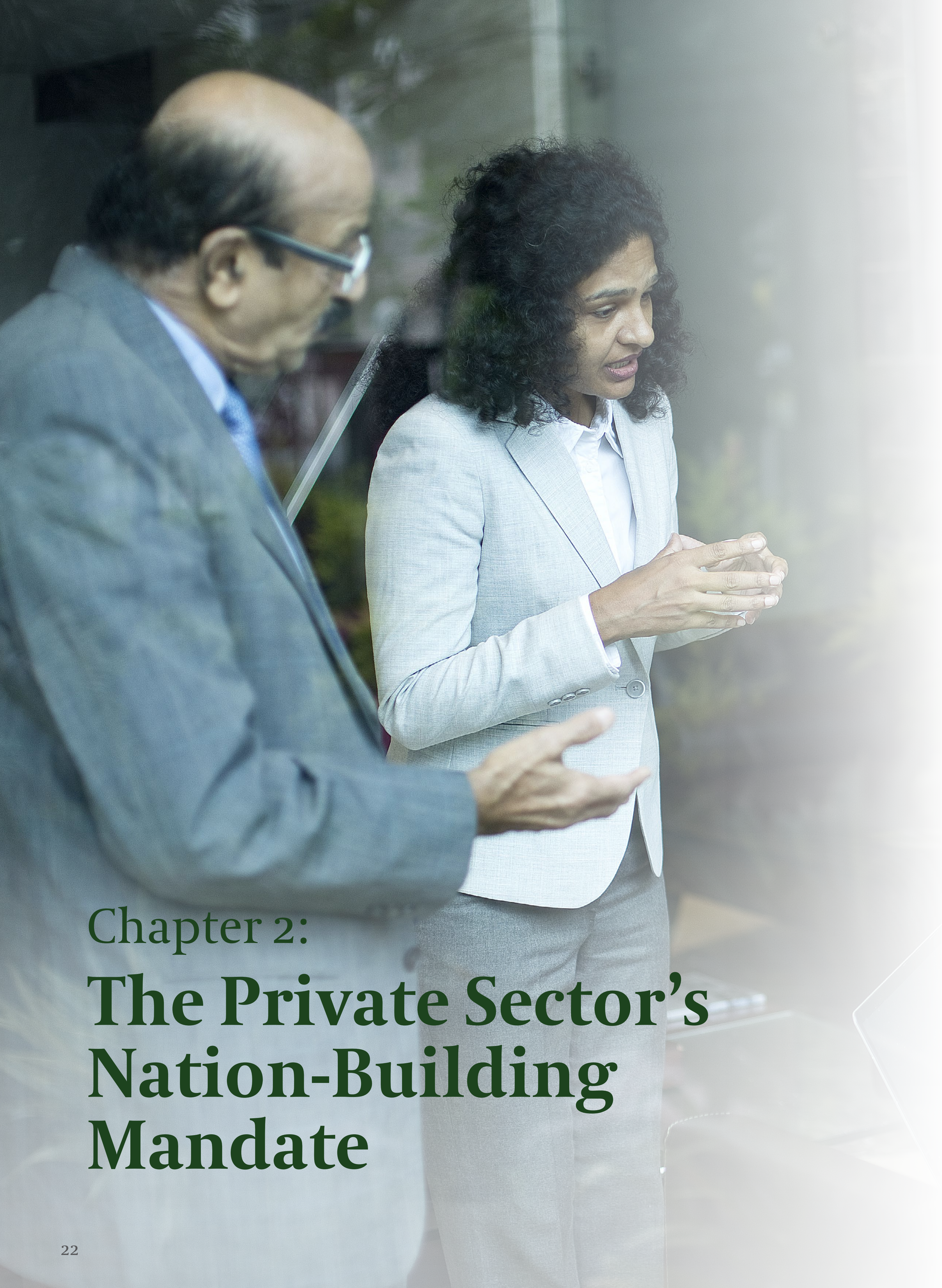
This early engagement enables them to climb the learning curve more rapidly, optimize deployment and reduce lifecycle costs through operational efficiency. Over time, they become adept at planning, installing, managing and extracting value from these technologies, which is a proficiency that newer entrants will take years to achieve. Importantly, early adopters signal market leadership to investors, customers and talent. They help shape industry norms, establish a strong reputation and are better positioned to influence future regulations and partnerships.

In contrast, late movers often make an entry when unit economics improve due to wider adoption over time, or they may be compelled by market forces to make the shift. A significant risk in this scenario is the need to prematurely retire or retrofit conventional infrastructure that hasn't yet recovered its investment. Businesses in this position are frequently seen as laggards, operating outdated, inefficient and environmentally harmful systems, which can erode brand value, strain stakeholder relationships and lead to compliance or market access issues.

The current growth landscape in India presents a rare window for private sector businesses to leapfrog by building capabilities, industries and supply chains from the ground up. This makes it the right time for Boards and executive leaders to define growth roadmaps that embed sustainability at the core, enabling businesses to operate with a net positive impact. Doing so will involve understanding the broader development context and connecting their company's actions to long-term national and global goals, especially as there will be policy support here. It also means making decisions that strike a balance between delivering short-term performance and building long-term resilience. *This requires leaders who can bridge operational detail with strategic foresight, moving early on emerging opportunities and setting their organizations up to lead in markets that are rapidly shifting towards sustainability, transparency and impact.*

"Industry is central to economic well-being, contributing sector expertise, entrepreneurship, and market insights unique to each country. When government listens and business contributes, they align what's needed with what's feasible to shape enabling policies and instruments. The dynamics of economic diversification and trade are shaped by this collaboration, rooted in realities only industry can fully articulate. Collaboration within industry also helps overcome sustainability barriers through innovation, as shown in the Baker McKenzie Race to Net Zero report where leaders are even working with competitors to accelerate progress."

Atul Bagai
Board Director / Advisor on Sustainability Strategy & Systems Change



Chapter 2:

The Private Sector's Nation-Building Mandate

India is experiencing a unique convergence of factors: domestic growth potential, global decarbonization pressures, shifting supply chains, a competitive workforce, scalable cost advantages and geopolitical realignment. Together, these elements present a two-pronged strategic path for private sector advancement.

With one of the world's largest consumption-driven markets, India has the internal scale to sustain economic momentum, even if global demand weakens or supply chains become more regionalized. At the same time, India is well-positioned to capitalize on China Plus One strategies, emerging as a viable hub for global manufacturing, services and digital innovation. If realized, this could unlock outsized upside by integrating India more deeply into global value chains.

Even if global tailwinds falter, "India for India" remains a powerful engine of growth, driven by rising urbanization, infrastructure build-out, industrial expansion and aspirational domestic consumption, especially in underpenetrated regions. The opportunity also offers strategic security in an increasingly uncertain global environment characterized by trade restrictions, supply chain shocks, resource nationalism, currency volatility, security concerns and environmental risks. By developing robust and sustainable domestic value chains that cater to India's large domestic market, companies can reduce their dependence on global suppliers, pricing cycles and geopolitical tensions.

Strengthening India's Local Supply Chains

India's trade deficit highlights areas where domestic demand is rising but industrial capacity is still catching up. This gap presents a concrete opportunity for manufacturing-focused sectors to invest in upstream integration, build local supply chains and reduce import dependency. Sectors such as industrial electronics, semiconductors, auto components, battery cells (EV and grid storage), precision capital goods, specialty chemicals, industrial machinery and renewable energy equipment stand to gain significantly.

Local supply chains in many of these sectors remain underdeveloped, offering Indian industry a unique opportunity to move beyond "build-to-print" models and develop proprietary technologies and globally competitive capabilities. Initiatives like Atmanirbhar Bharat, PLI schemes and Make in India are helping pave the way by creating long-term policy certainty, market access and investment momentum.

Companies that scale capacity in these areas can improve margins, reduce exposure to global supply shocks and position themselves for significant growth as strategic partners in India's self-reliance agenda. **As India builds out industrial capacity in these areas, it will bode well to embed sustainability from the outset**—doing so supports lowest-cost-country positioning, strengthens operational resilience against environmental and regulatory risks, and enhances brand value as a source of trust and differentiation with customers, investors and global partners.

Indian Business Houses Are Paving the Way

India's leading conglomerates are making significant investments in future-facing sectors such as EVs, semiconductors and renewable energy, laying the groundwork for strategic self-reliance. With entire value chains being built from the ground up, businesses are entering long-gestation, capital-intensive commitments that demand financial investment, technological depth and strategic foresight. Once locked into these long-term pathways, the risk of emerging disruptors (whether regulatory, environmental or technological) becomes materially significant. This makes it critical for business leaders to proactively assess and manage material sustainability risks as a core part of safeguarding capital investment and operational continuity.

As an example, climate vulnerability is no longer just an environmental issue—it has become a material economic and operational risk. Erratic monsoons, extreme heat, water scarcity, and natural disasters are already affecting agriculture, logistics, infrastructure and labor productivity. Running out of fresh water or facing chronic power instability could undermine competitiveness and stall industrialization. Supply chains will avoid regions lacking resource resilience, and businesses perceived as climate-exposed and unprepared may struggle to secure insurance, financing and international investment.

Furthermore, the frequency and intensity of ecological disruptions—such as floods, cyclones, and wildfires—have surged in recent years, placing immense pressure on communities and businesses. These events disrupt daily life and economic activity, strain infrastructure and damage physical capital. This has serious implications for supply chains and long-term economic resilience, particularly in sectors dependent on regional stability, transport networks and consistent labor availability. For instance, both coasts of the Indian Peninsula—home to major port states and industrial hubs—were hard hit in 2024. Cyclone Fengal disrupted port operations along the Tamil Nadu coast, delaying shipments and affecting trade.[20] Similarly, Cyclone Asna caused floods in Gujarat, disrupting businesses and supply chains.[21]

This underscores why sustainability must become a core leadership agenda—demanding foresight, accountability and action across every dimension of business strategy, from risk management to innovation and investment.

[20] "Cyclone Fengal hits Tamil Nadu: Disrupts airport, beaches, coastal areas, and causes waterlogging", Times of India, 30 November 2024

[21] "Cyclonic storm Asna intensifies over Kutch coast", Times of India, 31 August 2024

India for the World: Underpinned by Accountable Sustainability

International regulatory frameworks such as the UK Environment Act and Modern Slavery Act, as well as the EU's Carbon Border Adjustment Mechanism (CBAM), Sustainable Finance Disclosure Regulation (SFDR), Corporate Sustainability Due Diligence Directive (CSDDD), and Deforestation Regulation signal a broader shift towards accountable sustainability in global trade. These policies go beyond carbon—they also address deforestation, human rights and responsible sourcing across supply chains. For instance, the CSDDD will require companies to ensure supply chain due diligence, including attention to labor standards and human rights, while the EU's Deforestation Regulation seeks to eliminate products linked to deforested or degraded land from entering the European market. Notably, the EU was the second-largest destination for Indian exports in 2023–24, representing 17.5% of India's total exports to the tune of nearly US$100 billion.[22]

Multinational companies (MNCs) sourcing from India are also tightening sustainability expectations across their supply chains—both to meet their own SDG-linked targets, and to mitigate reputational and operational risks. This means that even in the absence of formal regulatory pressure, serving these markets increasingly depends on demonstrable sustainability performance.

For India—whose exports span carbon-intensive industries, agriculture and natural resource-based manufacturing—noncompliance could mean loss of market access, increased reputational risk and higher cost of capital. Even if some jurisdictions delay enforcement of regulations, the direction firmly points toward compliance with sustainability standards as a baseline requirement for global trade, investment and supply chain participation.

Looking ahead, business success will depend on navigating geopolitical shifts, aligning with global sustainability expectations and embedding SDG-linked priorities into core strategy. This will be essential for building self-reliant, resilient and globally competitive supply chains from India. ***It calls for visionary, courageous and adaptive leadership—business owners committed to building legacy institutions rooted in integrity, and CEOs who see the big picture and think long term to scale organizations that will stand the test of time.***

[22] "India's FY24 Goods Exports to Europe Highest in a Decade", Fortune India, 16 July 2024

Figure 2:

Key questions boards and executive leadership should be asking

1

What do our materiality assessments reveal about long-term sustainability risks—and opportunities for value creation?

2

Are we mitigating risk at the outset, or reacting once systems and capital are already locked in?

3

Do we run the risk of losing our license to operate—socially, environmentally, or reputationally?

4

What do changing weather patterns tell us about the future of operations, logistics, input availability and location strategy?

5

Are we designing our systems to minimize waste, emissions and freshwater use—and more importantly, can we turn those reductions into new business models or efficiency gains?

6

How might circular design, industrial symbiosis or material recovery open up new revenue streams or reduce dependency on volatile raw material inputs?

7

Are we evaluating the impact of our operations on biodiversity and land use, and how exposed are we to future restrictions on high-impact land practices?

8

How are we preparing for climate adaptation, not just mitigation—especially in supply chains, infrastructure and workforce health?

9

What are the growing expectations from regulators, financiers and customers—in India and globally—on transparency, climate action and ESG delivery?

Source: Egon Zehnder

Chapter 3:

Transcending the Compliance Ceiling

India's recent strides in institutionalizing corporate sustainability marked by the introduction of the Business Responsibility and Sustainability Reporting (BRSR) framework and a long-standing commitment to Corporate Social Responsibility (CSR) reflect an encouraging shift in regulatory intent and corporate ethos. These initiatives signal that the language of sustainability is no longer peripheral to business, but increasingly central to its legitimacy and performance.

Yet, it is essential to distinguish form from function. BRSR, while a significant advancement in disclosure, is primarily a mechanism for reporting. Similarly, though CSR is a hallmark of important engagement, it is often compartmentalized rather than integrated into core strategy. Both frameworks serve as vital stepping stones, but neither on their own can deliver the transformation depth required to embed sustainability into the heart of business purpose.

BRSR: Reporting, Not Responsibility—Yet

The introduction of SEBI's BRSR framework in FY24 marked a significant regulatory milestone for India Inc. Applicable to the top 1,000 listed companies by market capitalization, the mandate reflects a broader shift towards formalizing business sustainability considerations within corporate disclosure frameworks.

At its best, BRSR represents a structured and forward-looking approach to aligning Indian businesses with evolving global standards. The framework encompasses a wide range of nonfinancial disclosures—from greenhouse gas emissions and energy consumption to labor practices, supply chain ethics and boardroom diversity. Its implementation signals growing recognition that business performance must now be evaluated not only by financial outcomes, but also by its impact on stakeholders and the environment.

While the introduction of mandatory sustainability reporting is a positive development, mandating disclosure is not the same as driving change. Given that BRSR has only recently come into effect, it is understandable that the initial focus for many companies has been on meeting compliance requirements. Yet, this early emphasis on reporting should not lead to complacency. Over time, the framework must evolve from a regulatory obligation into a strategic tool that informs decision-making and drives measurable impact. Without this shift, there is a risk of superficial engagement with sustainability principles, over-reliance on nonstandardized metrics and a dilution of credibility, potentially undermining the purpose of the initiative and opening the door to greenwashing.

Furthermore, Micro, Small & Medium Enterprises (MSMEs)—which form the backbone of the Indian economy—as well as unlisted companies are currently outside the scope of BRSR. With revenues ranging from ₹5 crore to ₹250 crore, MSMEs contribute approximately 30% to India's GDP through Gross Value Added (GVA), employ over 110 million people,[23] and account for nearly 46% of the country's exports.[24]

[23] "MSMEs account for 30% of GDP, employ over 110 million: Call for a balanced regulatory approach", ET Government (The Economic Times), 1 August 2024
[24] "MSMEs: The Backbone of India's Economic Future", Invest India, 28 June 2024

While not directly subject to BRSR, many MSMEs are increasingly impacted indirectly, particularly those serving as suppliers to larger corporations undergoing ESG audits. However, widespread capacity and knowledge gaps hinder their ability to meet these evolving expectations, posing risks of lost business or reputational harm despite genuine intent. As sustainability requirements cascade through supply chains, building ESG readiness across the MSME ecosystem will be critical.

India's decision to make sustainability reporting mandatory is notable, especially when compared to jurisdictions where such practices remain largely voluntary or market-led. Yet this also presents a risk: if BRSR is seen purely as a compliance obligation, it may reinforce short-termism and checkbox reporting rather than fostering a culture of strategic, impact-oriented sustainability. *To avoid this, Indian businesses must address key enablers: improving data quality and standardization, strengthening internal governance and cultivating leadership that views sustainability not just as risk management, but as an avenue for long-term value creation. Ultimately, the goal should be to evolve from asking:* ***"What are we required to report?" to "What are we responsible for improving?"***

CSR: A Cornerstone of Generosity

India stands out as a global leader in Corporate Social Responsibility (CSR). In 2013, it became the first country in the world to legally mandate CSR spending (under Section 135 of the Companies Act), ensuring that the private sector plays an active role in the nation's developmental agenda. Companies with a net worth of ₹500 crore+, turnover of ₹1,000 crore+, or net profit of ₹5 crore+ are required to spend 2% of their average net profit over three years on socially beneficial initiatives.[25]

This has undoubtedly made a real difference, transforming corporate giving from a voluntary act of goodwill into a statutory obligation, catalyzing one of the largest pools of philanthropic capital anywhere in the world. Thanks to this, Indian corporations have played a vital role in nation building, having collectively funneled thousands of crores into education, health, skill development and more. Foundations like the Tata Trusts, Infosys Foundation, Reliance Foundation, Azim Premji Foundation and Shiv Nadar Foundation are among Asia's largest and most impactful philanthropic institutions.[26] Their work in areas like public health, rural development and education is often more effective and certainly more scalable than that of many governments. Several Indian companies have taken a lead in using CSR as a force for social transformation backed by substantial financial commitments.

[25] "CSR in India: A Statutory Mandate under the Companies Act, 2013", Ministry of Corporate Affairs, Government of India, CSR Portal, 2024
[26] "The 50 Largest Asian and Global Institutional Philanthropies", The Bridgespan Group, 2023

Understanding the Structural Boundaries of CSR

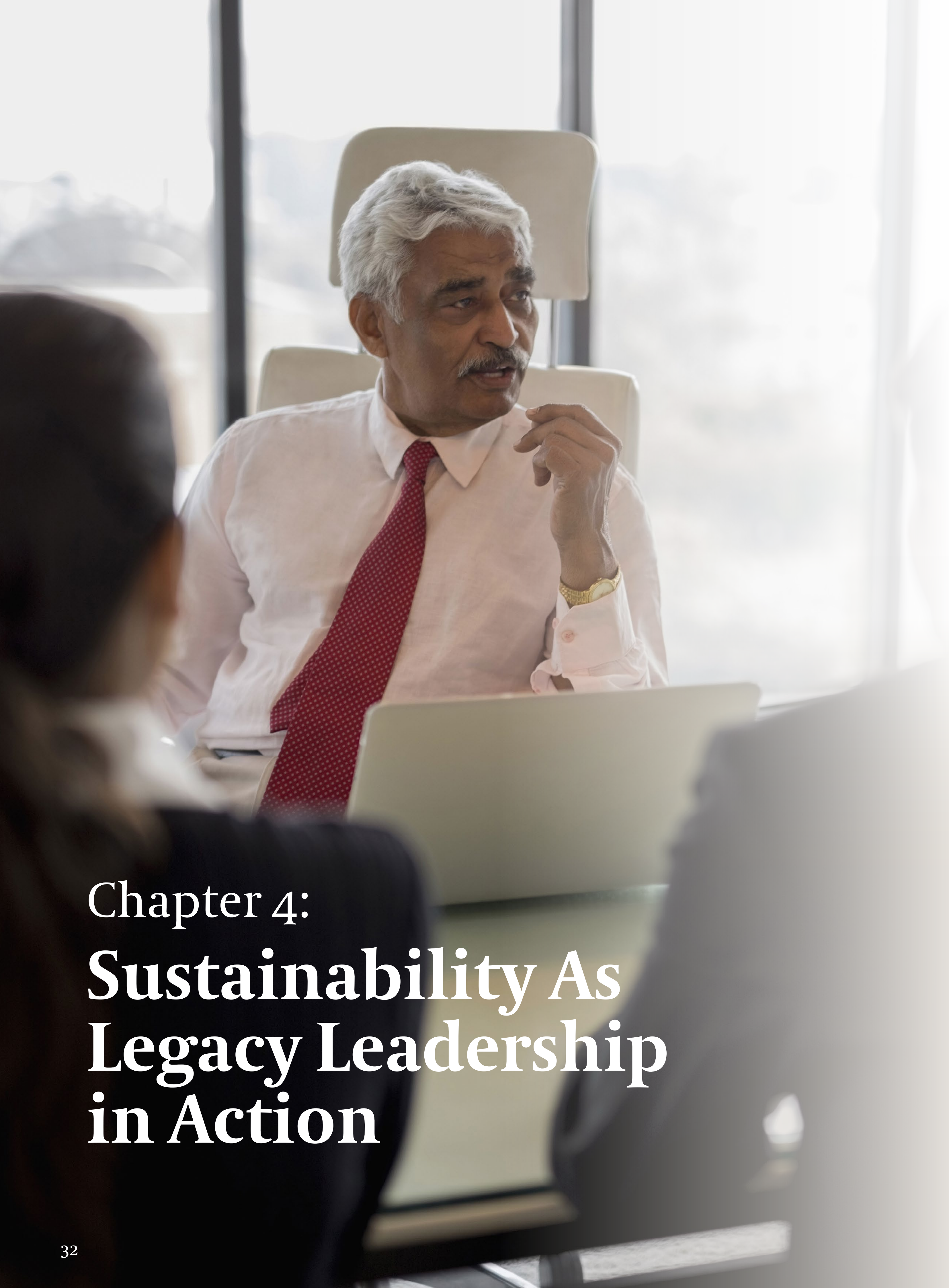
CSR in India is not a token effort—it has become a genuine force for good, channeling significant resources into education, healthcare, community development and environmental conservation. That said, it is important to recognize its structural limitations. CSR and sustainability, while often used interchangeably, serve fundamentally different purposes.

CSR is philanthropic in nature and, by regulatory design, is required to remain separate from a company's core business operations to avoid conflicts of interest. **The Companies (CSR Policy) Rules 2014 state that "CSR does not include activities undertaken in pursuance of normal course of business of the company."**[27] As a result, CSR activities are often executed through, or jointly with third parties such as NGOs, trusts or implementing agencies, further distancing CSR from the company's operational decisions and long-term strategic direction.

While companies are making positive strides through CSR, the structural disconnect between CSR initiatives and core business operations prevents organizations from fully leveraging their business activities to benefit society and the environment. Because CSR is kept separate from operational strategy, companies can meet CSR mandates and engage in social initiatives, yet still inadvertently contribute to environmental or social harm through their core operations. As a result, CSR often remains an additive approach rather than a transformative one. It facilitates giving back but does not inherently drive operational change or mitigate negative externalities.

While noble philanthropic efforts play an important role in supporting communities, they cannot fully substitute the need for responsible business practices. CSR alone is unlikely to address the challenges posed by supply chain issues, manufacturing processes, logistics or financial practices. It is also unlikely to sufficiently tackle concerns related to labor standards, waste management or carbon-intensive growth. This makes it essential for Indian companies to embed sustainability into their strategy and core operations to ensure business viability.

[27] The Companies (Corporate Social Responsibility Policy) Rules, 2014 notified on 27-02-2014 (inclusive of all amendments), India Code



Chapter 4:
Sustainability As Legacy Leadership in Action

Sustainability Secures the Future of Business

Sustainability is central to long-term business continuity, operational resilience and stakeholder value. It is neither a peripheral concern, nor an extension of corporate philanthropy. While compliance frameworks like BRSR and mandatory CSR contributions have helped mainstream the discourse, they are only the starting point. For sustainability to deliver real impact, it must move beyond regulatory mandates and become embedded in how businesses operate, make decisions and define their purpose.

Many organizations still view sustainability as a "nice-to-have" or often associate it solely with CSR activities. However, this perspective may overlook the importance of addressing the company's own environmental and social impact directly. True sustainability demands that businesses look inward at resource usage, emissions, supply chains, labor practices and their long-term impact on ecosystems—as well as outward, at the broader social, environmental and economic systems they influence and depend on.

Figure 3:

Supplementary contributions (CSR) vs. systemic change (sustainability)

CSR	Sustainability
· Philanthropic and compliance-driven	· Focused on long-term environmental, social and economic impact
· Enhances corporate reputation	· Ensures business viability through integrated sustainable practices
· Often supplementary to business strategy	· Embedded into core business strategy and operations
· Measured through qualitative assessments	· Tracked using quantitative metrics and standardized reporting
· Involves external stakeholders / third-party organizations like NGOs and NPOs	· Engages employees, investors and supply chain partners, as well as the broader ecosystem
· Impact limited by CSR budget	· Realigns company-wide investments and resource allocation

A sustainability-led business strategy that actively reduces negative external impacts enables companies to stay ahead of tightening regulations, builds adaptability into their operating models and avoids the hidden costs of operational shocks. This is particularly critical in today's environment, where water scarcity, extreme weather events and resource conflicts increasingly disrupt operations, supply chains and local acceptability. While ignoring these costs may provide short-term margin gains, doing so ultimately creates significant structural vulnerabilities over time. Companies may also be leaving money on the table as adopting sustainable technologies and models can create new avenues for revenue growth and bring down operating costs, among other benefits.

Sustainability, at its core, is a strategic lens for how a business survives and thrives in a resource-constrained, risk-intensive world. It influences how companies design products, source materials, manage talent and engage with communities. When fully embedded, sustainability shapes capital allocation, supply chain choices, innovation priorities and even customer relationships. It is not a parallel track but intrinsic to the way a company thinks about growth, continuity and long-term value creation.

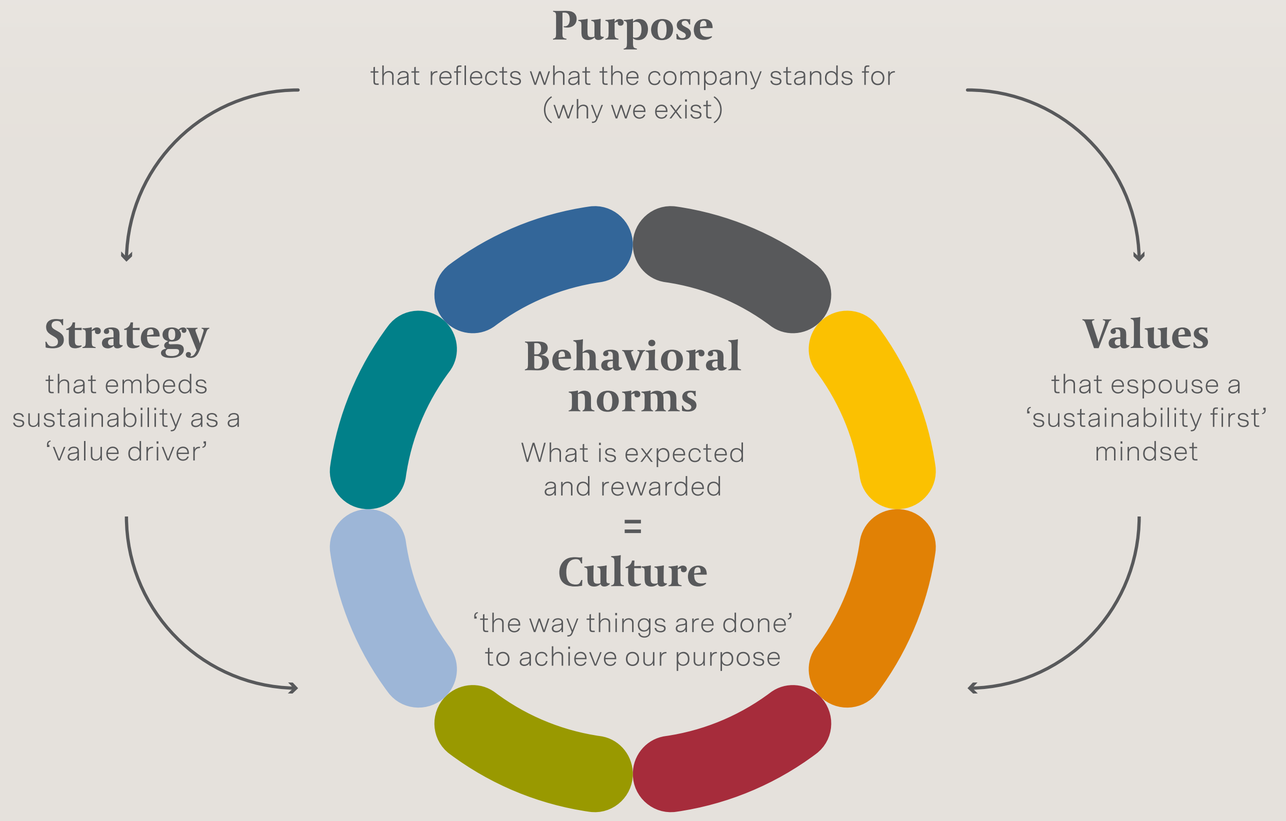
Furthermore, sustainability cannot be at odds with financial discipline. It must align with core business metrics such as ROCE and PBT, while supporting long-term capital efficiency and resilience. When approached strategically, sustainability becomes a value driver: enhancing operational efficiency, reducing risk exposure, unlocking new business opportunities and strengthening brand equity.

Above all, sustainability is a test of leadership and strategic maturity. It demands a mindset oriented towards long-term value creation and responsible stewardship of capital, people and ecosystems. Leaders who prioritize sustainability demonstrate clarity of purpose, an ability to navigate systemic risks, and the foresight to align with evolving regulatory, societal and market expectations. They also recognize that shaping organizational culture is one of the most powerful levers for shifting mindsets—from business as usual to a sustainability-led approach.

Even the most well-designed sustainability strategies will fall short, if the organizational culture doesn't support them. Culture acts as the invisible architecture of "how things are done around here," becoming visible through behavior at scale. Leaders understand that a culture shaped by values, norms and shared beliefs significantly influences how people think, make decisions and act on a daily basis. If sustainability is not embedded in this culture, it risks becoming a siloed initiative rather than a company-wide mindset. Sustainability leadership begins with self-leadership. Leaders must first work on themselves—role modeling sustainable behavior, embedding sustainability into performance incentives, encouraging cross-functional collaboration, and recognizing and rewarding values-aligned decisions. Importantly, sustainability is a personal and cultural commitment that starts at the top.

Figure 4:

Sustainability takes root when strategy and culture align



Source: Egon Zehnder

Key operating pillars to institutionalize sustainability in organizational culture

Leadership DNA

- Mindset and identity: Encourage and enable leaders to see themselves as stewards of long-term value
- Competencies: Sustainability fluency, systems thinking, ethical foresight
- Sources of energy: Purpose-driven leadership and intrinsic motivation
- Visible behaviors: Role modeling sustainability in decisions, trade-offs and communication

Organizational hardware

- Incentives and KPIs: Sustainability-linked performance metrics and rewards
- Structure: Governance and operating models that encompass sustainability
- Roles and accountabilities: Clear ownership of sustainability outcomes across functions
- Policies and standards: Codified expectations for sustainable operations and conduct

Rituals and processes

- Performance management: OKRs and reviews that reflect sustainability goals
- Budgeting and strategy planning: Resource allocation aligned with sustainability goals
- Decision-making: Sustainability considerations in investment and operational decisions
- Talent hiring: Sustainability acumen as a criterion for leadership recruitment

People capabilities

- Competency model: Sustainability skills incorporated into leadership and functional excellence
- Assessment and development: ESG-aligned leadership evaluation, feedback and coaching
- L&D: Training, bootcamps and experiential learning on sustainability
- Career pathways: Criterion for promotion and leadership readiness

Collaboration and innovation

- Collaborative platforms and structures: Cross-functional teams and sustainability councils
- Innovation for impact: Mandate to reimagine products, processes, and business models that deliver social and environmental value, together with financial results
- Ecosystem partnerships: Incl. with start-ups, suppliers, peers, academia, NGOs, and government

Symbols and nudges

- Meaningful projects: Sustainability initiatives that inspire
- Big initiatives: Bold commitments (e.g., net zero, circularity)
- Dashboards: Visible tracking of ESG performance to reinforce priorities
- Storytelling: Narratives to build belief and momentum
- Recognition: Celebrate and reward sustainability wins and contributions

Source: Egon Zehnder

The Tone Is Set From the Top

Key insights from our industry conversations underscore that sustainability must be treated as fundamental to how companies define strategy, operate daily and lead over the long term. To be effective, sustainability needs clear ownership—governed by the Board, championed by the CEO, and executed in close coordination with the CFO, Chief Sustainability Officer (CSO) and other C-suite leaders.

Strategic Commitment and Visionary Leadership

Leadership commitment is critical. A clearly articulated sustainability vision—anchored by the Board, championed by the CEO, legitimized by the CFO, and operationalized by the CSO in collaboration with the Executive Committee—is essential for long-term competitiveness and enterprise value creation. This vision should be embedded into the company's overall strategy, supported by actionable roadmaps that incorporate green energy transitions, circular economy models, low-emission growth, responsible water and land stewardship, and positive community impact. When strategic clarity is set at the top, organizations can proactively adapt to market transitions and build future-ready business models.

Board Governance and Committees—The Watchtower That Sets Direction

In terms of governance, sustainability oversight should be included across the board structure by, first, incorporating this into the charter of each board committee, with clear reporting procedures, as well as an agreed scope and mandate. Second, disclosure on core sustainability metrics should be promoted based on widely accepted guidelines. Finally, compensation of key executives is ideally tied to core sustainability metrics.

While the entire board must actively engage in discussions about the company's "material" sustainability risks and opportunities, formalizing oversight in specific committees allows for key issues to be raised systematically and in-depth. For instance, the Risk Management Committee can play an important role in the identification and prioritization of sustainability risks, assigning these accordingly to specific board committees or to the whole board. The Audit Committee can play a key role in supporting sustainability-linked capital allocation, especially where upfront investment is needed with long-term payoffs. By applying a broader lens to financial scrutiny, beyond traditional ROI models, it can help recognize the full value of such investments, including operational savings, risk mitigation and nonfinancial outcomes that drive long-term resilience. Similarly, the Stakeholders Relationship Committee can help ensure that material concerns from investors, customers and communities, especially around environmental and social performance, are surfaced and responded to in a timely and transparent manner.

All board committees should take accountability for diving more deeply into sustainability issues, allocating adequate time to consider longer-term strategic matters. Very importantly, report backs to the board by the committee chair should have sufficient detail and information in them for the full board to track progress in critical areas and gain a holistic understanding of the context. Finally, oversight of the company's sustainability strategy must be assigned to a Sustainability Committee, or its equivalent.

Figure 5:

Recommendations for strengthening sustainability/ESG governance

The role of each Board Committee for clearer accountability and better decision-making to future-proof the organization

1 Risk Management Committee (RMC)

- Identify and prioritize sustainability-related risks with financial or operational impact; assign appropriate oversight responsibilities
- Monitor climate, ecological and social risks across the enterprise, integrating into risk registers and dashboards
- Integrate sustainability into enterprise risk management frameworks, ensuring alignment with regulatory expectations (e.g., SEBI, RBI)
- Oversee scenario analysis and resilience planning for long-term sustainability risks, incl. climate transition and physical risks (aligned with TCFD)
- Ensure internal controls and assurance mechanisms for ESG-related risk disclosures

2 Audit Committee

- Challenge conventional ROI assumptions by aligning capital allocation and return assessments with ESG priorities—factoring in regulatory risk mitigation, avoided future costs, goodwill, systemic resilience and license to operate
- Oversee the integrity and reliability of sustainability-related financial disclosures
- Ensure assurance and governance for sustainability reporting and blended finance structures
- Support nontraditional business cases that are critical for long-term resilience and compliance
- Integrate climate and ESG risks into audit scope, including scenario-based accounting
- Track fund utilization and value realization across financial and impact metrics

3 Stakeholders Relationship Committee (SRC)

- Ensure transparent and timely communication of sustainability performance to shareholders and stakeholders
- Address stakeholder concerns related to material ESG risks, opportunities and disclosures
- Promote inclusive engagement with minority shareholders on sustainability matters
- Monitor stakeholder sentiment and feedback on sustainability disclosures
- Support transparent stakeholder engagement in blended finance initiatives, ensuring alignment and communication with donors, public agencies, private investors and other capital providers

4 Sustainability/ESG Committee

(While not mandated, this is a recommended committee and should ideally be distinct from the CSR committee)

- Ensure sustainability strategy is embedded in core business operations and long-term, enterprise-wide objectives
- Lead double materiality assessments and oversee ESG risk strategy in coordination with the RMC
- Coordinate across board committees to ensure ESG integration and support board-level decision-making on material sustainability matters
- Monitor global trends, stakeholder expectations, and regulatory developments, incl. India's BRSR and global frameworks (e.g., CSRD, TCFD, ISSB)
- Guide ESG disclosures aligned with national and international standards (e.g., GRI, SASB, ESRS), ensuring consistency, relevance and stakeholder trust
- Champion innovation and value creation through sustainability-linked opportunities

5 Nomination and Remuneration Committee (NRC)

- Ensure sustainability competence is reflected in leadership hiring, succession and performance evaluation, as well as board refreshment
- Integrate sustainability into executive KPIs and incentive structures, ensuring balanced alignment between long-term value creation and short-term financial metrics
- Oversee board-level sustainability education and upskilling
- Benchmark board sustainability governance practices against leading global and domestic peers to identify gaps and drive continuous improvement
- Incorporate evaluation of sustainability governance, literacy, and oversight into the annual board review process
- Support transparent reporting on how sustainability is embedded in leadership and remuneration frameworks (e.g., in BRSR or proxy statements) across financial and impact metrics

Source: Egon Zehnder

The Sustainability/ESG Committee, where present, plays a vital governance role— *and sends a strong signal that sustainability is central to business strategy and operations.* An effective sustainability committee goes beyond merely overseeing policies; it actively engages in critical questioning to guide strategy and execution. Key questions include: What are our most material sustainability risks and opportunities? How do they impact our long-term business model? Should the business transform and where do we adopt alternative models beyond existing practices? How are we innovating to stay ahead of the curve? What are peers and global leaders doing that we're not? Are we allocating sufficient capital and leadership focus to this? How are we tracking against our goals? Is this being implemented meaningfully—and how do we know? Are we continuously learning and improving? Which partnerships can help accelerate innovation? Is there a need for policy support?

Additionally, such a committee serves as a vital conduit, ensuring that the board not only addresses shareholders' short-term interests but also considers the long-term expectations of all stakeholders. This involves understanding how these expectations are evolving and effectively communicating them to senior management to drive meaningful progress.

Tracking the Rise of Sustainability/ESG Governance

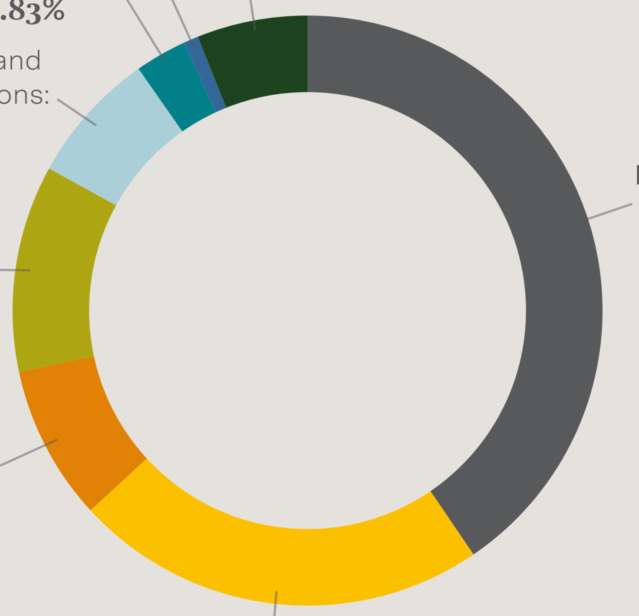
Between FY24 and FY25, Egon Zehnder India's analysis of the Top 250 NSE-listed companies by market capitalization reveals a significant and encouraging shift in board-level sustainability/ESG governance. During this period, the percentage of companies lacking formal committee-level governance dedicated to sustainability/ESG declined from 63% to 48%, marking a 15-percentage point increase y-o-y in structured oversight. In other words, around 52% of these Top 250 companies currently exhibit enhanced board-level engagement with sustainability/ESG—either through a dedicated committee or integrated oversight within existing structures. This shift reflects a more proactive approach to anticipating sustainability-related risks and opportunities while addressing evolving stakeholder expectations. It is driven by regulatory frameworks such as the BRSR and a growing recognition of sustainability as a strategic business imperative, signaling a broader transformation in corporate governance.

Figure 6:

Sustainability board oversight in NSE's Top 250 companies by Mcap

	FY24	FY25	
Don't have a Sustainability/ESG Committee or its equivalent	68%	48%	↓
Combine committee oversight of Sustainability/ESG with CSR	18%	24%	↑
Merge oversight of Sustainability/ESG with other committees	1%	3%	↑
Have a standalone Sustainability/ESG Committee	18%	25%	↑

Industry split of NSE's Top 250 companies by Mcap



Source: Egon Zehnder

That said, this broader transformation is still uneven. While all of these companies have a dedicated CSR Committee as mandated by the Companies Act, 2013—only 25% have established a "standalone" Sustainability/ESG Committee. CSR committees, being statutory, primarily focus on compliance with spending norms, project and NGO selection, and monitoring outcomes as required by law.

Given this regulatory emphasis, an interesting—though somewhat counterintuitive—trend has emerged: around 24% of the Top 250 NSE-listed companies have merged their CSR and sustainability/ESG oversight into a single committee. While this may seem administratively efficient, it raises important governance questions regarding clarity of mandate and strategic focus.

Making a distinction between CSR and sustainability matters because they serve distinct purposes and strategic scopes as previously discussed. CSR is largely compliance-driven and separate from core business activities, whereas sustainability/ESG is inherently strategic and directly linked to company operations with significant implications for long-term value creation and business resilience. Merging the two can result in CSR priorities overshadowing sustainability discussions, especially given CSR's clearer regulatory mandate and budget, while sustainability strategies may be less defined or discretionary. Moreover, the limited number of committee meetings per year may restrict in-depth deliberation on critical sustainability issues and sustainability-led business strategies.

We recommend that such hybrid structures be periodically evaluated to ensure balanced attention to both CSR activities and sustainability priorities. As companies progress in their sustainability journeys, it is also crucial to update committee charters, shift the focus from BRSR-driven reporting to strategic integration, and use annual board effectiveness reviews to ensure governance structures remain fit-for-purpose.

Companies that have adopted a more evolved governance model are maintaining separate CSR and sustainability/ESG committees (~25% of the Top 250 NSE-listed companies). This separation is a positive step towards good governance, reflecting an understanding that these domains require different types of oversight. Globally accepted corporate governance principles (such as those endorsed by the G20 and OECD) emphasize the board's responsibility for overseeing sustainability and resilience as distinct areas of governance, encompassing material matters across operations, strategy and their external impact—activities that are fundamentally different from CSR.[28] In this context, establishing a separate and dedicated Sustainability/ESG Committee ensures fit-for-purpose governance, clear accountability and aligned mandates.

Regardless of whether companies choose to combine or separate their CSR and sustainability/ESG committees, the effectiveness of these structures may be compromised by a lack of sustainability expertise among board members. While committee-level board oversight of sustainability may exist in name, the committee and board may lack the technical knowledge, strategic insight and "outside-in" perspective necessary to drive meaningful environmental or social innovation.

[28] OECD (2023), G20/OECD Principles of Corporate Governance 2023, OECD Publishing, Paris, https://doi.org/10.1787/ed750b30-en

This highlights a systemic gap in board composition. The absence of directors with sustainability expertise results in dialogue that is often management-led and internally focused, lacking an external perspective and sufficient strategic guidance or challenge from the board. This creates a risk that these discussions remain peripheral or get diluted by compliance-focused CSR dialogues.

And this issue is not unique to India. In fact, a recent Egon Zehnder report[29] sheds light on a global trend: on the one hand, boards recognize the imperative for sustainability, yet most feel ill-equipped to act on it, either because they do not possess the knowledge or the quorum necessary to move the agenda forward.

Fortunately, change can come in distinct ways. For example, by prioritizing the hiring of new directors with sustainability/ESG relevant knowledge, particularly in the initial stages of your sustainability journey. A Competent Boards certified director in numerous boardrooms, Mr. Shailesh Haribhakti recognizes that having a capable and willing champion for the sustainability agenda can significantly influence board dynamics, *"When such a leader is present, others are more likely to listen, and actions will follow."*

Appointing such members to the board is an opportunity for enhancing critical thinking about the strategic imperatives the board is solving for. While you want at least one person with some sustainability/ESG relevant knowledge, it is equally important for all board members to possess a basic understanding of sustainability/ESG. This fluency enables them to ask relevant questions and ensure effective governance, even if they are not experts themselves.

Educating the Full Board

Boards have the opportunity to advance the sustainability agenda by adopting a stewardship mindset,[30] which implies intentionally adopting a learning mindset. This can be achieved through formal training or by proactively seeking knowledge to understand the connection between risk, resilience and opportunity. By elevating discussions beyond short-term considerations, boards can empower leaders to integrate purpose and performance throughout the organization.

As Mr. Haribhakti emphasizes, *"I've been invited by full boards to run dedicated two-hour sessions on sustainability. These are interactive sessions designed to inform, engage and move boards from awareness to action. In fact, SEBI's regulatory stance strongly endorses ESG literacy at the board level, emphasizing that directors must be equipped to oversee sustainability risks and disclosures effectively. Even if it's not perfect, it must be documented. This signals accountability and intent. And what are board members most interested in during these sessions? Not jargon, but clarity:*

- *What are the key sustainability issues that matter?*
- *What exactly can we do to change the course?*
- *How does this tie into business resilience and risk?*

To make these sessions effective, I use a multimodal, dynamic presentation: accessible, engaging and rooted in examples. The goal is to make sustainability real at the highest level of decision-making."

Mr. Haribhakti believes in meaningful communication to the right audiences for raising awareness and showing what is possible and how. He is a strong advocate for hosting board retreats where action is needed, *"I'm pushing for the agenda, and it is being well received. Getting a sense of reality is only possible when you see it for yourself."* Making site visits allows the board to see how your company is interacting with its surrounding ecosystem—what type of safety, health, community welfare and environmental practices are in place and whether sustainability commitments are being translated into on-the-ground realities.

Sustainability leadership begins with the board. It is the board's responsibility to set the tone, ask the right questions, and ensure sustainability is integrated into strategy and risk oversight. Appointing a CSO is a valuable step, but this cannot substitute for an informed and engaged board. Without board-level ownership, sustainability risks being siloed, under-resourced or disconnected from core business priorities.

Sustainability is no longer a nice-to-have item on a board's agenda, appearing after financial governance and performance. Most farsighted boards know it is not a tick-box exercise either, included merely to meet legislative, procedural or reporting requirements. Rather, sustainability must move to the core of a company's business. This shift is being driven by the undisputable links between: long-term company performance and ESG performance; investors with sustainability at the core of their decisions; and emerging legislation and global reporting standards.

Executive Leadership—The Engine That Powers the Journey

CEO: The Ultimate Champion

When sustainability moves to the mainstream of business strategy, the role of the CEO becomes pivotal as the organization's chief architect of purpose and alignment. In many companies, the CEO occupies a unique vantage point: seated at the board table while also leading the executive team. This dual position enables CEOs to bridge governance and execution, setting ambition at the top while driving operational integration across the enterprise.

For sustainability to be embedded into the company's core business model and long-term value strategy, the CEO must lead from the front. That means visibly committing to clear sustainability goals, creating purpose-led cultures, and translating ambition into credible, enterprise-wide action.

[29] "Board Stewardship for a Resilient Business", Egon Zehnder, September 2024
[30] "Board Stewardship for a Resilient Business", Egon Zehnder, September 2024

To lead effectively in today's fast-shifting world, leaders need to be equipped with certain characteristics that can be developed. As Egon Zehnder's It Starts with the CEO report explains, "These CEOs will be those who summon the imagination, courage and resolve to work on the system, rather than in it. Visionary CEOs embrace the role of architect rather than operator; in doing so, they can inspire their organizations, drive value-creating change, and find meaning in their evolving role."[31]

This leadership is not without its challenges. CEOs must often navigate internal skepticism, short-term financial pressures and fragmented systems. But those who lead bravely and decisively can unlock significant opportunities: from innovation and differentiation to cost efficiencies, premium market positioning and long-term resilience. Such leadership sends a strong market signal, energizing employees, influencing peers and building strong customer relationships.

Ultimately, CEOs who champion sustainability most effectively are those who link profits and purpose—not as trade-offs, but as complementary drivers of competitive advantage. By anchoring sustainability in the cultural roots of the organization, they create the conditions for deep, enduring transformation that reaches every part of the business and resonates well beyond it.

CFO: The Value Architect

It is vital for sustainability efforts to be underpinned by financial credibility. While many sustainability initiatives require significant up-front investment, they also deliver meaningful long-term operational savings and risk mitigation. The CFO plays a critical role in embedding sustainability considerations into capital allocation, financial planning and cost modeling. This includes evolving beyond traditional financial approaches by developing phased investment strategies, creating cost-recovery or shared savings models and prioritizing high-ROI interventions such as energy efficiency upgrades, waste-to-value projects and resource optimization. By linking sustainability outcomes (such as reducing energy intensity, lowering input volatility and improving asset utilization) to financial metrics (such as cost savings, margin stability and capital productivity), the CFO enables their organizations to align sustainability goals with financial discipline. Tailored, sector-specific solutions further enhance cost structures and ensure sustainability is integrated into the company's broader investment thesis.

Importantly, the alignment of sustainability goals with financial discipline isn't automatic—it requires intentional framing. Manya Ranjan, Founder of Two Point O Capital, illustrates this point from experience, *"In my past roles, I've seen a clear divide between CSOs and CFOs when it comes to viability, which often hinders decision-making. While CSOs champion sustainability solutions to help meet their net-zero targets, the CFO typically relents only when there is a clear ROI. Unless the ROI of these investments is financially justified, we won't get far in scaling (sustainability initiatives) to the levels we aspire to. It became obvious to me very early that while CSOs are already sold on sustainability, it's the CFO who needs to be convinced about the value. For these investments to move forward, the CFO has to be at the table, and ideally, leading the discussion. This is where we believe the projects that we aggregate move the needle by providing a sustainable roadmap for 30–40% reduction in Opex costs from Day One. This appeals to most CFOs in a manner nothing else can!"*

CSO: The Enabler-in-Chief

At the executive level, CXOs too often lack formal training or deep domain knowledge in sustainability. While a few progressive organizations are beginning to appoint CSOs to bridge this gap, these appointments remain limited in number and scope. In many companies, sustainability responsibilities are still fragmented across departments such as CSR, EHS (Environment, Health & Safety) or Risk, without a cohesive strategic vision. The CSO could be a meaningful addition to companies embarking on their sustainability journey. *"The role of the CSO is evolving, including increased interaction with the board. CSOs are becoming proficient in program implementation, assessment and communication,"* Mr. Haribhakti notes.

Appointing a CSO helps focus the executive leadership team, but each executive leadership team member must nonetheless be accountable to the CEO for integrating the company's sustainability strategy into the core business areas they respectively lead. In our experience, the CSOs that are most successful in their roles have the following elements in place:

- A clear mandate from the CEO and board to drive sustainability across all dimensions of the business, with well-defined touchpoints across operations, investor relations, external communications and reporting. Their role is not symbolic; it is embedded in decision-making.
- Strategic integration with executive leadership, where each business leader owns sustainability outcomes for their function reflected in KPIs, resource allocation and performance reviews.
- Greater emphasis on doing good. As an INSEAD Knowledge study highlights, many CSOs and other top executives exhibit a negative bias focusing primarily on problems.[32] The most impactful CSOs balance this with opportunity-seeking: identifying areas for innovation, value creation and competitive advantage.
- Access to robust systems, data and cross-functional teams that allow for measurement, coordination and accountability. Sustainability is treated as an enterprise-wide transformation, not an isolated program.
- Credibility and engagement across the wider organization, where sustainability is understood not only as a value, but as a lever for operational excellence and long-term resilience.

[31] "It Starts with the CEO", Egon Zehnder, 2024

[32] "How to Make the Most of a Chief Sustainability Officer", INSEAD Knowledge, 18 August 2020

Cross-Functional Leadership Approach to Operationalize Sustainability

Balancing Traditional Metrics with Future Value: Traditional financial metrics such as ROCE and PBT remain essential, but they don't capture the full spectrum of long-term enterprise value. The CEO, CFO and CSO must work with the Board to broaden the company's value lens factoring in operational resilience, brand equity, climate and environmental risk exposure, workforce well-being, supply chain integrity, regulatory preparedness and innovation capability. Organizations that view sustainability as a strategic asset rather than a compliance cost are better positioned to anticipate disruptions, retain stakeholder confidence and create durable market advantages. A cultural shift towards an opportunity-driven mindset that views sustainability as a growth enabler, rather than a cost center, can enhance innovation and market positioning.

Overcoming Financing Barriers: To unlock lower-cost, longer-tenure funding for sustainability initiatives, the CFO, CSO, and Board (supported by the investor relations team) must proactively engage with financial institutions, multilateral development banks (MDBs), policy stakeholders and sustainability finance aggregators. MDBs such as the World Bank, Asian Development Bank, and others play a critical role in providing concessional capital, credit enhancement and risk-sharing instruments that can de-risk early-stage or systemic sustainability investments.

"Affordable long-term finance appears plausible with the momentum created by MDBs via the G20's Independent Review of Capital Adequacy Frameworks, which could unlock wider flows of sustainability funding. Meanwhile, governments and financial institutions must recognize the realities of the 'financing gap' in order to scale up concessional and blended lending, strengthen de-risking mechanisms, and build investor confidence in green investments. These shifts will make capital access easier for businesses to scale projects that deliver real impact beyond traditional ROI models."

Atul Bagai
Board Director / Advisor on Sustainability Strategy & Systems Change

The CSO plays a key role in aligning financing needs with sustainability objectives, including emerging instruments such as sustainability-linked loans and performance-based funding structures. The CFO must drive a shift in conventional financial logic by leveraging blended finance structures that reframe risk and return to match the complexity of sustainability-linked investments. Instruments such as credit enhancement, risk guarantees and concessional capital can be used to structure the financing of sustainability projects with long gestation periods, systemic impact or uncertain near-term cash flows. These mechanisms enable cost and risk sharing across ecosystem partners, while unlocking commercially viable capital at scale.

By adopting such approaches, the CFO moves beyond conventional project-level ROI thresholds towards a portfolio-based, systems-oriented view of value—better aligned with long-term competitiveness and regulatory expectations. Collaborating with sustainability finance aggregators can further help bundle smaller initiatives into scalable, investable portfolios.

However, access to green finance in India is still maturing. Despite growing green portfolios, many businesses still face challenges in securing affordable sustainability-linked financing. Even when funding is available, investors often apply traditional financial metrics—such as short-term ROI and quick payback periods—that are misaligned with the long-term, systemic nature of sustainability solutions.

Operational Commitment and Measurable Outcomes: The shift from intention to execution requires measurable targets and clear accountability. The COO (or Business Unit Heads) and CSO must coordinate to operationalize sustainability through defined metrics, such as measuring carbon emissions (Scope 1, 2, 3), energy intensity, water usage intensity, waste management, land use change and percentage of operations near biodiversity areas. Data systems and performance dashboards are critical for tracking outcomes, ensuring transparency and enabling course correction. Clear accountability frameworks help track progress and demonstrate tangible impact. Embedding these practices into daily operations institutionalizes sustainability and builds internal momentum over time.

Strengthening Supply Chains and Local Ecosystems: Sustainability cannot stop at the factory gate. It must be embedded across the value chain through coordinated action by the CSO, COO (or Business Unit Heads) and Chief Procurement Officer (CPO). This includes driving responsible sourcing, ensuring material traceability and building robust backward integration strategies to secure critical inputs. Strengthening supply chains also means supporting MSMEs, which often lack the capacity and resources to meet emerging ESG requirements but remain vital to continuity and resilience.

Investing in supplier capability building, promoting resource efficiency and enabling local economic value creation are essential to achieving broader sustainability outcomes. The CPO plays a pivotal role in aligning procurement processes, with sustainability standards ensuring that traceability mechanisms are in place, compliance risks are minimized, and that the organization is prepared for both domestic and international regulatory expectations. A strong partnership approach focused on transparency, long-term collaboration and shared value fosters not only compliance and resilience but also enhances innovation and stakeholder trust across the ecosystem.

Building a resilient ecosystem requires leaders capable of systems thinking—those who can navigate the interdependencies between a company's value chain, the broader supply chain it contributes to, and the market system it operates within. Effective systems thinkers are naturally curious and seek "outside-in" perspectives, engaging proactively with the wider ecosystem to anticipate change and shape adaptive strategies.

Aligning Market Strategy with Sustainability Goals: The Chief Commercial Officer (CCO) plays a pivotal role in embedding sustainability into the market strategy of the business, shaping customer engagement, market positioning and product strategy to align with long-term sustainability goals. Positioned at the intersection of market demand and operational capability, the CCO can drive the adoption of lower-emission, resource-efficient and circular offerings by integrating sustainability into value propositions and sales narratives. Collaboration with the CSO helps to ensure that environmental and social targets are translated into commercially viable strategies, such as differentiated pricing, sustainable packaging transitions or customer partnership models that reflect shared sustainability goals. Key metrics that support this integration include green revenue share, product-level carbon intensity, resource usage per unit sold and sustainability-linked customer retention or growth rates. By aligning these metrics with core commercial incentives, the CCO ensures that sustainability is embedded in how the business grows, competes and creates long-term value.

Innovation and Competitive Differentiation: "Innovate to Zero" is an apt frame coined by Shailesh Haribhakti, who advocates for designing interventions that aim for zero negative impact—whether in emissions, waste, errors or inefficiencies. It calls for innovation that not only drives growth but also minimizes harm, ensuring every corporate action is purposeful, collaborative and far-reaching in its positive outcomes.

It is a deeply inspiring lens when we think about sustainability not as a checklist, but as a continuum. One that spans risk mitigation, process efficiency and lean management, as well as circular economy and regenerative activities across the same spectrum. Sustainability is all about innovation, which is critical for businesses to remain relevant and competitive. While innovating, sustainability should be a fundamental design principle.

> The ability to innovate will increasingly define sustainability leadership. The Chief Technology Officer (CTO), CSO and CCO can collectively drive investments into technologies such as energy-efficient systems and circular economy solutions—spanning reuse, recycling, remanufacturing and waste-to-resource conversion.

These efforts not only reduce environmental impact but improve material efficiency and unlock new revenue opportunities. As investor-and-customer preferences shift rapidly, businesses that prioritize sustainability-led innovation will differentiate themselves and secure long-term competitive advantage.

Figure 7:

Characteristics of traditional business models at the risk of disruption

Company identity	Defined by the products/services offered and the underlying capabilities aimed at profit maximization and value creation for shareholders
Organizational structure	Predominantly top-down and hierarchical
Business economics	Focused on cheap resources, efficient operations and frugal engineering
Financial focus	Driven primarily by financial outcomes
Thinking approach	Linear and sequential
Innovation	Primarily driven by internal perspectives ('inside-out thinking')
Strategic planning	Largely based on extrapolations from past experiences
Risk management	Characterized by risk intolerance, fear of failure and a culture where issues are surfaced only when they escalate
Process management	Rigid processes
Workforce	Large number of employees
Asset control	Strong control over own assets
Status quo	Strongly invested in maintaining the status quo

Source: Egon Zehnder–with references from Volans, Breakthrough Business Models (2016) © Business and Sustainable Development Commission

With new players and disruptive start-ups entering the market, traditional businesses need to diversify their offerings, innovate and differentiate through sustainability-driven value propositions. Investing early in circularity and greener business models with differentiated offerings will create defensible market advantages. Forging strategic partnerships to innovate at speed and scale will also be key.

Elevating the Role of Legal: Legal teams have a unique opportunity to elevate their role from compliance enforcers to key drivers of corporate integrity and accountability. By stepping into this expanded role, legal functions can help bridge the gap between sustainability ambition and execution.

One of the most immediate contributions that legal can make is ensuring that sustainability claims—especially around environmental performance, product benefits or supply chain practices—are credible, verifiable and compliant with both Indian and international standards. With concerns around greenwashing on the rise globally, legal review of marketing, disclosures and stakeholder communications is a critical safeguard for corporate reputation.

Beyond this, legal teams are increasingly well-placed to guide governance decisions that embed sustainability into the heart of the business. Through active participation in board and committee discussions, legal can question inconsistencies, highlight emerging regulatory risks and ensure that sustainability commitments translate into enforceable actions. In doing so, they foster a culture where accountability is not only encouraged but expected.

> "India is seen as relatively advanced in ESG reporting, thanks to structured frameworks such as SEBI's BRSR. But the regulatory philosophy differs from markets such as the U.S. Indian regulators act more like mentors—offering prescriptive guidance to ensure basic compliance, which for many companies becomes the ceiling. In contrast, US regulators operate as guardians, setting broader expectations that expose companies to shareholder litigation if material ESG risks are not disclosed. As a result, companies in those markets often develop more mature sustainability practices under the pressure of greater investor scrutiny and legal accountability. For India's corporate sector, this may well be a sign of things to come."

Dr. Vivek Mittal
Executive Director of Legal & Corporate Affairs at Hindustan Unilever

Legal also plays a proactive role in preparing companies for the regulatory landscape ahead. Drawing on global benchmarks, such as NYSE and LSE disclosure rules, Indian legal teams can help boards and promoters stay ahead of evolving norms, including potential requirements for supplier-level ESG certification, or increased scrutiny around social and governance practices.

As India's ESG landscape matures, structural clarity is equally important. The roles of General Counsel and Company Secretary must remain distinct, each with clear lines of responsibility. Governance should not report into finance, nor be merged for convenience. A separation aligns with international best practice in corporate governance, as it prevents financial priorities from overshadowing compliance and regulatory requirements. Legal and governance functions need autonomy to challenge and elevate decisions, especially as investor expectations shift and shareholder-driven accountability becomes more common.

Finally, the General Counsel and CSO have the opportunity to cocreate frameworks, such as ESG-linked governance protocols, contract clauses and disclosure controls, which embed sustainability into how the company operates, not just what it reports.

Embedding Culture and Capability: Internal engagement, culture transformation and capability building are critical to bridging the gap between top-down strategy and everyday execution when it comes to advancing the sustainability agenda. In this regard, the Chief Human Resources Officer (CHRO) can play a vital role, alongside the CSO, in embedding sustainability into organizational culture. This includes workforce training, performance-linked KPIs aligned to sustainability targets, and change management programs that align employee behavior with sustainability goals. This collaboration ensures that sustainability is not merely a "nice-to-have" within the organization but is a lived value and objective influencing every facet of the organization. A few foundational practices include:

- **Integrating sustainability into talent management:** Talent management is a critical area where CHROs can influence sustainability outcomes. By embedding sustainability competencies into recruitment, development, and retention strategies, organizations can build a workforce equipped to advance sustainability goals. This could come in the form of designing roles and responsibilities that promote accountability and ethical behavior aligned with sustainability objectives, for instance.

- **Embedding ESG metrics into performance:** The integration of sustainability metrics into performance management systems is another area where CHROs and CSOs can collaborate effectively. By incorporating sustainability-related KPIs into performance reviews and incentive structures, organizations signal the importance of sustainability in achieving business success. This approach ensures that employees at all levels are accountable for contributing to the organization's sustainability goals.

- **Fostering a culture of continuous learning and engagement.** Creating a culture that supports sustainability requires continuous learning and employee engagement. The CHRO, together with the CSO, can lead initiatives that raise internal awareness about how ESG initiatives are connected to the business and the organization's strategies to address them. Collaborative efforts between HR and sustainability teams can result in training programs and workshops that empower employees to contribute meaningfully to sustainability efforts.

- **Driving change through leadership development.** Leadership development programs are instrumental in driving the cultural shift necessary for sustainability integration. By identifying and nurturing leaders who exemplify sustainability values, organizations can ensure that sustainability is championed from the top down. CHROs can act as stewards of ESG[33] by incentivizing the organization's leaders to cultivate qualities such as curiosity, resilience, empathy and self-awareness—traits essential for navigating complex sustainability challenges and shaping well-rounded business leaders.

The collaboration between the CHRO and CSO is vital in embedding sustainability into the fabric of the organization. Through strategic alignment, integrated talent management, performance metrics, continuous learning and leadership development, they can drive meaningful change that positions the organization as a leader in sustainable practices. This partnership not only advances sustainability goals but also lays a strong foundation for organizational resilience and long-term success.

Partnerships to Drive Collective Action: Organizations must collectively advocate for better financing mechanisms, policy incentives and regulatory support to accelerate sustainable development and the transition to green and sustainable technologies. Engaging with policymakers can drive more favorable funding structures and long-term stability, ensuring that businesses have access to the resources necessary for sustainable innovation.

By forming strategic alliances with governments, NGOs and other stakeholders, companies can leverage shared expertise and resources to create impactful sustainability initiatives. Collaborative efforts can lead to the development of industry standards and best practices, fostering a unified approach to addressing environmental challenges. Moreover, these partnerships can facilitate knowledge sharing and capacity building, empowering organizations to implement effective sustainability strategies. By working together, businesses can amplify their voices in advocating for policies that promote renewable energy adoption, waste reduction and sustainable resource management.

[33] "Seizing the Opportunity: The CHRO's Role as a Steward of the Business", Egon Zehnder, December 2024

Companies that take a systems view can leverage complementarities among diverse stakeholders to remove barriers and cocreate innovative solutions without bearing all the costs. To unlock the value of effective collective action, business leaders must be outward-looking, championing a clear purpose that can attract potential partners to work collaboratively and innovatively towards shared outcomes.

This intent, to work with and shape the external landscape, is new for most traditional businesses and often difficult for senior leaders who have been trained in, and had success with, conventional ways of working.

Looking ahead, collaborative leadership skills will be essential for sensing the external environment, trust-building and orchestrating collective action among varied market actors who share a common goal. Companies must internalize that they form part of a bigger whole, comprising a complex and interrelated system of industry, regulators, investors, customers, suppliers, communities, not-for-profits and academia. Looking at one's business from the "outside in" is essential to gain the perspective of all stakeholders, rather than focusing only on the company's view. Moreover, it is important to establish a continuous feedback loop from all relevant avenues in the external world. An external view also allows leaders to identify opportunities for joining forces with others to achieve common goals. These may be atypical partnerships that have the potential to generate pioneering and disruptive solutions with wide-reaching impact.

Figure 8:

Setting the 'tone from the top' to embed sustainability

Board

Board of Directors—*Set direction, ensure oversight, and embed sustainability into governance and culture*

- Define and endorse a clear sustainability vision aligned with long-term competitiveness
- Integrate sustainability into all board committee charters with clear mandates and reporting structures
- Mandate transparent sustainability disclosures
- Tie executive pay to sustainability-linked KPIs and review KPI performance regularly
- Prioritize sustainability education for the full board incl. workshops, site visits and expert briefings
- Embrace a stewardship mindset—elevating discussions beyond compliance to long-term value creation
- Endorse benchmarking of board sustainability practices against best-in-class companies

Board Chair—*Leads agenda-setting and governance leadership*

- Prioritize sustainability in board agendas as a strategic imperative
- Ensure board composition includes sustainability expertise in collaboration with the NRC
- Champion establishment of a dedicated Sustainability/ESG Committee to oversee strategy, execution and innovation
- Invite external experts to brief the board on material sustainability issues and emerging risks / trends
- Initiate the creation of an external advisory council on complex issues
- Integrate sustainability into CEO and executive succession planning, together with the NRC
- Promote sustainability literacy in board and executive hiring
- Commission periodic external board reviews to evaluate the maturity of sustainability governance

CEO

CEO—*Architect of purpose, alignment and enterprise-wide integration*

- Anchor sustainability in corporate purpose and values
- Lead from the front—visibly commit to sustainability goals and embed them into the business model
- Bridge governance and execution by aligning board ambition with operational delivery
- Translate vision into enterprise-wide action with strategic clarity and accountability
- Align all business operations and functions with sustainability goals
- Embed sustainability in innovation, M&A and growth strategies
- Establish and co-lead a cross-functional Sustainability Steering Committee together with the CSO
- Inspire the organization by balancing short-term pressures with long-term transformation
- Ensure (double) materiality assessments as part of enterprise risk management and strategy development

Executive leadership

CFO—*Align sustainability with financial discipline and capital strategy*

- Embed sustainability into capital allocation, cost modeling and investment planning
- Broaden the value lens beyond traditional financial metrics to include risk exposure, resilience, brand equity, reputational goodwill and regulatory readiness
- Develop phased investment strategies and cost-recovery models for long-gestation projects
- Prioritize high-ROI interventions (e.g., energy efficiency, waste-to-value)
- Collaborate with the CSO to frame sustainability investments in financially compelling terms and leverage blended finance structures
- Integrate sustainability risks and opportunities into financial disclosures
- Engage with investors, MDBs, and finance aggregators to unlock sustainability-linked capital and de-risk early-stage investments

Chief Procurement | Supply Chain Officer—*Develop a sustainable and resilient ecosystem*

- Align procurement with sustainability standards and regulatory expectations
- Drive responsible sourcing, material traceability and backward integration (where needed)
- Conduct supplier audits and promote local, ethical, low-carbon sourcing
- Support MSME capability building to meet ESG requirements
- Foster long-term supplier partnerships based on transparency and innovation
- Design circular supply chains and implement traceability systems

CTO | CIO—*Lead sustainability-led innovation and digital enablement*

- Champion the "Innovate to Zero" mindset—design for zero emissions, ZLD, waste and inefficiencies
- Invest in circular economy solutions and green IT infrastructure
- Use AI and IoT to optimize HSE practices and resource use, reduce emissions and eliminate waste
- Forge strategic partnerships to codevelop and pilot sustainable technologies and solutions
- Reimagine products and services to deliver social and environmental value, together with financial results

General Counsel—*Safeguard integrity, ensure compliance and embed accountability*

- Review and validate sustainability claims to prevent greenwashing
- Monitor emerging regulations and prepare the organization
- Participate in board and committee discussions to flag risks
- Maintain independence from finance to uphold governance integrity
- Collaborate with CSO to embed sustainability into contracts and disclosures

CSO—*Operationalize strategy, coordinate execution and drive enterprise-wide transformation*

- Operate with a clear mandate from the CEO and board
- Establish and co-lead a cross-functional Sustainability Steering Committee with the CEO
- Ensure strategic integration with executive leadership and business units
- Align sustainability with capital planning, procurement, operations and market strategy
- Build access to robust systems, data and cross-functional teams (identify Champions across all levels)
- Define, track and report sustainability KPIs across the organization jointly with other functions
- Co-create ESG-linked governance protocols, contract clauses, and disclosure controls with legal
- Monitor and advise leadership on emerging trends and regulatory developments globally
- Focus on opportunity-seeking innovation, not just compliance

COO | SBU Heads—*Drive operational execution and measurable outcomes*

- Translate corporate sustainability strategy into BU-specific plans
- Integrate sustainability into daily operations to build internal momentum and transparency
- Implement circular economy principles and set science-based targets
- Track sustainability metrics across operations (e.g., Scope 1–3 emissions, water intensity, waste management, biodiversity, resource efficiency)
- Institutionalize sustainability through data systems, dashboards and accountability frameworks

CCO—*Align market strategy with sustainability goals*

- Embed sustainability into product strategy, customer engagement and market positioning
- Develop green value propositions, sustainable packaging and purpose-driven brand positioning
- Champion sustainable revenue models (e.g., circular economy, product-as-a-service)
- Align commercial incentives with sustainability to drive differentiation
- Track metrics such as green revenue share and product-level carbon intensity

CHRO—*Embed sustainability into organization culture, capability building and leadership DNA*

- Integrate sustainability into recruitment, L&D and retention strategies
- Embed sustainability metrics into performance management and incentives
- Lead change management programs to align employee behavior
- Foster a culture of continuous learning and engagement
- Champion leadership assessment and development anchored in a competency model that integrates sustainability acumen as a core capability

Source: Egon Zehnder

Case Study 1: When Sustainability Is the Business

Leadership Spotlight: Khushboo Bhatia, CEO of Thermax Onsite Energy Solutions

How a sustainability-led business model can be built, with resilient leadership powering through obstacles

Founded in 2009, Thermax Onsite Energy Solutions Limited (TOESL) was carved out of Thermax Limited as an independent subsidiary at a time when "sustainability" was just beginning to gain traction.[34] As an energy and environment company, Thermax leadership felt it was important for TOESL to take the lead on ESG goals, as core to its business strategy and embedded in how it operates. Guided by this strategic decision, the company adopted a comprehensive *"build-own-operate"* model, taking full responsibility for financing, execution, and lifecycle management.[35]

Embedding Sustainability at the Company's Core

TOESL provides 100% green utility solutions, helping industries decarbonize without upfront investment. Its offerings include biomass-based steam and heat, circular water solutions such as zero liquid discharge, biomass-based combined heat and power (CHP), and energy-efficient chilled and hot water systems.[36] All utilities are delivered as full lifecycle solutions: from financing to engineering, commissioning, stabilization, operations and contract renewal over 10–15 years. This model enables TOESL to act as true partners in their customers' energy transition and not just as a supplier.

[34] "Thermax Onsite Energy Solutions Limited (TOESL)", Thermax Official Website
[35] "Thermax Onsite Energy Solutions Limited (TOESL)", Thermax Official Website
[36] "Thermax Onsite Energy Solutions Limited (TOESL)", Thermax Official Website

To prove its model, TOESL initially targeted A+ credit-rated clients, primarily in sectors such as fast-moving consumer goods, partnering with global corporates incorporating sustainability in their corporate goals such as Kansai Nerolac, Nestlé, and Unilever. Initially, the market was slow to accept this model, but, in fact, TOESL's real value wasn't just in financing—it was in owning the lifecycle risk, bringing deep engineering and operational expertise.

True commitment from the organization's board of directors was key to achieve real progress. "When I joined Thermax, the inclination of the board was clear, and sustainability goals were being discussed. Ashish Bandari, who joined as Group CEO in early 2020, drew up a 2030 plan focusing on green solutions and energy transition. The biggest challenge was the higher upfront cost of sustainability, which is gradually recovered over time. So, the BOO model made sense, especially for industries with unique process requirements, for instance in the pharma, FMCG, textile and tire industries, which have large steam and heat needs," explains Khushboo Bhatia, CEO of TOESL.

Walking the Talk to Become Truly Net Positive

Beyond embedding green energy transition at the core of its business model, Thermax's leadership made a conscious decision to "walk the talk," taking a holistic view of sustainability by addressing the environmental impact of their own operations. Using FY 2019–2020 as the baseline, Thermax committed to reducing its carbon emissions by 25% by 2025. Today, they have already achieved over 30% reduction across their own facilities spanning manufacturing units and corporate offices.[37] With that milestone reached ahead of schedule, the target has now been revised upward to 35% by the end of 2025.

For a technology player such as Thermax, it would be disingenuous to promote sustainability externally without embodying it internally. Importantly, the company's approach goes well beyond carbon emissions. For example, they've set targets to ensure that less than 5% waste goes to landfill; the rest is recycled or reused. Disposal systems have been overhauled to ensure minimal environmental harm from effluents. Freshwater consumption targets have been set to reduce strain on local water resources.

Khushboo reinforced the importance of practicing what they preach: "If we can't, as a technology player, begin that journey at home, it makes no sense us propagating that."

What Sustainability-Led Growth Looks Like

Under the leadership of Ashish Bandari (Group CEO of Thermax) and Khushboo Bhatia (CEO of TOESL), the company set ambitious growth targets and achieved significant expansion. In just over three years, TOESL grew six times, scaling from seven plants to 45. This wasn't just commercial expansion—it meant building a new organizational culture, refining KPIs, ensuring operational rigor, and emphasizing

[37] "Planet: Stakeholder-wise Highlights", Thermax Limited, Digital Annual Report 2023–24, April 2024

safety and supply chain excellence. It is now aiming for significant scale by 2028, underpinned by a robust pipeline of long-term annuity contracts.

These build-own-operate contracts accrue revenue over time, representing substantial locked-in value. This rapid growth highlights the strength of its pioneering model and the advantages of being a first mover in a capital-intensive, high-trust sector.

The How—Reimagining Everything

TOESL introduced a fundamentally different way of operating—embedding itself within the customer's premises and taking full ownership of utility operations. This wasn't just a tactical move—it was a strategic choice, rooted in the belief that the energy transition couldn't be delivered at arm's length.

1. Why embed within the customer's premises?

Because energy is mission-critical. TOESL recognized that true decarbonization couldn't happen if sustainability was treated as a bolt-on. By embedding inside customer sites, TOESL could ensure real-time responsiveness, control operational uptime, and integrate green utilities directly into core manufacturing processes. This proximity allowed them to:

- Design fit-for-purpose systems tailored to specific process loads.
- Respond instantly to fluctuations or disruptions.
- Build long-term operational trust by delivering consistent, plant-level outcomes not just equipment.

It was a bold move. Most customers weren't used to third parties running core utilities on-site. It required trust, a deep understanding of industrial processes, and a culture of joint problem-solving.

2. Why take accountability for the entire lifecycle (including financing)?

Because the economics of sustainability are front-loaded. Many green solutions require significant upfront capital, with returns spread across long-term horizons. Most customers, even those committed to sustainability, were reluctant to make that investment themselves.

TOESL flipped the equation. As an original equipment manufacturer (OEM) with in-house financing capabilities, they absorbed the lifecycle risk, allowing customers to transition without capital barriers. But the real value proposition wasn't just in the money, it was in the model: "It wasn't about us financing the solution. The value came from owning the lifecycle from engineering to stabilization, performance, compliance, and everything in between."

This end-to-end ownership has been a unique differentiator for TOESL. They aren't dependent on third-party EPCs. They design, build, finance, operate, and maintain the systems themselves, which allows for tighter control, higher uptime, and ultimately greater customer confidence. Even within Thermax, this was new ground. The company had never run full utility operations end-to-end. TOESL had to build internal capabilities, formalize compliance and safety norms, and stabilize traditionally fragmented fuel supply chains, which is especially challenging in sectors that had never seen this level of operational integration.

Today, TOESL is working not just on fuel substitution, but also on circular economy models, zero-liquid discharge, industrial waste heat recovery, and water reuse. For example, in the textile chemicals segment (among the most polluting), they've deployed zero-effluent systems. In mining, they've partnered with Hindalco to transition their alumina plant to a green solution, achieving a six-month payback.

Strategy Without an Ecosystem View Is Half-Baked

When Khushboo took over as CEO of TOESL in June 2020, the product thesis was clear: large industrial players were under pressure to meet ESG goals. But the low-hanging fruits, especially in energy, had already been picked. Most players were sourcing renewable electricity, ticking the ESG box, and saying, "We're done."

But process energy, especially in cost-sensitive industries, remained untouched. There was skepticism: *Will this affect my process stability? My output quality? Who guarantees uptime and performance when using newer, cleaner fuels?* That was the real problem statement.

Khushboo reflects, "We realized one thing early on: no viable business model can depend on subsidies or penalties. It had to work on its own merit. So, we took an ecosystem view because that's what it would take to build something resilient."

A case in point is TOESL's approach to biomass, which is an unorganized but high-potential sector for energy transition. It reflects the core elements of strategic thinking: a big picture view, systems thinking, and an acute awareness of the external environment ("outside-in" perspective). Recognizing that industrial-scale biomass adoption required more than just sourcing fuel, TOESL reimagined the entire ecosystem—from farm to factory—through deep supply chain integration and long-term partnerships.

They went deep into backward integration, partnering with processors and integrators who work with Farmer Producer Organizations (FPOs) to aggregate agricultural residue. But industrial use demands precision—moisture content, calorific value, ash content—all must meet exact specifications for boiler performance and metallurgy. That meant they had to ensure quality at the source: the farm. And so, they started working directly with FPOs, and even training farmers themselves.

That's where partnerships came in. TOESL recently signed an MoU with ITC, which is one of the largest agri players in the country. Now, ITC's supply chain is focused on food crops, but TOESL saw an opportunity. Why not leverage that existing infrastructure and train the same farmers to also collect agricultural residue?

In doing so, this will create "shared value" for all partners and ecosystem actors, while minimizing negative externalities on the environment by:

- Closing the circular economy loop.
- Generating new revenue for farmers.
- Opening a new income stream for ITC.
- And sustaining TOESL's own fuel supply for 45+ sites.

"Sustainability is no longer just an obligation; it's an opportunity and an imperative for long-term business viability. For example, the textile industry is one of the most polluting sectors. Today, Indian textile conglomerates are being pressured by European and U.S. end users to clean up due to taxes imposed under CBAM and similar regulations. These companies have traditionally relied on low-cost coal solutions (often the cheapest option in the energy cost matrix) but are now being compelled to change their operations. They must do so immediately, and many of these organizations are owner-driven. Had they taken a long-term view earlier, they might have implemented these changes more cost-effectively. Currently, they may have a 90 dph coal boiler in place that they purchased two years ago, with a lifespan of about 25 years. Now, they are faced with the challenge of either retrofitting such boilers or replacing them with greener alternatives, which is not an easy task."

Khushboo Bhatia
CEO TOESL

TOESL has already piloted this with 22 FPOs. Through ITC's digital MAARS platform, TOESL now has access to ten million farmers *and* 1,500 FPOs. That's how they've built a resilient and scalable fuel ecosystem and created shared value.

Barriers Such As Capital Access Remain

Now, a big part of making this model work is capital. And here's the gap: the kind of green capital that's actually accessible to businesses such as TOESL is virtually non-existent. And this is despite the fact that TOESL is not an MSME; it is the subsidiary of a large Indian business house and it is profitable in its own right. Yes, sovereign green bonds have been issued. Policies are evolving. But on the ground, when you go to a commercial bank—even if you're a 100% green business such as TOESL—you're still getting loans at over 9% interest. There's no incentive differential.

For TOESL, we're talking about sub-US$10 million investments to green one plant. These aren't US$100 million projects, so there's no structured pathway today to access lower-cost capital for small small ticket-size projects. This has been a constraint that they've had to deal with.

Innovation Unlocked Through Strategic Partnerships

Strategic partnerships have been instrumental in driving innovation. A great example is TOESL's recent collaboration with Nestlé.

Every year, the Delhi NCR region sees growing concern around stubble burning, particularly due to paddy straw or *diestaw*, which has a very high lignin content and is traditionally challenging to use as a clean fuel source.

TOESL recently commissioned a 100% *diestaw*-based plant for Nestlé in Moga, Punjab. This was a first-of-its-kind effort; no one had built a plant running entirely on this fuel before. At the contracting stage, TOESL was transparent that this was new territory for them. But Nestlé's chairman was clear that the solution had to be environmentally responsible, and it had to use this specific fuel. So, they cocreated a model for the first six months, with both parties in agreement that they would run and stabilize the plant together, make modifications as required, and only after that would they commit to contractual efficiency for the next ten years.

This sort of partnership mindset is critical for the adoption of new technologies. Boards and leadership teams must be open and resilient, recognizing that innovation doesn't always come with a ready-made playbook.

In sum, by integrating backward-integrated supply chains, partnering with farmers and organizations such as ITC, and continuously innovating with new technologies such as RDF and biogas, TOESL has positioned itself as a leader in the energy transition. Despite challenges in accessing low-interest green funds, the company focused on resilience and innovation to drive sustainable solutions, balancing traditional financial metrics with long-term sustainability goals.

Case Study 2: CEO Ownership and Board Oversight

Leadership Spotlight: Vijaykrishnan Venkatesan, Managing Director of Kennametal India

How Kennametal India is embedding sustainability into business strategy and culture

Kennametal India Limited (public listed subsidiary of U.S. MNC Kennametal Inc.) is reimagining what it means to be a sustainable business. Over the past three years, under the leadership of Managing Director Vijaykrishnan Venkatesan, Kennametal India has made sustainability and ESG principles central to its operations, culture, and strategic direction. Kennametal Inc. (listed on the NYSE) is a global leader in high-performance tooling and industrial materials.

Laying the Groundwork

Kennametal India's sustainability journey began with a candid self-assessment of its understanding of sustainability. Recognizing its complexity, the company engaged external experts—seasoned professionals from large global organizations well-versed in ESG frameworks—to educate its executive leadership team and enhance internal capabilities.

This exposure was crucial in the first year of Kennametal India's sustainability transformation, fostering awareness and laying the groundwork for a culture shift across the organization. The focus was on moving beyond mere compliance with regulations such as BRSR reporting to instill a deeper commitment to sustainability.

> "If you only focus on reporting, efforts will likely ramp up at year-end, around two months before the annual report. And this tends to be a rushed data gathering exercise. Our goal is to ensure that the board, management and the entire organization integrate sustainability into their daily practices—not just as a compliance exercise, but because it's the right thing to do."

Vijaykrishnan Venkatesan
Managing Director, Kennametal India

A core management committee dedicated to ESG was established, comprising the Managing Director, the CFO, the Legal Head and the Head of Sustainability.[38] This committee meets monthly to discuss targets and progress, ensuring that ESG responsibilities are clearly assigned across various parameters, such as diversity, training, energy management, and governance. With a workforce of 750+ people, around 15 individuals were also identified as champions to lead specific ESG initiatives, undergoing three layers of training to equip them for their roles.

This leadership-driven approach, supported by the Managing Director and the Board, has been instrumental in evolving ESG from a compliance obligation into a key tenet of long-term business strategy. This foundation fosters a culture of commitment and accountability for sustainable practices throughout the organization.

Board Oversight and Governance Structure

In the second year of its sustainability transformation journey, the company shifted focus to enhancing board-level awareness. A half-day training session was conducted for the Board of Directors, some of whom were already familiar with ESG principles, while others were not. This led to the formation of a distinct ESG Committee within the Board, separate from the mandatory CSR committee. The ESG Committee comprises three independent directors and one non-executive director, with the MD as Chair. It meets biannually to review progress and outcomes, ensuring that ESG considerations are integrated into the company's strategic discussions.[39]

[38] "Investor Presentation", Kennametal Inc., accessed May 2025
[39] Corporate Governance Q2 FY25", Kennametal India, accessed May 2025

A materiality study conducted in the first year was revisited after 18 months, with findings presented at committee meetings and board sessions. This iterative approach reinforced the commitment to making sustainability a way of life within the organization, rather than a last-minute effort tied to reporting deadlines.

Kennametal has established a robust governance framework to oversee its ESG initiatives, ensuring alignment with its strategic objectives and stakeholder expectations.

- **The Board ESG Committee** *(distinct from the CSR committee)* is chaired by the Managing Director, with active participation from the Risk Committee Chair, Audit Committee Chair, and Board Chair. This structure reflects the company's top-level commitment to responsible business practices, integrating ESG efforts into its overall business strategy and operations to create long-term value for all stakeholders.[40]

- The company's **ESG focus areas** were determined through a specific process, and these are also incorporated into the Board Risk Management Committee's Charter.[41] As such, Kennametal India's ESG focus extends beyond its own operations, encompassing its supply chain and distributors. The company reinforced ethics and integrity, incorporating ESG principles, with over 400 suppliers and 200 distributors through a Code of Conduct training.[42]

Institutionalizing ESG Accountability

As part of the phased sustainability transformation—in its second year—Kennametal India also began embedding ESG into the organization's core management and incentive systems. A dedicated ESG Committee at the board level meets twice a year to review progress, while a core (executive level) ESG committee meets monthly to oversee execution, supported by a wider implementation network across the business.

To institutionalize ESG accountability, Kennametal India has integrated sustainability metrics into the annual KRAs of function heads. For example, manufacturing now carries an explicit ESG-linked goal—energy reduction—within the annual performance objectives.

Kennametal Inc. is also establishing executive pay links between variable compensation and ESG performance, recognizing that at senior levels, variable compensation forms a significant portion of total pay. This sends a clear internal signal that sustainability is not an initiative, it's a performance standard. For Vijaykrishnan, walking the talk on sustainability starts with him as the Managing Director.

Furthermore, ESG outcomes are tracked on a dedicated dashboard—primarily using global ESG metrics for internal management, while aligning with BRSR for external reporting. Measurable indicators include water consumption, energy efficiency, training, waste recycling, diversity metrics and compliance health.

Overcoming Resistance with Results

A common challenge in promoting sustainability is internal resistance. "We are so deeply conditioned to look at performance through the lens of quarterly P&L—sales growth, EBITDA, margins, balance sheets—that anything outside of that frame, even if clearly necessary, immediately triggers resistance," Vijaykrishnan shares from his own journey.

Without shared ownership and congruence between financial and nonfinancial metrics across the organization, even the most basic sustainability initiatives are challenged—not on principle, but on cost. The CFO may agree it's important but will still view it primarily through a cost lens. Sales heads worry about margin erosion. Innovation that costs more, even if better for the environment, is resisted unless it improves short-term financials. Governance-related changes are accepted—but mostly out of fear, not belief.

For Kennametal India, this was not different, and Vijaykrishnan's sustainability push initially met cost-related resistance—be it sustainable plastic packaging, trainings, or energy management. However, these challenges were addressed through strong leadership, clear directives, and demonstrating the tangible benefits of sustainability adoption. "You might take a short-term hit, but the long-term dividends are far greater," he explains. Early successes helped build credibility, turning skeptics into supporters.

[40] Corporate Governance Q2 FY25", Kennametal India, accessed May 2025
[41] "Risk Management Committee Charter", Kennametal India Limited, accessed May 2025
[42] "Code of Conduct", Kennametal India Limited, accessed May 2025

CEO ownership is crucial to change this dynamic. If the CEO is not visibly driving sustainability—setting goals, aligning incentives, holding teams accountable—it won't stick. Vijaykrishnan emphasizes, "What worked was influencing with proof." His strategy earned buy-in from the global leadership team and the India board, unlocking broader support for more ambitious initiatives.

According to Vijaykrishnan: "Without the CEO's leadership, its tough to gain board-level alignment and cascade metrics across the organization. And without that alignment, sustainability is seen as optional and easily discarded when margins tighten. Whenever I have the opportunity to speak at CEO forums, my efforts are towards emphasizing the importance of a top-driven approach to ESG."

CEO As the Ultimate Champion of Sustainability

Vijaykrishnan's approach underscores the crucial role of the CEO in this journey. The CEO must lead the sustainability agenda, whether blessed with a supportive board or having to take the reins themselves. Engaging the board and global management if you're an MNC (or founder / promoter / PE owner as the case may be) is essential, as they ultimately enable and fund these initiatives. Moreover, the CEO must engage the entire organization through consistent communication and influence, while also providing firm direction when required.

For instance, when considering the installation of solar lights—more expensive than traditional options—Vijaykrishnan recalls the need to assert clear executive direction. While operational teams focused on the upfront cost, they later discovered that the unit cost of solar energy was actually lower than grid power, leading to successful supplier negotiations. It was a clear example of how the bigger picture—beneficial and cost-effective in the long run—may not be visible at the outset, especially when the initiative appears costly at a tactical level. Vijaykrishnan notes that while influencing typically works, sometimes it's necessary to mandate projects to ensure alignment with sustainability goals.

Unlike the board or CEO, operational teams tend to be execution-focused and view initiatives through the lens of their immediate functional remit. Their leadership competencies—particularly around strategic thinking and alignment with enterprise-wide goals—may still be evolving. As a result, broader initiatives are often assessed based on short-term impact or cost, rather than their long-term organizational value. This is where the CEO plays a vital role in taking a principled stance and pushing through decisions that might otherwise be blocked or delayed.

Vijaykrishnan also highlights that while there may not always be a direct correlation between sustainability initiatives and financial outcomes, the ultimate goal remains profitability and value creation for all stakeholders. "If whatever we do in ESG is not helping the business, then we need to reevaluate our strategies," he asserts. A standout example of how sustainability adds value to the business can be seen in customer audits. As a manufacturing company, Kennametal hosts numerous customer visits each month, during which clients inquire about sustainability practices such as water neutrality, recycling and diversity. These inquiries have become prerequisites for maintaining relationships with large organizations, particularly in Europe, where sustainability is increasingly prioritized. For instance, a major German company chose to partner with Kennametal despite the associated sustainability premium because they recognized the company as an ESG-focused organization.

Today, conversations with customers often begin with Kennametal's sustainability initiatives before going into solutions, a significant shift from five years ago. This approach has opened doors and fostered partnerships with key industry players. "It's not just about winning and growing; it's also about maintaining a presence in certain markets," Vijaykrishnan emphasizes. Notably, these tend to be CEO-level discussions, highlighting what your organization stands for.

Many companies aspire to charge a premium and position themselves as market leaders, and Kennametal's principled focus on sustainability enables it to do just that. With the Managing Director leading the way, the organization is committed to doing the right thing while maintaining a holistic view of how the business generates revenue and profitability. The alignment of ethical practices with financial outcomes is not mutually exclusive; rather, sustainability can indeed be a lasting value driver that enhances competitive advantage. Ultimately, Kennametal's financial performance reflects the success of its sustainability initiatives. The company has experienced margin expansion and growth in both top and bottom lines, demonstrating that sustainability is not merely a cost.

Driving Cultural Change

Over the past three years, Vijaykrishnan has witnessed an encouraging shift in the organizational mindset towards sustainability—from questions such as "What is the business case?" and "Is it necessary to allocate resources?"—to a growing recognition that "this matters" and "let's understand the outcomes and benefits."

He also acknowledges that it takes time and effort to transform culture and drive meaningful change. While the company's sustainability journey began at the top, the goal is to embed it deeply and cascade the mindset across all levels of the organization.

To reach every frontline employee, Kennametal India's sustainability transformation entails a cultural shift—starting with three relatable and easy-to-understand focus areas to build momentum: environment and safety, ethics and compliance, and gender diversity. "We've changed how safety is viewed—making it a priority that reaches every level of the organization," says Vijaykrishnan. Encouraging employees to speak up has been equally critical. "People are talking more, flagging problems earlier—and that helps us solve issues before they escalate," he notes. This has improved employee engagement as well as the company's industrial relations, significantly.

The company has also taken tangible steps to diversify its workforce, including the appointment of women as entry-level supervisors, launch of training programs exclusively for women across levels, and gender sensitization initiatives to foster an inclusive work environment. These changes have not only improved gender balance but also strengthened employee retention.

Educating the Supply Chain

Kennametal's sustainability efforts extend to its vendors and distributors, where education and enforcement go hand-in-hand. "You need constant education and improvement," Vijaykrishnan explains. "We've set minimum qualification thresholds, and we audit for compliance." In some cases, the company has walked away from cheaper options in favor of safer, more compliant partners. "We've paid higher prices to switch to vendors who meet safety standards," he explains. "These vendors bring trained workers and proper equipment—it's worth the investment."

In recent years, the importance of supply chain sustainability has become increasingly evident, especially as Indian organizations evolve into global players. Customers are now demanding transparency regarding supply chain practices, including sourcing and employee welfare. While some suppliers, particularly those linked to major global brands, are becoming more educated on these issues, many others are evolving in the journey.

Kennametal India is committed to holding its suppliers accountable, even if it means incurring higher costs. Ignoring sustainability in the supply chain can lead to severe consequences, including reputational damage, legal repercussions and financial losses. As Vijaykrishnan points out, companies can face significant fallout from safety incidents caused by contractor negligence, as "the liability always rests with the primary brand" in the eyes of the government.

Good Practices and Long-Term Payoffs

Vijaykrishnan's passion for sustainability is evident when he shares, "We are a strong governance company, we are stringent about compliance, we believe in strong people practices, and we focus on environment." This unwavering commitment to sustainability has translated into clear business benefits: stronger customer relationships, deeper trust with unions and employees, mitigation of supply chain risks and sustained growth in both revenue and profitability.

It also includes bold steps in operational sustainability. For instance, Kennametal India has made principled decisions regarding packaging materials, opting for sustainable options even if they come at a higher cost. Vijaykrishnan highlights that, "We're clear on who we want to do business with—partners who value long-term responsibility over short-term cost." At the group-level, Kennametal has implemented recycling initiatives that significantly reduce its carbon footprint. Centralizing recycling operations in the U.S. allows for valuable material recovery and waste minimization. This underscores a group-wide commitment to sustainable practices.

To stay ahead of the curve, Kennametal India is also actively engaging with ESG-focused start-ups, exploring collaborations that can help future-proof its sustainability strategy.

A Vision for Sustainable Growth

Vijaykrishnan sees sustainability not as a compliance requirement, but as a *growth lever*. "Successful leaders drive financials, but balancing this with sustainability is crucial," he says. With a clear governance structure, board-level engagement, and deep operational integration, Kennametal India is proving that sustainability isn't a side project—it's a strategic imperative that aligns with its vision to "Transform how everyday life is built" underpinned by its values: Safety. Respect. Integrity. Accountability.

Through persistent leadership and a commitment to systemic change, Kennametal India is shaping a model for how businesses in India—and beyond—can align profitability with purpose.

Case Study 3: Long-Term Value Creation and Shared Outcomes

Leadership Spotlight: Sanjiv Rangrass, Former Group Head—Sustainability, R&D and Projects, ITC Limited

ITC Limited, one of India's most diversified conglomerates, has long been recognized for its pioneering approach to sustainability. Under the leadership of Sanjiv Rangrass—who served as CEO of ITC's Agribusiness from 2010 to 2020, and later as Group Head of Sustainability, R&D and Projects, the company deepened its commitment to embedding sustainability into strategy, operations, and culture. His leadership journey offers a compelling model for how sustainability can be institutionalized across a complex, multi-business enterprise through systems thinking, robust governance, and shared value creation.

Laying the Groundwork: From Compliance to Commitment

ITC's sustainability journey began in the 1980s with Environment, Health and Safety (EHS) which was viewed as a compliance-driven function. An early intervention by board members catalyzed a shift in mindset, from viewing EHS as a cost to recognizing it as a foundational business imperative. According to Sanjiv, "There will be no resistance if the number one makes it non-negotiable with very real consequences. Organizations clearly run the way leaders drive things."

Over time, ITC's leadership, particularly under Y.C. Deveshwar (former ITC Chairman), reframed sustainability as a core belief. His conviction that *"the business of sustainability is the sustainability of business"* and *"business cannot succeed in a society that fails"* laid the foundation for a values-led transformation. This approach catalyzed long-term change across every business vertical, embedding sustainability into ITC's DNA.

This transformation was not sparked by regulatory pressure or investor mandates. It was rooted in conviction. In the early 2000s, Mr. Deveshwar made a leadership address where many expected a speech on conventional growth-focused strategies, but instead he mentioned the company's commitment to the triple bottom line—balancing economic, environmental, and social value creation—in ITC's first sustainability report released in the same year. In the statements accompanying that 2004 report, Mr. Deveshwar highlighted ITC's contribution "across economic, ecological and social dimensions, or the triple bottom line," and positioned ITC as one of the early Indian companies to formally adopt and report on this holistic sustainability framework. What followed was not a one-off declaration, but a sustained commitment. He consistently reinforced the message through his actions and decisions, embedding sustainability into the company's strategic agenda.

A visible institutional outcome of this belief was the establishment of the CII-ITC Centre of Excellence for Sustainable Development. Mr. Deveshwar's leadership set the tone for the organization, demonstrating that when sustainability is championed from the top, it becomes a cultural and strategic imperative. His philosophy was clear: a business cannot thrive in a broken world. Profitability and sustainability are not opposing forces—they are fundamentally intertwined.

Transforming ITC's Agribusiness to Deliver Shared Value Creation

As CEO of ITC's Agribusiness, Sanjiv operationalized this vision with boldness and clarity, even when the path forward was uncertain. Several farmers were dependent on ITC within its value chain, which made it imperative to conduct the business in the most responsible and resilient way possible. Recognizing that sustainability in agriculture required more than compliance or philanthropy, he adopted a systems-thinking approach rooted in place-based interventions and shared value creation.

At the heart of this approach was a clear focus on farmer profitability. Sanjiv built his planning framework around a fundamental question: Is the farmer profitable or not? This included accounting for the farmer's own labor as an input cost; factoring in time, effort and risk. Agriculture, he points out, is one of the riskiest professions in the world, and yet the core actor in the value chain—the farmer—is often the least rewarded. While input providers and end-market players captured value at either end of the chain, the farmer remained financially vulnerable. Addressing this imbalance required seeing the big picture, understanding structural inequities, then identifying the root cause to design solutions for systems change.

Sanjiv hired young, bright minds from leading educational institutions in India to drive innovation and change. "Even I didn't know how we can do it," he admits. "But you need bright people who will roll up their sleeves, bring an open mind and try to flesh things out." Together, they developed an ecosystem approach that was deployed village to village, evaluating performance across three dimensions encompassing the entire ecosystem:

- **Economic:** Farmer profitability, including labor cost accounting.
- **Social:** Formation and support of women-led self-help groups (SHGs).
- **Environmental:** Promotion of agri-forestry, water conservation, and reduced pesticide use.

The introduction of SHGs was a strategic intervention to address both social and economic vulnerabilities. These SHGs were funded through ITC's CSR allocations, which were deployed not as charity, but as catalytic capital to build community resilience. "This is the money that we're giving through CSR, so you can try to set up a *kirana* shop for instance," Sanjiv explains. The goal was to stabilize household incomes, reduce dependence on a single crop and create a buffer against market shocks.

This approach reflects a deep understanding of Maslow's hierarchy of needs—that advanced (sustainability) goals could only be achieved once basic needs were met. "If you go to a village, the first thing anyone will talk about is *roti* (food), *kapda* (clothing), and *aur makaan* (shelter). Then we will talk about all this other stuff," he says.

Sanjiv's agribusiness model was designed to create shared outcomes—farmers, communities, and ITC all prospered together. *"You take a village and develop the entire ecosystem, not just a farmer or the product,"* he says.

ITC's adoption of sustainable farming practices improved alongside greater transparency within the sector. As Sanjiv shares, *"Farmers always had the choice to sell outside rather than sell to us."* The model emphasized farmer autonomy and transparency: farmers were informed of both *mandi* (local market) prices and ITC's offer, with payments made in their presence. Quality parameters were clearly communicated, produce was weighed in front of them, and even transportation costs were reimbursed.

This open, choice-driven system not only resolved long-standing inefficiencies and injustices in the agri supply chain but also built deep-rooted trust with farming communities, reinforcing ITC's reputation as a fair and reliable partner. Sanjiv's agribusiness model ensured that farmer incomes became more stable and predictable, while also reducing friction in ITC's procurement and operations.

Pioneering Sustainable Sourcing and Traceability

In 2010, Sanjiv launched sustainable spices within ITC's agribusiness well before traceability and pesticide reduction became industry norms—and this came at a higher cost. It involved developing QR-coded traceability systems across the value chain, educating farmers on pesticide reduction, and building a robust quality assurance framework. While many applauded the effort at conferences and forums, few were willing to share the cost burden.

"No one wanted to pay for it. So, it took guts, sweat, and resilience to stay the course," he points out. Support early on from global partners such as British American Tobacco and McCormick also offered validation in the form of few cents on the dollar as premium pricing. Ultimately, it was Sanjiv's perseverance and ITC's long-term commitment that positioned the agribusiness ahead of the curve. Today, as global brands face scrutiny over unsustainable sourcing with product recalls and reputational damage, ITC's early investments in traceability and quality assurance have become a competitive advantage.

"It is only now, nearly 15 years later, that we are beginning to see some traction for that," Sanjiv notes. The rise of the conscious and discerning consumer is finally creating demand for sustainably sourced products, validating ITC's early bets on responsible sourcing.

Governance as a Strategic Enabler

ITC's governance architecture played a pivotal role in enabling Sanjiv's leadership as Group Head of Sustainability, R&D and Projects. The company operates a three-tier model:

- **Board of Directors** responsible for strategic supervision.
- **Corporate Management Committee (CMC)** that leads strategic management and manages day-to-day affairs.
- **Strategic Business Units** responsible for executive management and operational execution, each with its own sustainability committee.

As Chair of the Sustainability Compliance & Review Committee (SCRC) at the CMC level, Sanjiv oversaw sustainability performance across 12 diverse businesses. This structure ensured that sustainability was embedded into:

- **R&D and project evaluation:** All new initiatives were assessed for sustainability impact.
- **Monthly performance reviews:** Sustainability, EHS and R&D were reviewed with the Chairman and Directors.
- **Incentive systems:** ESG and DEI metrics influence short-term and long-term executive bonuses.

Importantly, all board committees, including audit, risk, CSR and sustainability, and stakeholder relations, evaluate business performance across both financial and non-financial metrics to make recommendations. The Nomination & Remuneration Committee (NRC) then consolidates these inputs to determine final ratings and payouts for each ITC business. This multilayered evaluation system ensures that sustainability is not just monitored, it is incentivized and enforced as a performance standard. Third-party audits for BRSR, carbon disclosures, plastic waste management and other sustainability metrics further reinforce credibility and transparency.

Embedding Sustainability Across a Diversified Enterprise

ITC's sustainability culture is rooted in what Sanjiv describes as **"responsible competitiveness,"** the belief that long-term value creation must align with ethical conduct, environmental stewardship and inclusive growth.

This ethos is exemplified through ITC's philosophy that sustainability must be "built in, not bolted on." The company's commitment to integrating sustainability into its core operations is reflected in tangible outcomes such as:

- LEED platinum-certified green hotels, setting benchmarks in responsible luxury. [43]
- 52% of total energy consumption sourced from renewables, advancing clean energy adoption. [44]
- Over 99% of solid waste reused or recycled, demonstrating circularity in operations. [45]
- Plastic neutrality achieved in FY 2021–22, reinforcing its commitment to responsible packaging. [46]
- 60 million kiloliters of rainwater harvesting potential created, contributing to water security and conservation. [47]
- ITC has been carbon and water positive for over two decades. [48]
- Leadership-level scores on CDP (A- for climate and water) and 81% on the Dow Jones Sustainability Index. [49]

As Group Head of Sustainability, R&D and Projects, Sanjiv was tasked with overseeing sustainability across 12 distinct businesses, each at a different stage of evolution. From agri and paperboards to personal care, hotels, and IT services, the diversity of ITC's portfolio required a contextualized approach to sustainability integration. "You're not doing one initiative—you're running 12 different sustainability journeys simultaneously," he explains.

This complexity was managed through a robust governance architecture as mentioned earlier. At the apex was the SCRS, chaired by Sanjiv with representation from all corporate functions, including legal, HR, finance, and corporate affairs. The Group Chief Sustainability Officer served as the Secretary of the SCRC, ensuring continuity, coordination and subject-matter depth across the committee's work. The SCRC met regularly to review policies, performance and progress, with thematic subcommittees for plastics, renewable energy, and climate risk and biodiversity reporting into it. In addition, each business unit with its own P&L, had a dedicated sustainability committee.

Within this system, Sanjiv brought a distinct leadership lens to talent development. He describes himself as a "talent hunter" who seeks out individuals with the intrinsic potential to be visionary, courageous and resilient leaders. "My job was to find people with the spirit to lead change—and then give them the platform to do it," he shares.

This philosophy was particularly evident during his tenure as CEO of the agribusiness, where he recruited young professionals from IITs, agri institutes, and top engineering colleges to cocreate sustainability strategies. He valued their ability to think systemically, challenge assumptions, and design interventions that addressed root causes rather than symptoms. His approach was to harness their potential, not just for execution, but for ideation and innovation.

Sanjiv also upheld ITC's mindset that links profitability with purpose. "We have luxury hotels that we run responsibly. It's about doing both," he says. This mindset, he notes, was emblematic of ITC's broader sustainability journey. "When sustainability becomes how you do business, alignment becomes second nature."

Through his leadership, Sanjiv reinforced a culture where sustainability was not a siloed function, but a shared enterprise-wide commitment—anchored in governance, enabled by talent and driven by purpose.

Reflections on Impact and Legacy

ITC's sustainability milestones reflect a long-term, values-driven journey shaped by consistent leadership and strategic investment. As CEO of the agribusiness, Sanjiv embedded sustainability into the heart of operations; anchoring strategy around farmer profitability, ecosystem development, and traceable sourcing. A decade later, he scaled this vision across the Group as Head of Sustainability, launching **Sustainability 2.0**—a forward-looking strategy that introduced enhanced ESG metrics, deeper integration with innovation, and a sharper focus on climate risk and biodiversity.

His journey affirms that sustainability is not a destination but a discipline; one that demands conviction, systems thinking and the courage to lead with values. As India advances towards inclusive and climate-resilient growth, such leadership offers a compelling blueprint for scalable and enduring impact.

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[43] "ITC hotels conferred LEED Platinum rating", ITC Portal, 20 July 2011
[44] "Shaping the Future–ESG Factbook", ITC Portal, 2025
[45] "Shaping the Future–ESG Factbook", ITC Portal, 2025
[46] "Shaping the Future–ESG Factbook", ITC Portal, 2025
[47] "Shaping the Future–ESG Factbook", ITC Portal, 2025
[48] "Shaping the Future–ESG Factbook", ITC Portal, 2025
[49] "Shaping the Future–ESG Factbook", ITC Portal,2025

Case Study 4: When Systems Fail, Leaders Build New Ones

India stands at a defining moment in its sustainability journey. With a bold commitment to achieve net-zero emissions by 2070, the country must mobilize an estimated US$10 trillion in sustainable finance.[50] Current policy efforts ranging from the Viksit Bharat initiative to the establishment of a task force on sustainable finance reflect a significant shift towards aligning financial markets with sustainability imperatives. Investor interest is growing steadily, as evidenced by India's emergence as the second-largest funding hub for climate-related companies in 2024, surpassing China with around US$5 billion in investment flows.[51]

Top-Heavy Sustainable Finance Landscape

Most sustainable finance inflows have been directed towards large infrastructure projects, big financial institutions and major corporate entities. These recipients qualify based on robust frameworks around ESG alignment, financial viability, regulatory compliance and projected impact potential. However, the overwhelming emphasis on large-scale, top-down projects introduces two key distortions:

1. Environmental trade-offs: Projects labeled as sustainable infrastructure have, in some cases, led to environmental degradation. This highlights a broader challenge of aligning sustainability-linked infrastructure finance with long-term environmental impact assessments.

2. Limited private sector reach: Much of India's sustainability innovation particularly in clean energy, circular economy and industrial decarbonization emerges through ground-up efforts requiring smaller ticket-size financing. In a uniquely price-sensitive market with a deep base of MSMEs, start-ups, and even large private companies implementing plant-level sustainability projects, the limited availability of tailored, small-ticket green finance has constrained private sector participation.

The current structure channels sustainable finance towards government funds, large corporations and established financial players, rather than businesses that must urgently transition to low-carbon and sustainable models.

[50] "Bridging India's Sustainable Finance Gap", EY India, accessed May 2025
[51] "Bridging India's Sustainable Finance Gap", EY India, accessed May 2025

Exclusion of Small-Ticket Projects and MSMEs—A Systemic Gap

India's sustainable finance landscape exhibits a critical structural flaw: small ticket-size projects, regardless of the promoter's size or financial strength, struggle to access preferential financing terms. Whether initiated by a large corporation or an MSME, small-scale sustainability projects are typically treated the same as conventional projects by the financial sector, with no differentiated incentives for green initiatives. Solving for a systemic challenge, such as this, calls for strategic leaders who apply first-principles thinking, zoom out to grasp the system before zooming in on specific barriers, and focus on root causes to reshape legacy financial practices to unlock capital for India's sustainability transition.

Leadership Spotlight: Manya Ranjan, Co-founder of Two Point O Capital

Building an inclusive, distributed, and resilient financial infrastructure to bolster India's energy transition through a green financing platform

Manya Ranjan has spent nearly two decades at the intersection of energy, infrastructure, and capital—witnessing firsthand the evolution of global renewables and the persistent structural gaps that limit sustainable financing. Now, as one of four co-founders of Two Point O Capital, Manya is helping build a green financing platform designed to unlock capital for the underserved commercial and industrial (C&I) decarbonization segment.

Connecting the Dots Across Global Energy Transitions

Manya's career is rooted in systems thinking and sectoral depth. After graduating from IIT Delhi, he pursued graduate studies at MIT at a time when clean energy was just beginning to reshape U.S. policy and investment frameworks. His research at the MIT Energy Initiative explored future-facing technologies such as ambient air capture, laying an early foundation for understanding climate solutions beyond conventional renewables.

He spent seven years in strategy consulting, including six at McKinsey, advising energy and infrastructure clients as the U.S. energy markets underwent seismic shifts—shale gas disrupting traditional hydrocarbons, renewables moving from pilot to mainstream, and infrastructure investments redefining economic competitiveness. "In this sector, decisions aren't made for one or two years—they're generational," he recalls. That long-cycle view became a defining lens for his subsequent work.

Operationalizing Systems Thinking in India

Returning to India in 2017, Manya joined Sterlite Power, where he helped expand the company's footprint into Brazil and structured strategic investments from KKR and GIC. This phase deepened his understanding of ESG frameworks and the complexities of applying global sustainability standards in emerging markets.

At Honeywell, as Chief Commercial Officer for the APAC Building Technologies division, he observed the internal friction between sustainability ambitions and financial decision-making. He consequently recognized that sustainability needed to be positioned as a core financial proposition, not an ancillary goal.

Later, at ReNew Power, he saw the full potential of institutional capital mobilized for green assets but also recognized a stark divide: large utility-scale projects could access debt at competitive rates within hours, while smaller, distributed projects faced persistent barriers despite strong operational viability.

The Financing Gap That Needed Redesigning

The idea for Two Point O Capital crystallized around three systemic failures:

- **Aggregation failure:** Small-ticket projects, despite being viable, lacked scale to attract institutional capital individually.
- **Underwriting inefficiency:** The complexity of clean energy and decarbonization projects did not scale linearly with size, but lenders applied uniform credit frameworks, resulting in mispriced risk and onerous collateral demands.
- **Narrow definitions of credit:** Conventional credit evaluation excluded viable businesses with informal cash flows or decentralized models.

The opportunity lay in designing a platform that could aggregate projects, underwrite risk accurately with appropriate mitigants, and broaden the definition of bankability for a fragmented but critical market.

Disruptive Financing Model to Bridge the 'Green Capital Gap'

Two Point O Capital launched in 2024 with a clear architecture:

- Aggregation: Bundling smaller projects to meet institutional appetites.
- Smart underwriting: Pricing project complexity accurately, supported by guarantees, warranties, and insurance structures.
- Alternative credit frameworks: Moving beyond rigid balance sheet evaluations to assess operational viability, project economics, and risk mitigations.

Early traction has been strong and Two Point O Capital's equity raise was oversubscribed. It secures debt at attractive rates, enabling blended financing models where Two Point O co-invests 20–30% of project capital alongside other lenders. With a strong pipeline and disbursement plan in place, the platform is going beyond proof of concept in an underserved segment.

Timing the Shift to Distributed Green Finance

India's green energy sector is reaching a structural transition. While utility-scale projects have matured, distributed energy, rooftop solar, industrial energy efficiency, and decentralized decarbonization are beginning to accelerate. Manya believes the timing mirrors global patterns: "In the U.S., utility-scale renewables matured first. It was only later that rooftop solar and distributed clean energy models scaled. India is now at that inflection point."

Two Point O Capital is positioning itself to lead this second wave not through volume lending, but by redesigning how green projects are evaluated, structured, and financed in India's unique, price-sensitive market.

Designing for Systemic Change Rather Than Incremental Margins

For Manya, the motivation behind Two Point O Capital is not just commercial, it is structural. Without specialized financing platforms, the businesses that form the backbone of India's economy will be excluded from the sustainability transition. "This is not about incremental margin capture," he notes. "It's about building the financial infrastructure needed to ensure that India's energy transition is inclusive, distributed, and resilient."

Case Study 5: The Power of Ecosystem Leadership

Leadership Spotlight: Divya Sharma, Executive Director of Climate Group India

Driving collective efforts for climate action in hard-to-abate sectors and delivering systemic change together with Indian businesses and the government

If the last decade has taught companies anything, it's that sustainability cannot be achieved in isolation. The most urgent transformations—electrifying fleets, decarbonizing value chains, switching to renewable energy—depend not just on internal intent, but also on external alignment. That's where platforms such as Climate Group come in.

Climate Group, an international nonprofit founded in 2003,[52] has a bold and urgent mission: to drive climate action—*fast*. With a vision of achieving net-zero carbon emissions by 2050[53] while fostering shared prosperity, the organization operates globally, including a strong presence in India. Under the leadership of Divya Sharma, Executive Director for India, Climate Group has advanced its mission through the following flagship campaigns:

- **RE100:** A global initiative uniting companies committed to sourcing 100% of their electricity from renewable sources across all operations by a self-determined target year.
- **EV100:** A corporate campaign through which companies pledge to transition their vehicle fleets to electric and install adequate charging infrastructure by 2030, accelerating the shift to clean transport.
- **EP100:** A platform for companies to commit to improving their energy productivity—delivering more economic output per unit of energy consumed—thereby reducing emissions and operational costs.
- **SteelZero:** A demand-led initiative where companies commit to procuring 100% net-zero steel by 2050, using their purchasing power to drive decarbonization in one of the world's most carbon-intensive industries.
- **ConcreteZero:** A commitment platform for companies that use concrete to transition to 100% net-zero concrete by 2050, with interim targets and clear reporting to stimulate demand for lower-emission materials in construction.

These initiatives challenge companies to move beyond traditional CSR and take ambitious climate targets in their operations to achieve net-zero impact. Climate Group operates as a catalyst and a convener—working across industries, policy ecosystems, and market actors to accelerate systems change.

Campaigns Designed for System Shifts

Climate Group's work spans four critical systems—industry, transport, energy, and food—where its campaigns act as strategic levers to influence corporate action. Divya emphasizes that their flagship campaigns are designed to push companies beyond surface-level commitments.

These campaigns are demand-side campaigns with a view that when demand influences markets to shift, it has direct and positive impact on supply. The uniqueness of these campaigns is that these are absolute commitments. For instance, RE100 drives companies to commit their entire operations to renewable electricity. "When a company takes a RE100 membership, it means that they commit themselves to changing their entire system—processes, buildings, industry—to be run by renewable electricity," Divya explains, highlighting the seriousness of such pledges. This must be backed by annual public disclosure, technical support, and accountability.

To meet such ambitious goals, companies often find themselves needing far more than strategy and intent. They need:

- Enabling infrastructure (such as EV charging stations or RE procurement frameworks)
- Supportive policy and regulatory clarity
- A reliable network of suppliers and service providers
- Access to new forms of capital, capabilities, and collaborative roadmaps

Each of these factors lie outside a single company's control—and this is exactly where ecosystem leadership becomes critical.

Network Effects as a Force Multiplier

India represents a uniquely complex yet promising landscape for Climate Group. With ~190 members in the country, spanning domestic and international firms, the organization's presence is robust. Divya elaborates, "Not all our member companies are India-based. Some companies are Indian business houses. Some companies are international companies with operations in India."

Engaging these stakeholders involves a hands-on approach. "We work with big businesses that possess the influence and resources to not only optimize their own systems but also shape policy and impact their value chains. This, in turn, creates demand that can significantly affect the market. We identify these businesses, engage them, and continuously support them in understanding their roles and responsibilities, as well as their potential for positive change," Divya shares, underscoring the organization's proactive stance.

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[52] "The Climate Group–About Us", The Climate Group
[53] "The Climate Group–About Us", The Climate Group

Climate Group member companies particularly benefit from the strong "network effects" its campaigns offer. As more companies align on shared targets, it becomes easier to influence others in the value chain, government and financial institutions. Climate Group's value lies in making this participation in collective action and systems change efforts easier. It reduces friction, provides structure, and enables learning from peers—not only in India but across its 500+ members globally influencing 148 markets. Its campaigns encompass:

- Public frameworks that confer credibility
- Technical and policy support to navigate real-world roadblocks
- Cross-industry convenings that accelerate trust and shared problem-solving
- Visibility and momentum for companies willing to lead

Demand-Side Campaigns

Climate Group's strategy is focused on influencing demand rather than supply—for instance, targeting companies that use critical resources such as steel. Divya explains the rationale: "Unless there is a demand, the market will not shift. So, no matter how supply can be streamlined, people will not buy."

The SteelZero campaign exemplifies this model, working with steel consumers to prioritize green procurement. "We were lucky because the Ministry of Steel at that time was also designing their green steel program, which was about public procurement of green steel. And our program is private procurement of green steel," Divya notes, highlighting the complementary alignment.

The SteelZero campaign's report, titled "India Net Zero Steel Demand Outlook," evaluates the Indian market for net-zero steel and the factors that will drive this demand in the decades to come. The report brings out the economic and decarbonization opportunity available to Indian steel makers today, thus making a powerful case for adoption of low carbon technologies for steel production. Also, importantly, it serves as a useful guide for businesses that procure steel, policymakers as well as philanthropy and investors looking to support steel decarbonization in India. This kind of knowledge-sharing is critical in markets where sustainability is still seen as a cost rather than an investment. By demystifying the landscape, Climate Group helps companies make informed, confident decisions.

First Movers and System Shapers

Across its campaigns, Climate Group has worked with several companies in India who have led from the front—not just changing their internal operations but also helping to shape broader ecosystems. The EV100 campaign didn't scale by focusing on vehicle manufacturers. Instead, it created demand through companies such as Flipkart, which committed to electrifying its fleet.[54] "Flipkart had a very heavily invested sustainability officer, who worked very closely with us in understanding how a company such as Flipkart, an e-commerce business, can partake in the EV100 campaign," Divya recalls.

[54] "JSW Steel, IKEA and Flipkart to pilot electric trucks as part of Climate Group's EV100+ initiative", The Climate Group

Flipkart's approach was grounded in analysis and realism. "They did their mathematics and analytics before coming up with a yes. And that meant a lower number of vehicles to begin with, but taking a targeted approach to how they will increase that," she says. Their early action sent a strong market signal—and helped lay the groundwork for supporting infrastructure such as charging stations.

A similar story is unfolding with cement companies that have committed to RE100. "We have observed a strong commitment to transitioning to renewable energy, which requires substantial changes in technology, processes, and operations," says Divya. Companies such as Ultratech recognize that while such shifts are complex and may involve short-term disruptions, the long-term benefits are clear—and they are prepared to lead that transition.

Leadership Sets the Tone for Collective Progress

Climate Group's work reveals a broader truth: the sustainability transition is not only technical or operational—it is leadership-driven. But not all leaders are equally equipped for this. Participating effectively in collective action efforts for systems change towards shared outcomes requires business leaders who are:

- Strategic and systems-oriented: Sees the business not as an isolated entity, but as part of a dynamic ecosystem of policies, technologies and actors.
- Collaborative: Able to build coalitions, influence peers, and coordinate across functions and sectors.
- Externally engaged: Willing to contribute to shared roadmaps, rather than waiting for perfect conditions.
- Long-term in vision, pragmatic in execution: Ready to invest in enablers such as pilots, infrastructure, or policy advocacy—even when immediate ROI is unclear.

When Climate Group was first setting up in India, it was Anand Mahindra's support that helped kickstart key campaigns, providing credibility and visibility. Similarly, Sajjan Jindal played a prominent role in launching SteelZero in India, standing alongside Amitabh Kant to give the campaign both industrial and governmental validation. "This helped us get things off the ground," Divya notes. "CSOs are now driving the agenda within companies, but it was the early momentum from India's most respected business names that gave our platform the trust and reach it needed."

That leadership has also been complemented by a deep advisory ecosystem. Uday Khemka serves on the advisory group. Suresh Prabhu, in his former roles as Member of Parliament and G20 Sherpa, was a founding force behind Climate Group India; his son remains actively involved. And Gauri Singh, Deputy Director General of the International Renewable Energy Agency (IRENA), lends global insight from her position in Abu Dhabi.

The way influence works in India is distinct from other markets. Divya explains, “These are large companies, and we often work directly with their CSOs. But who joins the conversation depends on internal processes—and in some cases, a founder or promoter’s early involvement sets the tone for everything that follows.” This layered approach—ground-level execution by Sustainability Officers, backed by visible endorsement from leadership—has become a hallmark of how systems change campaigns gain traction in India’s business landscape. It’s not just about internal execution; it’s about who gives sustainability the mandate to matter.

Real traction only occurs when boards and CEOs sanction these efforts—not just by approving targets, but by allocating time, capital and influence to ecosystem participation. This buy-in is critical to the success of campaigns such as RE100 and EV100. “Leadership is an important element for any company taking some of these bigger decisions because RE100 or EV100 is not a small thing to commit to and it would definitely require approval from their boards and CXOs,” Divya says.

Policy Support and Ecosystem Participation

“We do a lot of soft support,” Divya reflects. “For example, we ran a myth-buster series around EVs several years ago.” Behind the scenes, Climate Group also plays a critical role in bridging the gap between private sector ambition and enabling policy frameworks. “We created RE100 policy asks led by a working group created in collaboration with RE100 member companies. These asks were informed directly by business needs—particularly around the fragmented and unpredictable nature of India’s state-level renewable energy policies.”

Climate Group has supported its members in navigating these challenges and taken their policy inputs to government stakeholders, ensuring that ambition is matched with advocacy. This work extended to other forums as well. Climate Group worked closely with the Confederation of Indian Industry (CII) and was part of the B20 working group on energy, environment and climate change during India’s G20 presidency. “We brought business voices to that table through interviews, written statements and formal representation on the chair. Some of our RE100 policy asks were included in the G20 compendium,” Divya notes.

At the subnational level, Climate Group is building formal partnerships with state governments. “We’ve signed MoUs with states such as Maharashtra and Delhi, where we’ve committed to bringing our EV100 members together to help the state meet its EV policy targets,” says Divya. These collaborations are mutually beneficial—helping governments advance their goals while giving businesses the confidence that policy will support their efforts.

Looking ahead, Climate Group wants companies to move from ambition to action, with clear targets and deeper investments. Divya articulates this next step: “We want these companies to take closer targets and close the targets, put in more effort, more money, more investment into sustainability. It should go beyond the feel-good factor.”

Challenges and Future Direction

Despite achieving many milestones, challenges persist—particularly in motivating major corporations to take bolder steps. “There are many, many big giants that could take ambitious action, but they’re not taking it. So that’s one challenge that we are dealing with,” Divya admits.

In response, Climate Group is doubling down on building a strong analytical foundation to tackle complex questions. “Most of our work in a nutshell is about looking at these challenging questions and designing our baseline to be able to answer these questions so that people can confidently commit to big ambitions,” she notes.

Driving Change Through Leadership and Collaboration

Climate Group has crafted a high-impact strategy in India—engaging big businesses, advocating for policy change, and catalyzing real sustainability shifts.

At the heart of this strategy lies the ability to build and sustain partnerships across a diverse landscape of market actors, each with their own interests and priorities. Navigating this complexity demands business leaders who not only possess strong leadership competencies—such as influencing and collaboration—but also demonstrate curiosity and a genuine commitment to engagement. These qualities enable leaders to view challenges from multiple perspectives, foster inclusive dialogue and steer collective efforts towards meaningful innovation.

By anchoring its work in demand-led campaigns and fostering deep industry collaboration, Climate Group continues to redefine corporate responsibility and drive systems change. While the path forward may be complex, Climate Group remains steadfast in its mission to advance the sustainability agenda in India and beyond.

Conclusion

Almost a decade into the 2030 Agenda, India's performance on global SDG indices reflects both meaningful progress and the scale of its ambition looking ahead. The country's improvement from 121st to 99th place out of 167 countries in the Sustainable Development Report (SDR) between 2022 and 2025 signals positive momentum—particularly in areas such as renewable energy expansion, access to basic services (sanitation, water, banking), digitization and infrastructure development.[55] These encouraging trends showcase the powerful impact of concerted efforts in advancing India's sustainable progress.

For instance, India has taken commendable strides towards SDG 7 (affordable and clean energy) through significant investments in renewable energy. The country is now the third-largest installer of renewable energy globally, with nearly 50% of its total installed capacity coming from non-fossil fuel sources, placing it well ahead of its Paris Agreement-aligned targets. The country is also on track to achieve its ambitious goal of 500 GW of renewables by 2030.[56] These major leaps reflect strong intent and great potential, even as there remain areas within SDG 7 where further progress can be made. As India accelerates its clean energy transition, several areas offer strategic opportunities to build on existing momentum.

While coal still dominates electricity generation, it underscores the importance of continuing to scale renewables and storage solutions; financial stress on distribution companies highlights the need to modernize utilities and improve financial resilience; delays in deploying 60 GW of renewable capacity due to grid constraints point to the value of investing in transmission infrastructure; and ensuring affordable access for rural and low-income communities remains a key lever for inclusive and equitable energy innovation.[57]

Similarly, India has demonstrated impressive progress across various targets under SDG 9 (industry, innovation, and infrastructure).[58] Notable advancements are evident in infrastructure development, with record investments in roads, railways, urban development, digital connectivity and financial inclusion. While there is potential for growth in the area of innovation, the country is well-positioned to enhance its industrial sustainability and advanced manufacturing capabilities. Additionally, as infrastructure development continues, it is crucial to balance these efforts with environmental and social considerations, such as preserving carbon-absorbing forests and protecting local communities.

[55] "Sustainable Development Report 2025", Sustainable Development Solutions Network (SDSN), June 2025; "Sustainable Development Report 2022", Sustainable Development Solutions Network (SDSN), June 2022

[56] "Sustainable Development Report 2025", Sustainable Development Solutions Network (SDSN), June 2025; "Tracking SDG7: The Energy Progress Report 2024", United Nations (in collaboration with IEA, IRENA, UNSD, World Bank, and WHO), June 2024

[57] " World Energy Investment 2025 (10th Edition)", International Energy Agency (IEA), June 2025

[58] "Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation", NITI Aayog, April 2024

With just five years remaining until 2030, accelerating collective and integrated efforts can enable India to significantly enhance outcomes across multiple SDGs—particularly if private sector businesses resolve to step up. Given its large population, dynamic economy, and global influence, India has the potential to drive meaningful, large-scale impact—both nationally and globally.

Why Sustainability Works in India's Cost-Conscious Market

Policy plays a critical role in setting direction, creating market mechanisms and attracting capital. But in India's price-sensitive, bottom-line-focused economy, what ultimately scales is what pays. While incentives and regulations can help shape the enabling environment, many of the most significant shifts are being driven by pure economics—where sustainable choices also happen to be the most cost-effective. Against this backdrop, sustainability is fast emerging as a value driver rather than a cost center.

Consider the country's rapid acceleration in renewable energy adoption. *"During 2023–2024 alone, India auctioned 70 GW of renewable capacity—nearly half of what it took over a decade to build before that. Discoms aren't doing this for sustainability reporting. They're doing it because solar power is now much cheaper per unit than fossil fuels. For most utilities, the color of electricity—green or grey—is irrelevant. Price drives decisions,"* Manya Rajan of Two Point O Capital, astutely points out.

This market-driven logic extends to energy efficiency as well. India initially aimed to reduce its energy intensity by 30–35% from 2005 levels by 2030. In 2021, that target was raised to 45%, and if current trends continue, the country is on track to meet it five years ahead of schedule.[59] This progress is increasingly driven not by regulatory pressure, but by the tangible economic benefits of energy-efficient technologies, which reduce operational costs and enhance profitability.

We're seeing a similar shift in corporate procurement. Across industries, from metals to manufacturing to commercial real estate, firms are moving to solar rooftops, open access power and round-the-clock green contracts. These moves aren't just about meeting sustainability targets; they're strategic decisions to de-risk and hedge against volatile fossil fuel prices and reduce reliance on diesel gensets. Sustainability may have set the agenda, but it's the economics—lower costs, better margins and investor confidence—that are now powering the momentum.

Water offers a similar story. Even in the absence of widespread metering or pricing, many industries are proactively investing in recycling and zero-liquid discharge systems. The motivation? Rising tanker water costs (up to 30% annually in some regions) versus the cost savings and added value of recovering metals and minerals from effluents. Once again, it's the business case that's leading the way. *"A lot of these things are already in the money. They're valuable. The task now is to understand them better, underwrite them and build on what's working,"* Manya emphasizes.

[59] "India Climate & Energy Dashboard", NITI Aayog

Visionary Leaders at the Forefront of Sustainable Transformation

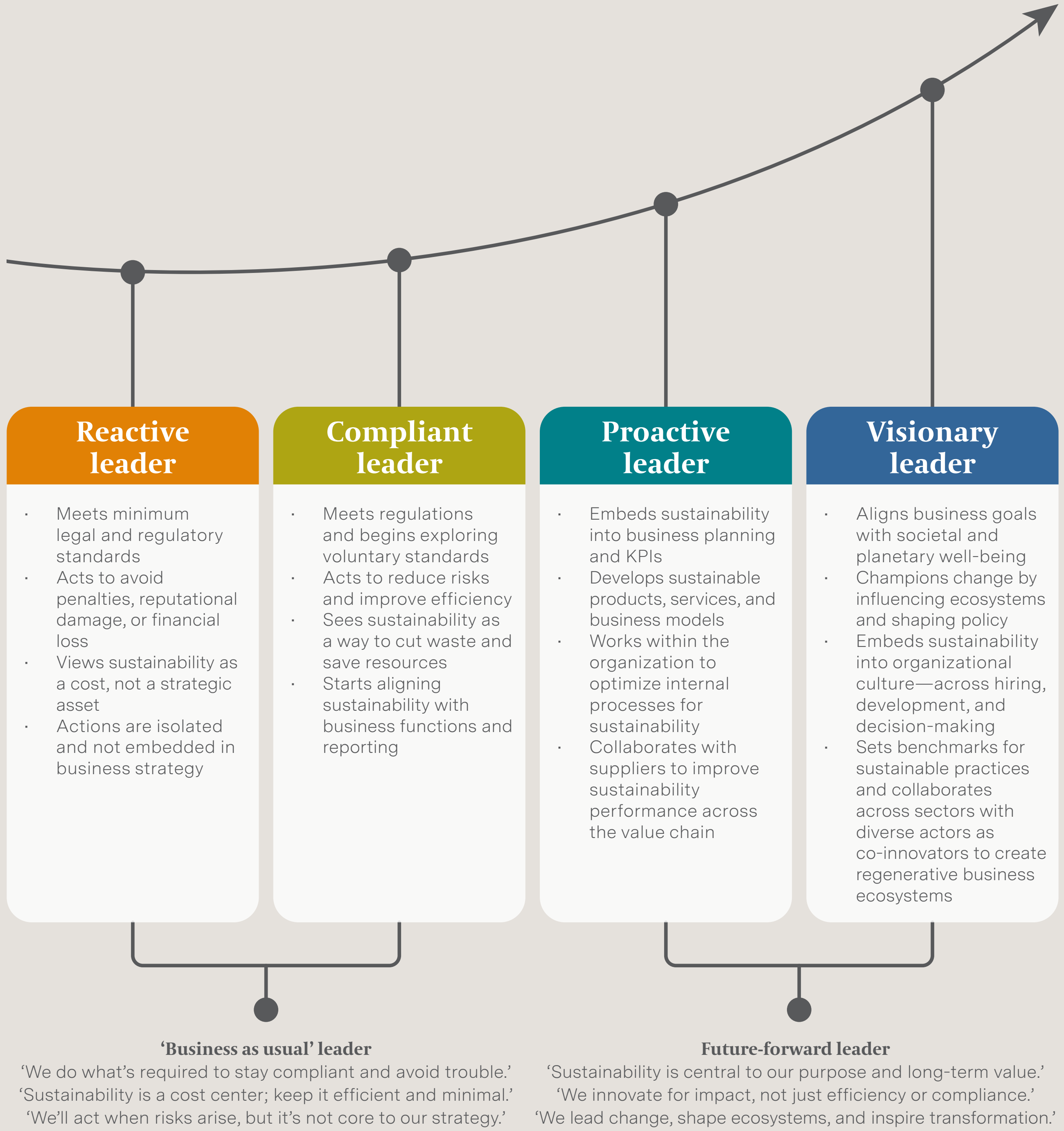
Companies with strong strategic leadership—those who recognized early that sustainability is emerging as a core value driver—are paving the way and reaping the rewards. By making timely investments to upgrade operations and reimagine business models, they positioned themselves ahead of the curve. As sustainability-aligned policies gain traction globally and domestically, these leaders have unlocked access to a market where initiatives such as renewable energy adoption, water recycling and waste management have matured to a point that makes clear economic sense.

We applaud the visionary, pioneering and courageous leaders who planted the first flag. They exemplify two critical leadership competencies needed in today's complex world: **shaping strategy and leading innovation.** These leaders proactively instigate business transformation, making bold, strategic choices and championing innovation with the potential for meaningful industry-wide impact. Solving systemic challenges to deliver sustainable outcomes requires higher-order strategic thinking and paradigm-shifting innovation. In India, many of these efforts involve building entire ecosystems from the ground up—such as in electric mobility or green infrastructure—which requires collective problem-solving at scale. This means forging partnerships, codeveloping use cases and influencing across stakeholders to accelerate market disruption or enable first-time-right execution. In this context, **influencing and collaborating,** paired with a strong outside-in perspective, emerges as another essential leadership competency.

Alongside these first movers, many fast followers are already capturing early advantages from these shifts. For those yet to begin this journey, the moment calls for introspection. A reactive culture may be symptomatic of deeper strategic leadership gaps and insular mindsets—organizational blind spots that could hinder not just high performance today, but long-term resilience in a rapidly evolving landscape.

Figure 9:

Evolution of leadership maturity for a sustainable business future



Source: Egon Zehnder

Defining the Next Chapter of India's Growth Story

At Egon Zehnder, our experience conducting over 6,000 management appraisals annually has given us deep insights into what sets true sustainability leaders apart. These are the leaders who embed sustainability into the very fabric of their business models—from governance structures to supply chains. As a result, they are not only more resilient to disruption but also more agile, competitive, and future-ready.

As highlighted throughout this report, growth aligned with sustainability is truly transformative. Consider Thermax's pioneering sustainability-first strategy, ITC and Kennametal India's leadership who genuinely walk the talk, Two Point O Capital's innovative green financing platform driving systemic change, and Climate Group India's collective action model powered by network effects. These leaders are showing that it's not just about surviving; it's about thriving in ways that contribute to a better, more resilient future.

But leadership is not static. Staying ahead demands continuous reinvention, strategic depth and an unwavering commitment to progress. Replication without innovation leads to stagnation, and in an era marked by uncertainty, that's a risk no business can afford. The challenges we face—climate change, resource depletion and social inequity—demand a new approach. It's no longer enough to tick boxes on ESG checklists or engage in philanthropy. True transformation requires adaptive, embedded strategies and long-term collaborative models.

In India's fast-evolving landscape, strong governance is essential to enable this change. While the recent IPO boom has unlocked capital and investment, the post-listing struggles of several companies underscore a hard truth: growth without sustainability exposes businesses to long-term risks. Governance lapses, environmental negligence, poor labor conditions and short-termism have already cost companies billions in post-IPO market value. This is especially critical as the next wave of IPOs is expected to come from sectors with high environmental and social impact—industrials, manufacturing, logistics, auto components, energy and real estate. Investors will expect credible decarbonization roadmaps, circular economy initiatives and transparent, responsible supply chains. Those who ignore these expectations risk becoming the next cautionary tale: overvalued at listing, underprepared for scrutiny and ultimately corrected by the market.

As sustainability scrutiny rises, leadership conversations must evolve—at IPO-bound companies and beyond. Whether preparing for public markets or navigating long-term private growth, CEOs and boards must recognize that sustainability is central to strategic credibility, stakeholder trust and long-term value creation. At companies approaching IPO, these questions are particularly urgent: Is our governance strong enough to inspire market confidence? Do we want to attract global institutional investors? Can sustainability be a strategic differentiator for us? Are we setting up our company for long-term investor confidence? These questions are equally relevant for established enterprises, family-owned businesses and high-growth start-ups.

Ultimately, sustainability is a marker of strategic maturity and a signal of future readiness. It is the bedrock of enduring organizations. Only leaders with a strategic vision can truly be sustainable leaders, and in this pivotal moment, it is these leaders who will define the next chapter of India's (good) growth story.

Going Back to the Cultural Roots of India

To genuinely embed sustainability into India's growth story, we must also reconnect with our cultural roots. We are a nation with an ancestry of tradition that deeply reveres nature. Our oldest ancient scriptures and texts—the *Vedas* (Sanskrit for "knowledge") and the *Upanishads* (teachings of inner wisdom and self-realization)—celebrate the "interconnectedness of all living beings" and emphasize a "duty of stewardship towards the environment."

India's deep ecological consciousness is rooted in its rivers worshipped as goddesses, animals seen as embodiments of the divine, and folk traditions that honor sacred groves and trees. This reverence for nature found powerful expression in the 1970s Chipko Andolan, a grassroots conservation movement in the Himalayan region. Local communities, led by women, physically embraced trees to prevent them from being felled for development. The movement was not just about protecting forests—it was a confluence of environmental, social and spiritual forces that asserted the rights of traditional custodians over forest wealth.[60]

[60] "Chipko movement", Britannica, 29 March 2025

"Kya hain jungal ke upkaar,
(What blessings do forests bestow on us)
Mitti paani aur bayaar,
(Soil, water and air)
Zinda rehne ke aadhar.
(The foundation that keeps us alive.)"

The words of poet, Kunwar Prasun, coined for the 1970s Chipko Andolan

This cultural legacy offers a powerful foundation for India's sustainability journey ahead. It reminds us that sustainability is not a foreign concept—it is deeply Indian. By drawing on this heritage, we can foster a sense of national pride and collective responsibility that transcends compliance and inspires action.

While the world has made notable progress on energy, health and infrastructure, nature-related goals such as biodiversity, forests and species protection remain among the most off-track.[61] With attention and investment, these critical yet neglected areas can become the next frontier of SDG gains. India has the opportunity to lead where the world is lagging—by bringing its strengths in innovation, technology and grassroots problem-solving to the urgent challenge of restoring ecosystems and protecting biodiversity.[62]

Solutions such as drone- and satellite-based forest monitoring, AI-enabled species tracking, carbon credits for afforestation and wildlife corridor mapping are already gaining traction. With coordinated ambition, these can become scalable, investment-ready technologies, especially as they closely align with India's broader ambitions in digital public infrastructure, climate finance and green industrial growth. But realizing this potential will require integrating these tools into national planning, unlocking institutional support, and building capacity to scale. With its ecological heritage, entrepreneurial depth and policy momentum, India can shape a model of nature stewardship that is globally relevant and distinctly its own.

[61] "Sustainable Development Report 2025", Sustainable Development Solutions Network (SDSN), June 2025
[62] "Why India ranks among the bottom five countries in new global nature conservation index", The Telegraph, 30 October 2024

Figure 10:

Sustainability starter toolkit

FOUNDATIONAL ENABLERS

Purpose, values, and organizational culture:

Revisit purpose and values:
- Frame a purpose that signals public commitment to create a better future for all
- Align core values to ensure that your lived purpose authentically reflects your stated purpose

Diagnose current culture:
- What behaviors are incentivized?
- What needs to evolve or change?
- Do leaders role model desired behaviors?
- Where does culture diverge from your desired state?

Establish visible structures:

- Board Sustainability Committee
- Management Steering Committee for sustainability
- Chief Sustainability Officer (CSO) with enterprise authority
- 'Fit-for-purpose' organizational design for your sustainability function
- Network of sustainability champions across all functions and levels

Invest in leadership development and embed a culture of sustainability:

- Leadership interventions to shift mindsets from business as usual
- Build ambidexterity at senior levels (how to harness performance and unleash innovation)
- Enterprise-wide awareness programs to socialize the sustainability mission
- Sustainability-linked KPIs, metrics and performance dashboards
- Hiring, talent assessment, career pathways and succession plans that incorporate competencies for sustainability leadership

KEY ACTIONS

Diagnose sustainability exposure and build 'evidence base' for action:

Conduct a double materiality assessment:
- Identify inside-out impacts (how your business harms people and the planet) and outside-in risks (how environmental and social shocks affect your business)
- Establish a clear set of material issues ranked by strategic and systemic importance

Use BRSR (India), CSRD (EU), GRI, ISSB, SASB, TCFD frameworks
Integrate climate forecasting and scenario planning
Deploy real-time measurement and impact monitoring capabilities

KEY ACTIONS

Map material issues to SDGs and national priorities:

Create a bridge between national development goals and business action to address material issues.
For each material issue, identify policy support and opportunity spaces via linkages to:
- Relevant SDG targets / NITI Aayog's SDG India Index
- India-specific schemes or missions (e.g., PMKSY, FAME, Jal Shakti, PLI, National Green Hydrogen Mission)

Ideate and co-create business-linked solutions:

For each issue:
- Ideate product, process, model, or ecosystem solutions that create business value while solving sustainability gaps

Don't do it alone—partner for low-risk efforts to solve complex problems by cocreating with:
- Start-ups (tech innovation, scale agility)
- Academia (validation, R&D)
- Peer firms (shared resources, industry standards)
- Public sector (policy alignment, infrastructure access, implementation at scale)

Prioritize scalable solutions for system-wide integration over one-off demonstrations

Validate solution fit with policy, regulation, and incentives:

Ensure proposed solutions are compliant, fundable, and aligned with regulatory and financial levers, including:
- National/state policies, missions, taxonomies
- Regulatory mandates (BRSR, EPR, ZLD, plastic bans)
- Incentives and subsidies
- Blended finance options

Pilot, finance, measure, iterate:

Launch controlled pilots with both business KPIs (cost efficiency, growth, risk reduction) and impact KPIs (emissions reduction, waste minimization, water saved, soil health improved, etc.)
Use pilots to test alternative financial models (phased investment/cost-recovery/shared savings/pay-for-performance) where conventional ROI logic doesn't apply
Adjust financial logic:
- Use blended capital (grants + equity + debt); apply long-horizon ROI or de-risking instruments
- Incorporate measurable non-financial returns (e.g., resource efficiency, resilience gains)
- Recognize that infra-heavy vs. digital vs. behavior-led innovations require different ROI timelines

Track value realization continuously; learn from results and adapt rapidly to course-correct and optimize

Scale internally and shape the ecosystem externally:

If successful, embed solutions into core operations to ensure long-term impact:
- Integrate into SOPs, procurement policies, design reviews, product strategies

Shape beyond your walls:
- Join or build coalitions and value chain alliances
- Contribute to policy dialogue, standard-setting and market shaping
- Use voice, platform and purchasing power to shift norms

Source: Egon Zehnder

Appendix

Thought Partners' Bios

Atul Bagai

United Nations Environment Programme (UNEP) Mr. Atul Bagai, Head of Country Office, India

Mr. Atul Bagai joined UN Environment's Ozone Action programme under the Montreal Protocol as the Regional Officer for South Asia in 2000 and served as Senior Regional Coordinator to build the capacity of subregional networks in Asia and enable them to meet the compliance targets under the Montreal Protocol. In that capacity, he spearheaded and led some innovative initiatives with the Executive Committee of the Multilateral Fund. For instance, he was instrumental in designing and developing synergies between Ozone Depleting Substance phase out and climate change in Maldives and Bhutan; green procurement policies in Mongolia taking into account phase-out of Ozone Depleting Substance as a legislation; a study of carbon credits and Ozone Depleting Substance destruction in Nepal; and, most recently, the hydro-chloro-fluoro-carbon phase-out plan for India that included energy efficiency and the cold chain.

Prior to joining UN Environment, Atul worked with the Government of India for 17 years in a number of senior positions such as Chief of Staff to two Ministers at the federal level (Ministry of Finance and Ministry of External Affairs) and to a Chief Minister at the provincial level. He also served as the Ozone Cell Director at the Ministry of Environment and Forests. Mr. Bagai, an Indian national, holds a Post-Graduate degree in History from the University of Delhi.

Khushboo Bhatia

Khushboo is the CEO of Thermax Onsite Energy Solutions Limited (TOESL), the wholly owned subsidiary of Thermax Limited. TOESL provides renewable energy based, sustainable solutions to deliver green utilities like steam and heat to its customers with water treatment & recycling, cooling, waste heat recovery, power generation etc. in its product portfolios, on a Build Own Operate (BOO) basis. TOESL has pioneered this business model in India & is working to extend this in select international markets. Under Khushboo's leadership the company has already grown 6X in past 3 years and has assessts >60M USD across 45+ sites, and is poised to rapidly scale it up in near future.

With a total of 20+ years Industry experience in the Power + Oil & Gas domain, Khushboo past experience includes working with GE and Honeywell. Her last role was the Region Executive - Sales for GE Power Services, South Asia (India, Bangladesh & Sri Lanka).

With a degree in Automation Engineering from Pune University and a course on Business Strategy in the Energy Industry from Georgia Institute of Technology, USA. and an executive from London Business School, she has built her career in the domain building various profitable business across geographies. A dynamic results-oriented leader, with a strong track record of high paced multinational organizations. Believes in developing and mentoring local talent and motivating team to their peak performance.

Shailesh V. Haribhakti

Shailesh V. Haribhakti is a globally recognized thought leader, serial innovator, and sustainability evangelist. A pioneer in Environmental, Social, and Governance (ESG) principles, Shailesh has dedicated his life to addressing two of humanity's greatest challenges: inequality and climate change. His visionary leadership spans five decades, during which he has transformed industries, redefined governance, and championed exponential technologies to foster sustainable development.

Early Life and Academic Excellence

Born into a nurturing and loving family, Shailesh exhibited exceptional intellectual curiosity from a young age. His academic journey began with distinction, as he topped the country in the Indian School Certificate (ISC) examination in 1971. He further excelled during his time at Sydenham College and Lala Lajpat Rai College, consistently securing top ranks. By the age of 22, Shailesh had already qualified as a Chartered Accountant and Cost Accountant, earning accolades for his outstanding academic achievements.

His early career took him to Arthur Young & Co. in Chicago, where he became the first Certified Internal Auditor of India and was recognized as a top performer in the firm's entry class. During this time, he gained invaluable exposure to global best practices in auditing and systems, including leading the audit of McDonald's Corporation.

Professional Journey

Returning to India in 1980, Shailesh embarked on a career defined by innovation and excellence. His early engagements as a visiting faculty member at IIM Ahmedabad allowed him to shape the minds of future leaders. Over the years, he became a trailblazer in governance, serving on the boards of over 100 leading organizations. Shailesh founded and grew his own firm, achieving an extraordinary 2000x expansion. His tenure as Chairman of global accounting networks such as BDO, Baker Tilly, and Moores Rowland exemplified his leadership capabilities. In 2018, he pivoted his focus to sustainability, teaching himself Physics, Chemistry, and Biology to better understand the principles of exponential technologies and environmental stewardship.

Dr Vivek Mittal

Dr Vivek Mittal is the Executive Director of Legal and Corporate Affairs at Hindustan Unilever Limited (HUL).

Before joining HUL, Dr Mittal served as Global General Counsel at Dr Reddy's Laboratories Limited, where he was responsible for legal, ethics, compliance, and data privacy risks. He has over 25 years of experience building dynamic legal teams across industries in reputed companies, including Danaher Corporation, Lupin Limited, Reliance, Radico Khaitan, India Bulls Group, Caparo India Operations, and Mount Shivalik Industries.

Dr Mittal is a prominent industry leader who is actively engaged with various bodies and forums. He serves on esteemed committees, including the Federation of Indian Chambers of Commerce and Industry (FICCI) Task Force on Inbound and Outbound Investments and the Confederation of Indian Industry (CII) Task Force on Judicial Reform.

He holds a Ph.D., a law degree (LL.B), and a post-graduate degree in commerce (M.Com). He is a member of the Institute of Company Secretaries of India (ICSI).

Sanjiv Rangrass

Mr. Sanjiv Rangrass is a mentor, coach and leading angel investor. Until June 2022, he was Group Head for R&D, Sustainability and Projects at ITC Ltd. and prior to this, he was the Chief Executive of the agri-businesses for ITC. Mr. Rangrass graduated from IIT Kanpur in 1982 and joined ITC from Campus. He spent over four decades at ITC in various capacities. He was the GM, Manufacturing Operations and then a Member of the Executive Committee of ITC's core business. He also had a cross functional stint as General Manager, HR and later led ITC's Sustainability 2.0 initiative focusing on channelizing collective action across the organization on carbon and water neutrality, mitigating and adapting to climate change including Agri value chains and steering the organization's transition to the Circular Economy.

Mr. Rangrass is an Independent Director on the Boards of Zetwerk and Bayer CropScience. He is also a co-founder of TAC (The Agri Collaboratory) – a "non-compete" not for profit, agriculture "Think and Do Tank" – helping build Digital Public Goods for agriculture in open source. He is also a senior adviser to Mckinsey & Co and a Venture Partner in Capria Ventures.

Manya Ranjan

Manya Ranjan is a distinguished professional in the energy sector, renowned for his contributions to the energy transition space. He earned his undergraduate degree in chemical engineering from the Indian Institute of Technology (IIT) and later pursued graduate studies at the Massachusetts Institute of Technology (MIT), where he received a master's degree focusing on energy transition, especially carbon capture and sequestration.

After completing his graduate education from MIT, Manya joined McKinsey & Company, where he worked across North America and Southeast Asia on a wide range of energy topics. He returned to India in March, 2017, to join Sterlite Power, a leading power transmission company. Over a period of 4 years across various corporate and business roles, he was instrumental in enhancing the company's strategic initiatives and operations.

Manya was the Chief Commercial Officer for APAC at Honeywell from 2021 to 2022, focusing on product development, sales enablement, pricing, channel and sales marketing and delivering a comprehensive commercial performance in the region.

In 2022, Manya joined ReNew Power, one of the largest renewable energy platforms in India, as the Senior Vice President and Head of Corporate Strategy. In this capacity, he actively shaped the company's strategic direction and led a transformation agenda around growth.

Manya's expertise and leadership have been recognized in various forums, across US and India and he's led various initiatives outside of work responsibilities.

Throughout his career, Manya has demonstrated a commitment to advancing global energy infrastructure and promoting sustainable energy solutions.

Dr. Divya Sharma

Dr. Divya Sharma is the Executive Director India at Climate Group and Head of the Board of Directors and Member, Executive Management Team at Climate Group. In India, she's leading a team of highly motivated professionals across industry, transport, energy and food systems.

Divya brings over 25 years of experience as an international climate expert, trainer, executive leader, programme manager and client advisor. She specialises in climate resilience, sustainable urban development planning and energy transition. She is on advisory boards of key initiatives like Climate Smart Cities (Ministry of Housing and Urban Affairs, Govt. of India), International program on Envisioning Sustainable Futures (IGES Japan and One Earth Canada) , Honorary advisor- Good Cities Foundation, Honorary advisor- Clinton Global Initiative, USA, Board of Directors- Transition Research, Goa, India, Member- Global Covenant of Mayors on Climate and Energy in India, Advisor- Earth Warriors, Founder Advisor- Humanqind.

Besides her doctorate on urban adaptation and resilience planning, she has completed the Practice of PDIA: Building Capability by Delivering Results training by the Harvard Centre for International Development, Harvard University and City Infrastructure Investment Programming and Prioritization Toolkit (CIIPP) conducted by the City Development Initiative of Asia of the Asian Development Bank.

Vijaykrishnan Venkatesan

Vijaykrishnan Venkatesan is the Managing Director of Kennametal India Limited (KIL), APAC, Middle East and Global Vice President for Specialty components business at Kennametal. Kennametal Inc., a US based multinational and industrial technology leader in materials science, tooling, and wear-resistant solutions for customers across the aerospace, earthworks, energy, general engineering, and transportation industries.

He is a Past Chairman of CII Karnataka State Council, Director on the Board of Invest Karnataka Forum and is an Executive Committee Member of Indian Machine Tool Manufacturers' Association (IMTMA).

Outside of his corporate responsibilities, he is passionate and wants to make to an impact in areas of Climate change action, Diversity, Equity and Inclusion (DEI), Women empowerment and STEM education & skill development of girl children.

Egon Zehnder in India

We opened our India office in 1995 at a pivotal time in the country's history, when the economy had begun to open up to private participation. Since then, we've had a ringside view of the monumental changes in the economy and have been at the forefront of helping world-class companies find and build better leaders in India and beyond.

We help our clients solve their most critical leadership challenges through advisory services that include: board consulting, CEO/CXO search & succession, family business advisory, leadership assessment & development and culture transformation.

Our long-tenured team brings a powerful blend of network, relationships, and market understanding to our clients.

The office's 60 members are spread across three locations — New Delhi, the capital city; Mumbai, the home of finance and industry; and Bangalore, the hub of technology and innovation. This reach allows us to develop expertise in all aspects of the economy, including industrial sectors, financial services, private equity, technology, retail, health care, consumer goods, and even nonprofit organizations.

To learn more about our suite of services, please visit:
https://www.egonzehnder.com/what-we-do

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About Egon Zehnder

Egon Zehnder is the world's preeminent leadership advisory firm, inspiring leaders to navigate complex questions with human answers. We help organizations get to the heart of their leadership challenges and offer honest feedback and insights to help leaders realize their true being and purpose.

We are built on a foundation that supports partnership in the truest sense of the word and aligns our interests with the interests of our clients. Our 600 consultants across 67 offices and 36 countries are former industry and functional leaders who collaborate seamlessly across geographies, industries and functions to deliver the full power of the Firm to every client, every time.

We partner closely with public and private corporations, family-owned enterprises, and non-profit and government agencies to provide executive search, leadership solutions, CEO search and succession, board advisory, and diversity, equity & inclusion.

Our services include discovering leaders, developing leadership, advancing governance, shaping successions, and unlocking transformations. We partner with Mobius Executive Leadership to offer highly experiential, personalized and transformational programs for senior leaders.

We believe that together we can transform people, organizations and the world through leadership.

For more information, visit www.egonzehnder.com and follow us on LinkedIn.