

Authors:

Pavithra Mohanraj - Technical Expert, FICCI & Director, Infinitive, **Naren Kolary**, Technical Expert, FICCI & Director, Infinitive, **Mritunjay Kumar**, Project Lead and Additional Director, Head - FICCI Quality Forum, **Ashish Dhiman**, Senior Assistant Director - FICCI Quality Forum

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Contact:**Dr Mushtaq Ahmed Memon**

Regional Coordinator for Resource Efficiency

UN Environment Programme, Regional Office for Asia and the Pacific

Project Manager - SWITCH-Asia Regional Policy Advocacy Component

Email: memon@un.org

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Foreword

At the end of 2019, the European Union (EU) launched the "European Green Deal" - Europe's new growth strategy that serves as a roadmap to support the transition to a climate-neutral and more sustainable economy.

The "European Green Deal" does not, however, exclusively focus on Europe. As part of its global ambitions, the EU is committed to working with all our partners and supporting them around the globe, including in the South Asia region.

Our final goal is to work together with all the stakeholders in the region to develop mutually acceptable standards and the environmentally sustainable economic pathways.

The EU, through the SWITCH-Asia programme, supports the implementation of Sustainable Consumption and Production policies and activities contributing to the external dimension of the European Green Deal and notably the From Farm to Fork Strategy, the Zero Pollution Action Plan, the upcoming EU Strategy for Textiles, and the EU Circular Economy Action Plan. This latter, in particular, targets energy and resource-intensive sectors with high potential for circularity such as textiles, construction, plastics, electronics and waste, extremely relevant also in Asia.

In the spirit of Sustainable Development Goal (SDG12) on Sustainable Consumption and Production (SCP), the SWITCH-Asia programme aims at accelerating the transition of the region to a low-carbon, resource-efficient and circular economy, engaging the industrial sector, consumers, financial institutions, and national governments.

We are happy to learn from the report that there is a strong buy-in among businesses in South Asia to support SDG 12 and also other environment-related SDGs, such as SDG 13 on climate action, SDG 14 on life below water and SDG 15 on life on land.

Despite encouraging achievements, a lot remain to be done and there is a high degree of variability in the levels of awareness and adoption of SCP practices in the region and pronounced differences between Small and Middle Enterprises (SMEs) and large enterprises in South Asia.

Businesses and private sectors indicated that the most critical challenges to adoption of the SCP practices across SMEs and large enterprises are inadequate financial support, technological barriers and the lack of robust business cases.

The EU shall continue to provide support through the SWITCH-Asia programme to help accelerating adoption of sustainable practices within businesses. This will include the assistance in enabling the regional policy landscape, the promotion of new technologies and business



models, as well as, the awareness raising and capacity building programmes.

This latest report of SWITCH-Asia on the stocktaking of SCP-practices in businesses in the South Asia region will serve as an important basis for the development of a SCP Framework in the region. This report provides information for industry and policy makers to understand business perspectives on their adoption of sustainable consumption and production practices, challenges and enabling solutions, as well as prioritised focus areas for further actions aimed at mainstreaming SCP across the region.

The pandemic has highlighted the inter-links between human activities and the degradation of our environment and the loss of our biodiversity. It also showed the inter-dependency of our global value chains and the need to strengthen their resilience to future shocks.

Governments should look at the recovery from the pandemic as an opportunity to rethink their development strategies whereas the private sector should take advantage of the situation to introduce more sustainable practices, ensuring a more sustainable and inclusive economic growth.

The EU hopes that the increased recognition of the urgency to adopt and integrate SCP approaches, remains the key driving factor for businesses to build more resilient value and supply chains, as highlighted in this report.

Mainstreaming circular economy principles and promoting SCP activities throughout South Asia will increase collaborative actions that yield concrete results to support green growth and resilience, in order to move the whole region towards a climate neutral and sustainable community.

This is indeed the heart of the external dimension of the European Green Deal, where the European Union will continue to advocate and work with our South Asian partners, to achieve our shared common goals.

Mario Ronconi - Head of Unit
South and South-East Asia Unit
Directorate-General for International Partnerships
European Commission

Acknowledgement

The assessment of "Business practices and perspectives on Sustainable Consumption and Production in the South Asian Region " and the study report, as well as the associated Regional Policy Dialogue and Workshop on SCP Reporting Tools is supported by the European Union funded SWITCH-Asia Regional Policy Advocacy Component (implemented by the United Nations Environment Program (UNEP); and is executed by the Federation of Indian Chambers of Commerce and Industry (FICCI). The primary objective was to assess the current status of businesses in the South Asian region working towards aligning activities with SCP/SDG 12 through a comprehensive survey.

Rooted in research and a consultive process, the knowledge report aims to showcase business perspectives on policies, practices and tools that are imperative to or have proven to be successful in encouraging companies to adopt SCP practices and reporting. The report specifically focuses on the current status of adoption and existing gaps, and concludes with suggestive interventions required to enhance the footprint of SCP practices in the business ecosystem.

The research team would like to express their gratitude to all the organizations and business representatives who filled in the survey as well as organizations such as the Chambers of Commerce and Indian Missions in the South Asian Region that assisted in circulation of the survey amongst the business community.

The team would like to thank the SWITCH-Asia RPAC team of Archana Datta, Tunnie Srisakulchairak for their technical supervision, coordination and review.

The FICCI team hopes that the findings, conclusions and recommendations will contribute to the formulation of immediate focus areas and create the context for prioritizing interventions towards the adoption of Sustainable Consumption and Production in the South Asian Region.

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List of Acronyms

| | | |
|----------|---|--|
| AA1000AS | - | AA1000 Assurance Standard |
| B2B | - | Business to Business |
| B2C | - | Business to Consumer |
| BRR | - | Business Responsibility Report |
| BRSR | - | Business Responsibility and Sustainability Report |
| CDP | - | Carbon Disclosure Project |
| CE100 | - | Circular Economy 100 |
| CRA | - | Carbon Risk Assessment |
| DJSI | - | Dow Jones Sustainability Index |
| EU | - | The European Union |
| FICCI | - | Federation of Indian Chambers of Commerce and Industry |
| FMCG | - | Fast Moving Consumer Goods |
| GHG | - | Greenhouse Gases |
| GOTS | - | Global Organic Textile Standard |
| GRI | - | Global Reporting Initiative |
| IIRC | - | International Integrated Reporting Council |
| ISO | - | International Organization for Standardization |
| MNE | - | Multinational Enterprise |
| PAT | - | Perform, Achieve and Trade |
| PRO | - | Producer Responsibility Organization |
| R&D | - | Research and Development |
| RCS | - | Recycled Claim Standard |
| RPAC | - | Regional Policy Advocacy Component |
| SAC | - | Sustainable Apparel Coalition |
| SASB | - | Sustainability Accounting Standards Board |
| SBT | - | Science Based Targets |
| SBTi | - | Science Based Targets Initiative |
| SCP | - | Sustainable Consumption and Production |
| SDG | - | Sustainable Development Goals |
| SEBI | - | Securities and Exchange Board of India |
| SME | - | Small and Medium Enterprises |
| TASS | - | Tata Motors Authorized Service Station |
| TCFD | - | Task Force on Climate-related Financial Disclosures |
| UNCED | - | United Nations Conference on Environment and Development |
| UNEP | - | United Nations Environment Programme |
| UNGC | - | United Nations Global Compact |





Sustainable Consumption and Production and the Sustainable Development Goals



Sustainable Consumption and Production and the Sustainable Development Goals



The transition to sustainable consumption and production (SCP) patterns is one of the critical levers for achieving sustainable development globally. A useful definition that underscores the fundamental principles of the SCP approach is: ***'the use of services and related products which respond to basic needs and bring a better quality of life while minimising the use of natural resources and toxic materials as well as the emission of waste and pollutants over the life cycle of the service or product so as not to jeopardise the needs of future generations'*** (ISSD, 1994)¹.

Evidence from across the world points to continuing patterns of unsustainable production and consumption, with increasing recognition of the impact of such activity on the global environment as well as climate change. Global ecological footprint first exceeded the global biocapacity in the early 1970s, and has continued on a negative trend. We currently need 1.6 planet equivalents to sustain the human population, meaning that we use more ecological resources and services than what nature can regenerate. If these current trends continue, it is projected that by 2050, we would need 3 planet equivalents to sustain our ways of living². While on the one hand, the use of natural resources continues to grow, with global material

footprint touching 85.9 billion tons in 2017; on the other hand, improper management of these resources is leading to a significant increase in waste volumes. For instance, from 2010 to 2019, electronic waste grew by 38%, with less than 20% of it being recycled effectively³.

In recognition of these pressures and acknowledgement of the need to fundamentally change the way in which we produce and consume goods and services, SCP has been an integral part of the conversation on sustainable development since the UN Conference on Environment and Development (UNCED) in 1992. SCP is now also reflected in Goal 12 of the Sustainable Development Goals (SDGs), which aims to 'ensure responsible Consumption and Production patterns'. At its core, SCP promotes sustainable and efficient management of resources at every stage of the product lifecycle, while emphasizing an integrated lifecycle approach that is inclusive of the production and consumption phases, and necessitating cooperation across the entire supply chain, from producers to end consumers.

SCP aims to fundamentally decouple economic growth from resource depletion and environmental degradation, that is, to deliver more economic value and welfare gains, while using less resources and reducing negative envi-



ronmental externalities including pollution and waste generation. Meaningful implementation of SCP is closely linked to the achievement of a circular economy, and requires a systemic approach and unprecedented levels of collaboration between stakeholders globally, including businesses, consumers, civil society, policy makers, scientists and researchers, students and academia, media, and bilateral and multilateral agencies. Sustainable Consumption and Production is also closely linked with several other SDGs,

including Goals 1, 6 and 13 on Poverty Alleviation, Clean Water and Sanitation and Climate Action. The urgent need to transition to sustainable consumption and production is further evidenced by recent estimates suggesting that the uptake of renewable energy and energy efficiency measures can only meet 55% of the GHG (Greenhouse Gas) reductions required to achieve the Paris climate goals and that the remaining 45% will require a fundamental rethink of the way in which we make and consume products and food⁴.

Figure 1: Sustainable Consumption and Production



Source: ABC of SCP (UNEP, 2010)¹

SCP approaches translate into a number of actions and solutions that businesses can implement, including:

- Designing products for greater durability, incorporating modular design or using recycled inputs to replace virgin material
- Ensuring sustainable manufacturing practices including increased energy and water efficiency, and reducing waste generation
- Developing innovative business models such as product-as-a-service or sharing models that give consumers access to services without having to own products
- Providing product life extension services such as repair and refurbishment
- Enabling sustainable consumption by providing eco-labeling or using



behavioural tools (such as nudging) to encourage consumers to make better choices

- Eliminating excessive packaging, or delivering products in reusable packaging or using refill models
- Reducing food loss and wastage across the entire value chain from farm-to-fork
- Ensuring reuse of waste as secondary raw material wherever possible

A few examples of SCP initiatives by businesses and collaborative partnerships in the South Asian region are highlighted below:

- 2Gud, an e-commerce platform by Flipkart, offers consumers an accessible avenue to purchase refurbished electronics and home appliances in India
- Sri Lankan tea company, Dilmah, has eliminated 421,052 kilograms of plastics since 2000, and has achieved 98-100% biodegradability of its tea bags for various product ranges
- The Circular Fashion Partnership in Bangladesh brings together over 30 brands, manufacturers and recyclers in the textile industry with the aim of creating systems to capture post-production textile waste and reuse it in the production of new textiles

Given that SCP encompasses wide-ranging actions and solutions across the full value chain, the SCP practices with the potential for maximum impact can differ significantly across sectors.

The European Union (EU), a leader in the global transition towards a circular economy, has adopted the new Circular Economy Action Plan⁵ in March 2020, the plan is one of the key building blocks of the European Green Deal - Europe's new plan to make its economy sustainable, as well as achieve its 2050 climate neutrality target and halt biodiversity loss. The Plan builds on circular economy actions implemented since 2015 and presents initiatives for SCP approaches along the entire lifecycle of products from design and manufacturing to consumption, repair, reuse, recycling, and bringing resources back into the economy. Among other actions, the plan includes a new Sustainable Product Policy Framework with three key building blocks that focus on sustainable product design, empowering consumers and public buyers, and ensuring circularity in production processes. The CE Action Plan also announced initiatives to enhance waste policy in support of waste prevention and circularity, enhance circularity in a toxic-free environment, create an EU market for secondary raw materials and address waste exports from the EU. These initiatives by the EU are likely to influence South Asian businesses in the near future through trade mechanisms.





Research Background and Methodology



Research Background and Methodology



Supporting close to a quarter of the world's population and comprising a substantial middle class, the South Asian region* has seen robust economic growth averaging 6 percent over the past 20 years. With continued population growth (population peak by 2030) and increasing production and consumption activity on account of economic prosperity, the region is likely to continue facing significant resource pressures and environmental impact in the coming decades⁶. These dynamics underline the need for the region to urgently transition towards SCP to decouple resource use from its economic growth and mitigate environment and climate impacts.

While the South Asian region has made varying levels of progress on other Sustainable Development Goals, there has been significant regression in Goal 12 on Responsible Consumption and Production in 2019 (Figure 2).

Additionally, data is lacking or insufficient for a majority of indicators under SDG 12⁷. There is an urgent need for large-scale action to promote SCP,

reverse this negative trend and accelerate progress towards this goal, while also addressing challenges on the lack of data.

Several countries within the South Asian region have multiple policies and strategies that incorporate some elements of SCP. To push for more sustained and comprehensive action, some of these nations⁸ have developed integrated national level policies, strategies and roadmaps addressing SCP, including:

- Pakistan's National Action Plan on Sustainable Consumption and Production (2017)
- Sri Lanka's National Policy on Sustainable Consumption and Production (2019)
- India's draft National Resource Efficiency Policy (2019)

In addition, the South Asia Co-operative Environment Programme (SACEP), an inter-governmental agency for eight South Asian countries (Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka) was

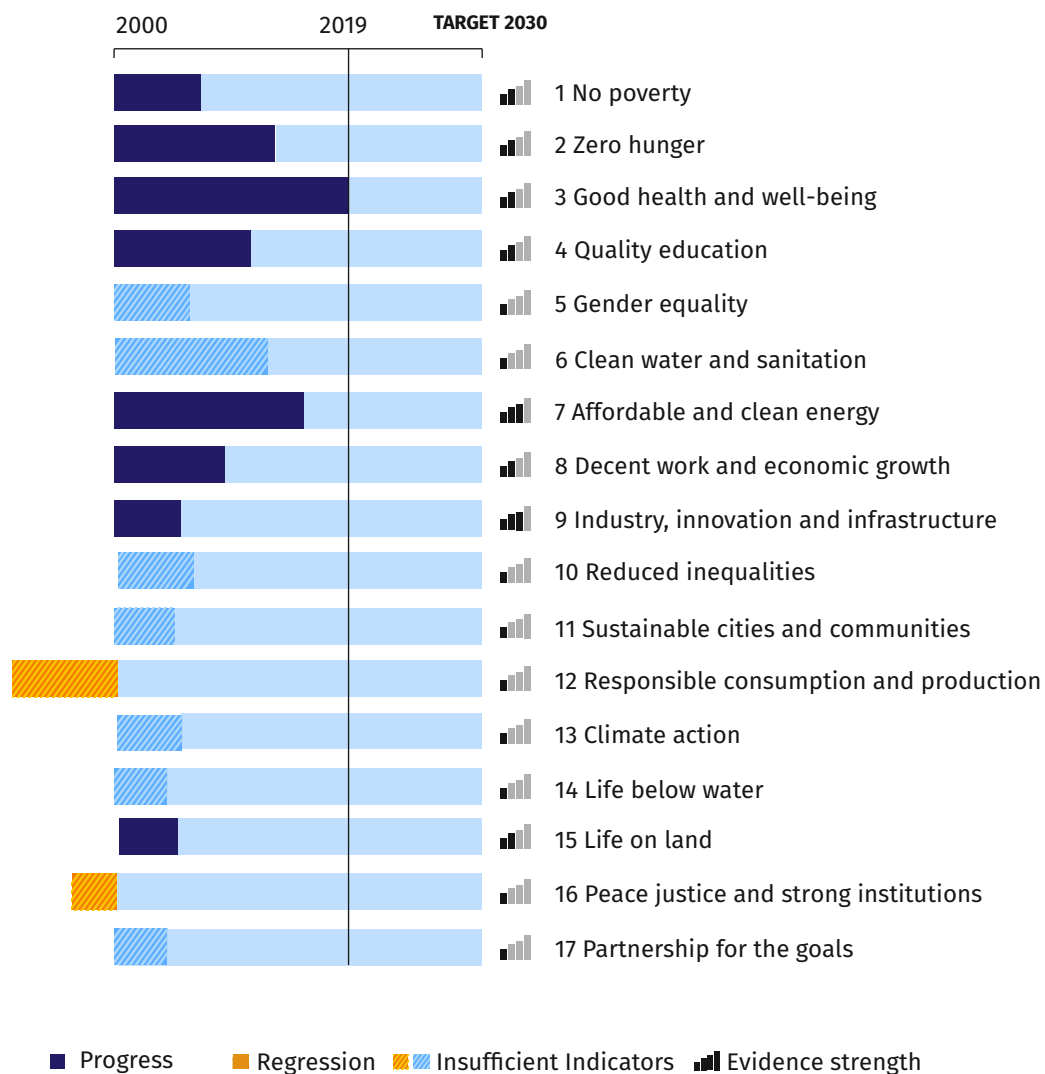
*Note: The South Asian region as defined by SWITCH-Asia comprises 8 countries: <https://www.switch-asia.eu/switch-asia/where-we-work/>



instrumental in forming the South Asia Forum on SCP. The broad objective of the Forum has been to provide a platform for the sub-regional network and partnership in providing leadership as well as develop synergies to stimulate the promotion and implementation of SCP

policies, strategies and technologies in the region. A number of activities have been undertaken by the Forum , including capacity building support for businesses such as Sustainable Public Procurement (SPP) and Eco-labelling training with SMEs in Sri Lanka and SCP regional trainings in India and Sri Lanka.

Figure 2: Snapshot of SDG progress in 2019 in South and South-west Asia



Source: Asia and the Pacific SDG Progress Report 2020 (UNESCAP, 2020)

Note: The figure above represents SDG progress for countries in South and South-west Asia, while the scope of this report is limited to 8 countries in the South Asian region.



SCP and Private Sector Businesses



With most products in today's economies being made by the private sector, and the significant influence that these businesses can have on the consumption patterns of the population, it is clear that private sector business activity, investment and innovation have a critical role to play in meeting the 2030 targets for SCP, globally as well as in South Asia. While the capability, capacity, and responsibility that companies have to address the SDGs varies, Goal 12 on Responsible Consumption and Production is a universal goal that requires action from all companies.

The private sector, ranging from micro-enterprises and cooperatives to multinationals, can meaningfully influence progress towards SDG 12 targets in multiple ways. For instance:

- Businesses make critical decisions on design, materials, and production processes, which impact resource use as well as pollution and waste generation across the entire product lifecycle
- Businesses have the ability to influence consumption patterns, including through the use of innovative business models that enable sharing, provide access over ownership etc.
- Businesses can influence SCP adoption in their supply chains through sourcing and procurement policies that enhance SCP
- Businesses have tremendous innovation potential and capacities

that are critical to advancing R&D and finding solutions that will accelerate the systemic shift to SCP

- The private sector can act as a key source of financing for various SCP approaches and initiatives, through private and philanthropic capital
- For the system-wide transformative change that is required to meet SDG 12 targets, the private sector is a key strategic partner to find solutions that respond to commercial priorities while delivering on the development agenda

The importance of the private sector in meeting SCP goals is reflected in SDG Goal 12 - Target 12.6 and Indicator 12.6.1⁹, which are the only ones aimed specifically at monitoring the actions of private sector companies¹⁰.

Target 12.6: *Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle*

Indicator 12.6.1: *Number of companies publishing sustainability reports*

While Target 12.6 is focused on encouraging SCP adoption and reporting in private sector companies, businesses also have a well-recognised role to play in achieving other targets under SDG 12, including:

- Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources
- Target 12.3: By 2030, halve per capita



global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses

- Target 12.4: By 2030, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment
- Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

- Target 12.8: By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

Within this context, there is increasing expectation from the private sector to go beyond business-as-usual and include environmental, social and governance dimensions in their business strategy and disclosures, which has been further amplified in the wake of the covid-19 pandemic. Furthermore, carrying out sustainability reporting (in accordance with Target 12.6), appears to help companies align activities related to other SDG 12 targets and prioritize material issues within a holistic strategy.

Research Objectives and Methodology

The EU-funded SWITCH-Asia programme aims at supporting the development of a green economy and the transition towards a low-carbon, resource-efficient and a more circular economy in Asia and greener supply chains between Asia and Europe. The programme is implemented through three components : i) the SWITCH-Asia Regional Policy Advocacy Component (RPAC); ii) the Sustainable Consumption and Production (SCP) Facility, and iii) the Grants. Every component is managed by a different organization.

The SWITCH Asia RPAC, funded by the European Union (EU), implemented by United Nations Environment Programme (UNEP), aims at strengthening the dialogue at regional, sub-regional and national levels, and promoting uptake of

Sustainable Consumption and Production (SCP) in 18 Asian countries. Activities under the RPAC are designed into three specific areas: advocacy, demonstration and support for the uptake and reporting of SCP and related SDGs.

There is a clear need for accelerating progress in South Asia towards achieving the SDG 12 targets, and it is well acknowledged that the private sector has a major role in setting the pace of this progress. Overall, there is a strong buy-in among businesses in South Asia to support SDG 12 and other environment-related SDGs. However, businesses face myriad challenges both from within the organization as well as the larger ecosystem in adopting and promoting SCP practices to their fullest potential. In order to create an enabling



environment for accelerated SCP adoption by businesses in South Asia, it is imperative to assess how companies in South-Asia are currently working to align activities with SCP/SDG 12, as well as understand the drivers, barriers and enablers for SCP adoption and reporting in the sub-regional business context.

The SWITCH-Asia RPAC, along with the Federation of Indian Chambers of Commerce & Industry (FICCI), conducted this assessment based on a survey as a first step towards understanding the adoption of SCP approaches and practices in the South Asian business ecosystem, identifying the challenges and bottlenecks presented by the current policy landscape and the tools (such as SCP reporting) currently being used by business that have been successful in promoting SCP practices. Since SCP is an overarching approach applicable across the entire product lifecycle and different industry sectors, the scope of this survey was intentionally restricted to a few critical aspects (as listed in Figure 3). The survey was designed with the objective of obtaining a high-level perspective from businesses and to provide direction on focus areas for further assessments and in-depth studies.

Research for the assessment on SCP practices and development of this report was conducted through engagement with 65 businesses from a wide range of sectors (33% SMEs/67% large enterprises and 54% B2B/46% B2C businesses) in the South Asian region, using an online survey, followed by in-depth interviews with selected respondents.

Based on interactions with respondents and a review of SCP practices reflected in the responses, two case studies were

developed, highlighting best practices on several different aspects of SCP adoption and reporting, including the use of tools such as Science-based Targets and business models based on product life extension.

Further information on the profile of survey respondents, methodology for data collection and analysis are provided in the Appendix. Key considerations for reading this report and the represent-ativeness of the survey results are also discussed in the Appendix.

Majority of the businesses that participated in the assessment were from India, despite widespread efforts to reach out to businesses in other South Asian countries, including through EU delegations in respective countries and the Confederation of Nepalese Industries, Federation of Bangladesh Chambers of Commerce and Industries, Federation of Pakistan Chambers of Commerce, Federation of Chamber of Commerce & Industry of Sri Lanka, Ceylon Chamber of Commerce-Sri Lanka, National Cleaner Production Centre-Sri Lanka, and Afghanistan Chambers of Commerce and Investment. This is potentially reflective of the difference in maturity levels of SCP adoption between countries in the region and the willingness of businesses to share information and challenges around SCP adoption.

It is to be noted that while efforts were made to include a wide range of businesses in the study, it was observed that, overwhelmingly, companies already adopting SCP practices were more likely to participate in the survey, while companies currently lacking awareness on or not adopting SCP practices

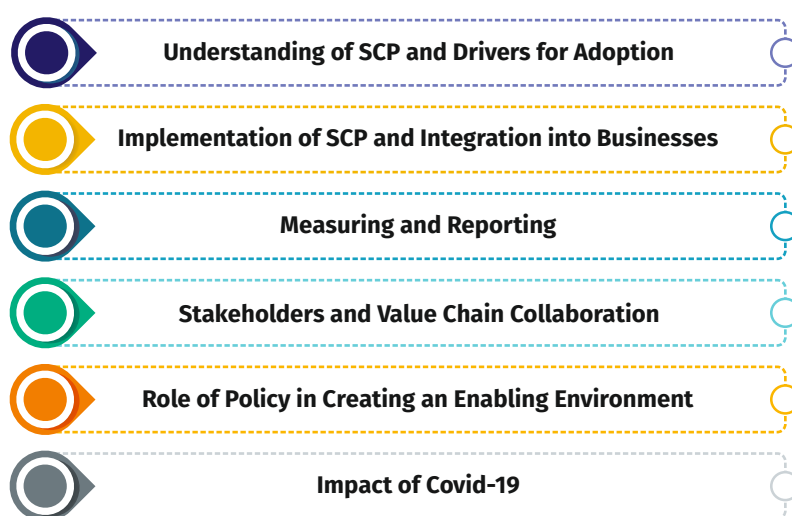


declined to participate. This bias in participation is likely to have skewed the responses to indicate higher levels of understanding or adoption of SCP practices, which are not reflective of the status in the wider business landscape. Additionally, a number of companies that do adopt SCP approaches and

report on SCP did not participate in the survey on account of company Privacy policy.

The assessment focused on six key elements pertaining to the understanding and adoption of SCP practices by businesses is highlighted in Figure 3:

Figure 3: Research Focus - SCP Adoption in South Asian Businesses



Findings gained from this assessment, including policy recommendations, will be presented and disseminated, and used by SWITCH-Asia RPAC as a valuable stock-taking to design related activities which will promote SCP practices by businesses in South Asia in the future. Knowledge and understanding from this assessment will be useful for further capacity building and policy dialogue exercises. Under this cooperation, the findings and recommendations formed the basis for convening:

- A South-Asian policy dialogue to engage businesses in SDG 12 reporting and discuss enabling policies to encourage businesses to adopt SCP and

- A training workshop for businesses on specific tools/frameworks for measuring and reporting on SCP

Additionally, the findings from this assessment can serve as useful information for industry and policy makers to broadly understand perspectives from businesses on their adoption of SCP, challenges and enabling solutions, as well as help to prioritize focus areas for further action aimed at mainstreaming SCP. The report may also serve as inspiration for entrepreneurs, civil society organizations, researchers and students to identify opportunities based on the perspectives shared by businesses.





SCP Practices and Perspectives from South Asian Businesses - An Overview





SCP Practices and Perspectives from South Asian Businesses – An Overview

This preliminary assessment of South Asian businesses undertaken by SWITCH-Asia RPAC and FICCI revealed a high degree of variability in the levels of awareness and adoption of SCP practices, with clearly pronounced differences between SMEs and large enterprises. As an illustration, although 74% of businesses that participated in the survey indicated that they have some level of understanding of SCP and undertake SCP-related practices, a large number of companies, particularly SMEs, declined to participate in the survey as they were not aware of SCP approaches or did not see SCP as relevant to their business. The current state of adoption of SCP practices also varies widely across the product lifecycle, with much higher activity in the production-linked stages than in the consumption-linked and end-of-life stages.

Businesses participating in the assessment identified multiple barriers that impede the uptake of SCP practices. Across both SMEs and large enterprises, businesses indicated that inadequate financial support, technological barriers, and the lack of a robust business case presented the most critical challenges to the adoption of SCP, with lack of financial support being an

overwhelmingly significant barrier for SMEs. Additionally, large businesses highlighted the policy landscape and limited R&D and innovation as barriers; while for SMEs, other significant challenges were oriented more towards the lack of awareness, technical knowledge and skills.

Businesses also recognized that the inherent nature of SCP - with many elements critical for successful implementation, including infrastructure, logistics, and consumer behaviour, being outside the sphere of control of individual companies - necessitates collective, ecosystem-wide action with alignment across value chain actors to ensure a holistic transformation. Specifically, businesses identified an enabling policy landscape, promotion of new technologies and business models, innovative funding models, increased demand from customers and awareness/capacity building programs as the most critical enablers that can accelerate large-scale SCP adoption.

In addition to aiding measurement and monitoring, there is increasing acknowledgement of the importance of SCP reporting in driving a strategic approach to SCP in businesses. However, the study revealed a clear divide between SMEs



and large enterprises in their uptake of SCP reporting. A majority of SME respondents indicated that they do not report on SCP, while most of the large enterprises undertake SCP reporting using tools and frameworks such as the Carbon Disclosure Project (CDP), Science-based Targets (SBTs), UN Global Compact (UNGC) and Global Reporting Initiative (GRI). For SMEs, the most significant barriers to SCP reporting were a lack of clarity on the value creation and benefits of reporting, as well as challenges in data collection. In contrast, large enterprises appear to understand and factor in the strategic value of SCP reporting, but face challenges with the multitude of reporting formats as well as the data collection and validation from their supply chains. The large amount of resource allocation required for the reporting process was a barrier for both SMEs and large enterprises.

More than a year into the Covid-19 health crisis and the associated economic fallout, and with varying trajectories and timelines for recovery from this global pandemic, it is critical

to understand the impact of Covid-19 on SCP approaches in businesses and account for these in any SCP-related initiatives and interventions aimed at businesses. The effect of the pandemic on SCP adoption seems to vary considerably. On the one hand, businesses reported that budgets for SCP activities have been frozen or reduced, on-ground activities related to SCP have been negatively impacted and there has been a de-prioritization of SCP or shift in priorities to social over environmental aspects. On the other hand, there also appears to be a greater urgency for adopting and integrating SCP approaches into business, and an increasing recognition of the need for building supply chain resilience through SCP practices and incorporation of new business models.

The following sections of this report capture the perspectives of businesses on each of these aspects in more detail, and use these as the basis to propose focus areas for further study and potential next steps to advance the SCP agenda in the South Asian business ecosystem.





Key Findings

Key Findings



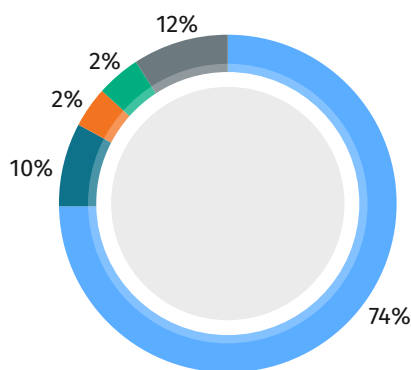
Section 1: Understanding of SCP and Drivers for Adoption in Businesses

Awareness and Engagement in SCP Practices

74% of respondents to the survey (89% of large enterprises and 43% of SMEs) indicated that they have an understanding of SCP and are currently adopting some SCP practices in their business.

12% of businesses indicated that while they don't have a clear understanding of the concept of SCP, they are already adopting some similar practices. Another 12% also indicated that while they are aware of SCP, they do not adopt any relevant practices currently or are only planning to take action in the future.

Figure 4: Awareness and Adoption of SCP Practices by Businesses



- We are aware of SCP practices and are adopting some SCP practices currently
- We are aware of SCP practices and are planning to take action
- We are aware of SCP practices but have not taken any actions
- We don't have a clear idea about SCP practices
- We don't have a clear idea about SCP practices but are undertaking some similar practices

Question: Which of the following best describes the extent to which your business is aware of and engages in SCP practices?

71% of businesses related SCP with systems-thinking and a lifecycle approach.

Relevance of SCP across the Product Lifecycle

With respect to the relevance of SCP along the product lifecycle, businesses associated SCP practices most strongly with the Product Design and

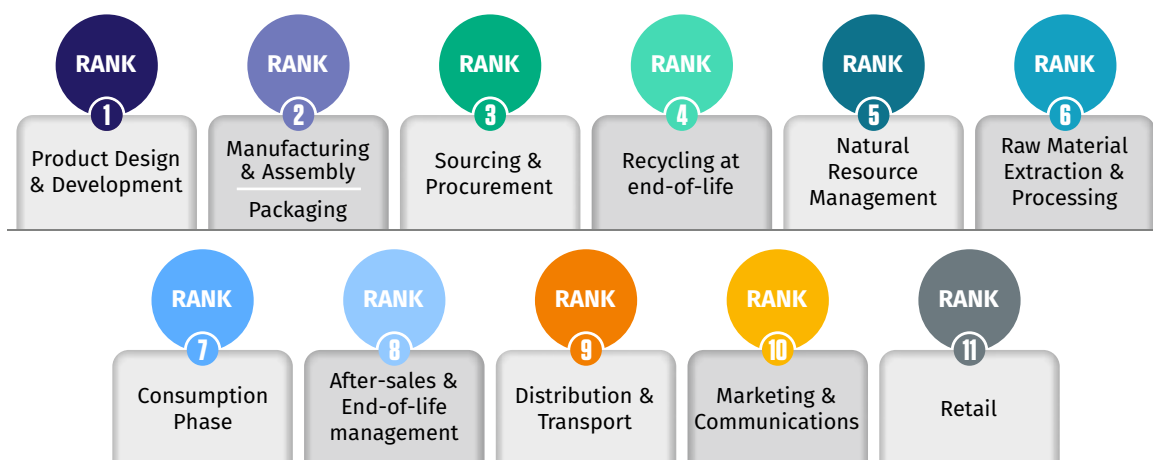
Development phase, with 90% of respondents finding SCP relevant to this phase. Aspects such as Manufacturing and Assembly, Packaging and Sourcing and Procurement were also indicated as being highly relevant for the adoption of SCP approaches.



Areas such as Marketing and Communications (36% of respondents indicated this as relevant) and the Retail phase (21% of respondents indicated this as relevant) were seen as being least relevant for implementing SCP practices, even amongst sectors like FMCG (Fast-Moving Consumer Goods).

These results suggest that the current understanding of the applicability of SCP approaches is skewed towards Production-related phases, rather than the Consumption-related phases. Responses also suggest that there is no significant variation amongst different sectors in the perceived relevance of SCP to different aspects in the lifecycle.

Figure 5: Perceived Relevance of SCP Practices in Different Aspects of the Product Lifecycle



Question: In which of the aspects listed would you consider SCP practices to be very relevant? This response does not have to be specific to your business.

Drivers for the Adoption of SCP

Across both the B2B and B2C segments, businesses indicated that cost savings, operational risks/benefits, regulatory requirements in the domestic market, customer demand and reputational risks/benefits were significant factors for driving SCP adoption.

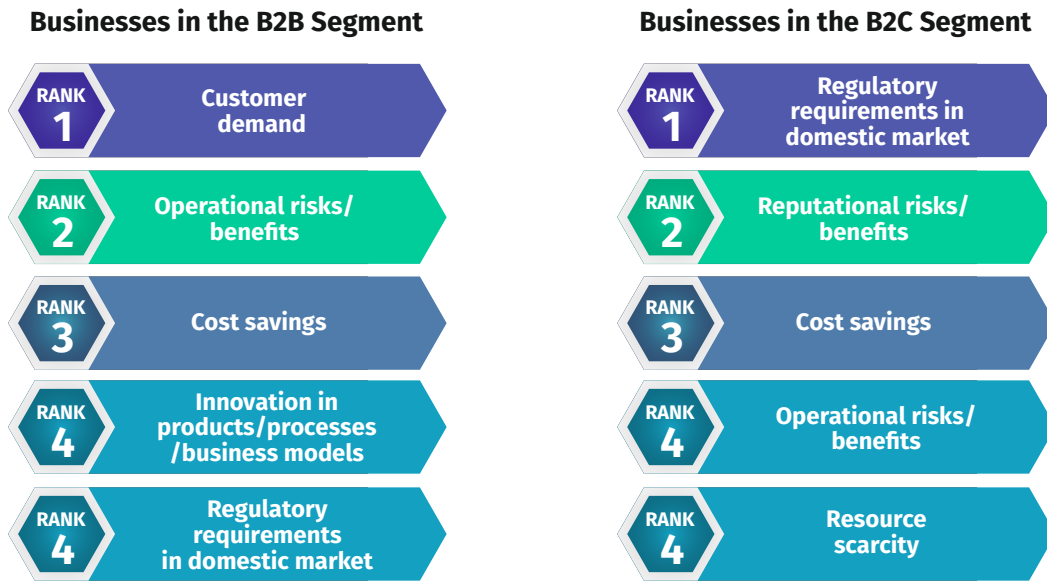
While businesses in the B2B segment ranked customer demand and

operational risks/benefits as the most critical drivers for the adoption of SCP, businesses in the B2C segment deemed regulatory requirements in domestic markets and reputational risks/benefits to be the most critical drivers.

Additionally, for some companies operating across multiple regions, SCP commitments at the global level also appeared to be a key driver for promoting SCP-related actions within South Asia.



Figure 6: Critical Drivers for SCP Adoption



Question: Which drivers are most important for adoption of SCP practices in your business currently?

Section 2: Implementation of SCP and Integration into Business

Adoption of SCP across the Product Lifecycle

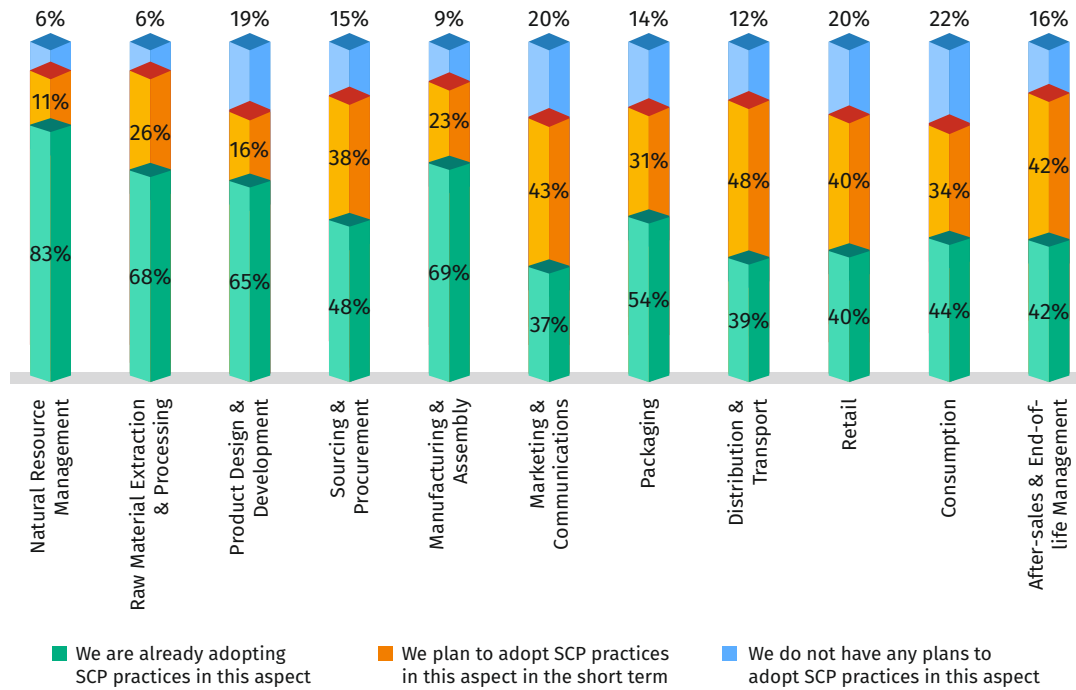
Based on the survey responses, the adoption of SCP practices seems to be more prevalent in production-linked stages of the product lifecycle, compared to the consumption and end-of-life phases. SCP adoption appears to be highest in aspects like Natural Resource Management (83%), Manufacturing & Assembly (69%) and Product Design & Development (65%) while aspects of Retail (40%), Distribution & Transport (39%) and Marketing & Communications (37%) do not currently see as much SCP implementation by businesses. This could potentially be because, in comparison to production-phase interventions that have been part of the

mainstream discourse on SCP for much longer, consumption-phase interventions that businesses could use to promote SCP amongst consumers are much newer, including for example, marketing and communications to promote SCP, providing access over ownership of products, enabling product life extension through easy avenues for repair, refurbishment, remanufacturing etc., and provision of appropriate channels and information for dealing with end-of-life products.

Encouragingly, a significant number of respondents have indicated that they plan to adopt SCP practices in the consumption-related phases in the short term, signaling a potential change in approaches to SCP to include the entire product lifecycle.



Figure 7: SCP Adoption in Different Aspects of Product Lifecycle



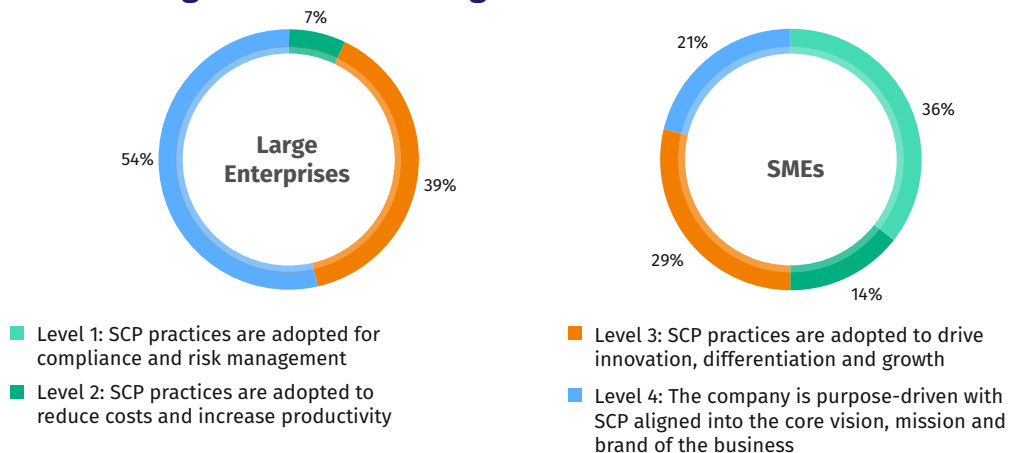
Question: For each aspect, please indicate whether you are currently adopting SCP practices or plan to adopt them in the future.
***For analysis, responses indicating non-relevance of a particular lifecycle stage (based on the companies' core operations) have been excluded.**

Integration of SCP into Business

An overwhelming majority of Large Enterprises (93%) indicated that they are at more advanced levels of integration of SCP into business strategy, and have adopted SCP to drive innovation, differentiation and growth, or have

aligned SCP into their core vision, mission and brand. However, only about 50% of the SMEs indicated such advanced levels of SCP integration into business strategy, with the highest percentage (36%) of SMEs indicating that they largely adopt SCP for compliance and risk management purposes.

Figure 8: Level of Integration of SCP into Business



Question: Which statement best describes the level of integration of SCP practices into your business strategy?
 Note: Each level is incremental over the previous level. For example, Level 3 includes Level 1 and Level 2

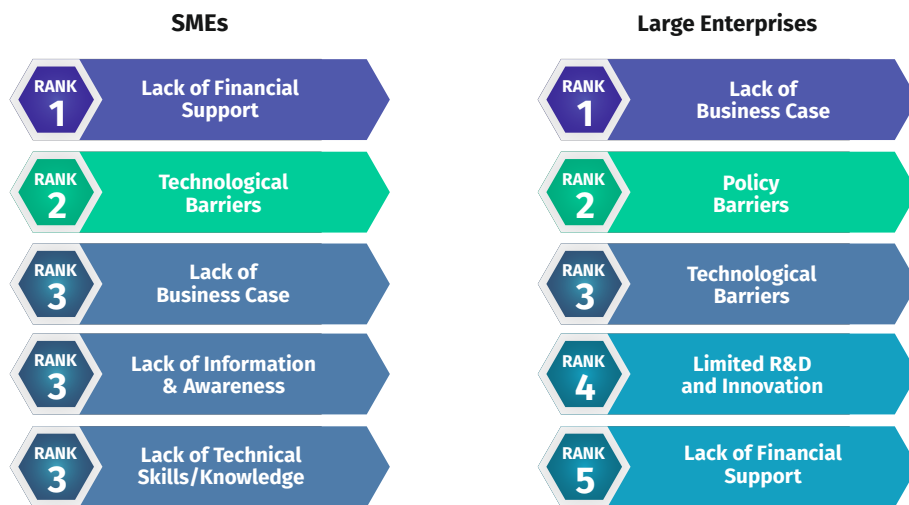


Barriers to Adoption of SCP in Businesses

Across both SMEs and large enterprises, businesses indicated that inadequate financial support, technological barriers, and the lack of a robust business case presented the most critical challenges to the adoption of SCP, with lack of

financial support being an overwhelmingly significant barrier for SMEs. Additionally, large businesses highlighted the policy landscape and limited R&D and innovation as barriers; while for SMEs, other significant challenges were oriented more towards the lack of awareness, technical knowledge and skills.

Figure 9: Barriers to Adoption of SCP in Businesses



Question: Rate the factors in terms of their significance as a barrier in adopting SCP practices in your business.

Even in instances where technological solutions are available, businesses specifically highlighted the high cost and commercial non-viability of advanced SCP technologies as a challenge to their adoption. In addition, a lack of comprehensive understanding of the technologies that are available, and that would also work as intended within a specific regional context, were cited as critical reasons for the low uptake of such technologies.

With respect to SCP-oriented products, some businesses also highlighted issues in sourcing sustainable alternatives to certain raw materials (especially with appropriate certification) as these are not easily available in the market, particularly at scale, or are significantly more expensive.

Businesses highlighted a number of challenges relating to the availability, authenticity and communication of data and information across the value chain. In many instances, the lack of data on what happens to products/materials upstream and downstream of a business' control makes it challenging to incorporate a lifecycle approach in adopting SCP practices and principles. As an example, businesses expressed concerns around transparency in the management of waste products that are handed over to Producer Responsibility Organizations (PROs). and whether these are being recovered, reused, recycled to their highest potential, while also mitigating environmental impact. On the other hand, businesses also find that their suppliers may be reluctant to share data



due to apprehensions around how this data will be used. Concerns around data sharing point to the need to create greater trust in supplier relationships in order to improve overall transparency in the value chain.

In addition to the above, company culture and mindset of employees can also act as an internal challenge while looking to implement SCP practices. SCP policies are also perceived to be not robust enough to encourage high levels of innovation.

Critical Enablers to Accelerate SCP Adoption

Across both SMEs and large enterprises, increased awareness and demand from customers and an enabling policy landscape were ranked as the most critical enablers for the adoption of SCP. SMEs indicated increased awareness and demand from customers as a much more significant enabler compared to all other factors.

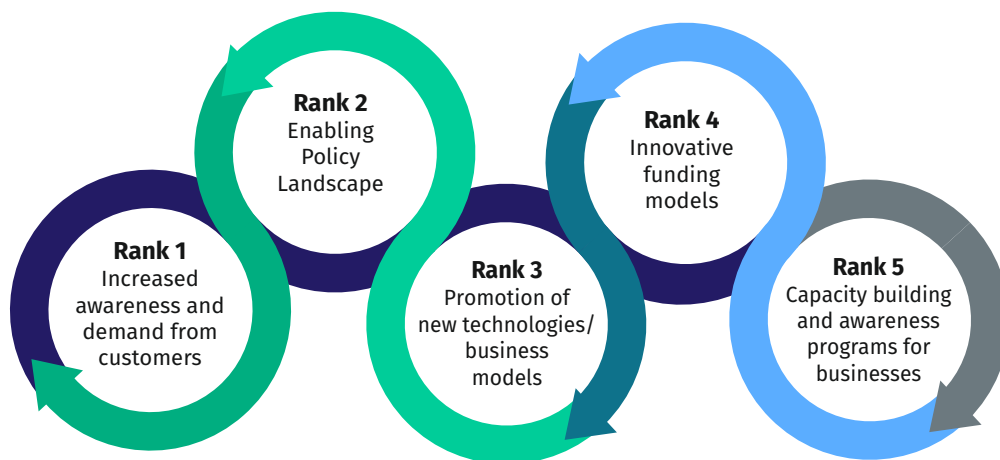
Businesses also pointed out that the nature of SCP requires collective, eco-

system-wide action from all stakeholders, since many elements crucial to implementing SCP such as infrastructure, logistics, consumer awareness and behaviour change may be outside the control of individual companies.

Ambitious policy that creates the right context for businesses to take action is required, as SCP adoption also requires alignment across all actors in the value chain.

In addition to increasing awareness on SCP, there is an urgent need to provide readily accessible, 'how-to' guidance that can enable easy implementation of SCP practices, especially for the more well-informed SMEs who already recognize the need to adopt SCP. Further, adoption can be accelerated through mechanisms for incentivizing businesses that have adopted SCP in a manner that gives them a competitive advantage in the market. Initiatives that can help pooling of technology and technical skills amongst smaller businesses (for instance, through Collaborative R&D centres) can result in cost savings and increase the adoption of SCP by multiple actors within a value chain.

Figure 10: Critical Enablers for SCP adoption



Question: Which factors can enable the adoption of SCP practices in your business?



Section 3: Measuring and Reporting on SCP



Tools for Measuring and Reporting on SCP

69% of the businesses surveyed indicated that they carry out sustainability/SCP-related reporting. While 96% of the large enterprises report on SCP/sustainability, only 14% of the SMEs carry out any form of SCP reporting.

Among the businesses that carry out reporting on SCP, Carbon Disclosure Project (CDP) and Science-based Targets (SBTs) were indicated as the most popular tools, followed by UN Global Compact (UNGC) and Global Reporting Initiative (GRI).

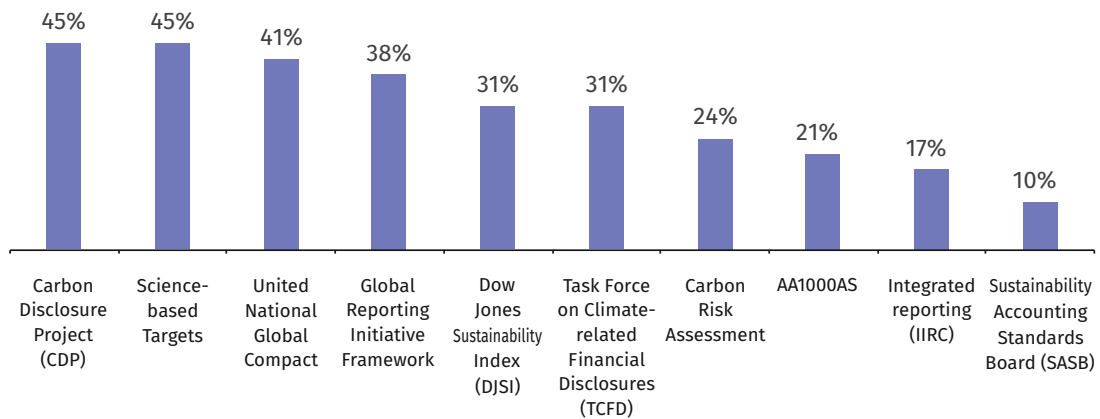
Additionally, across industry sectors, the ISO 14000 series of standards appears to be used by many businesses for monitoring SCP-related actions, and is the most popular tool used by SMEs. In addition to being an internationally recognized standard, ISO 14000 series (particularly ISO 14001) is generally prescribed as the minimum standard for environmental management, and is often a mandatory requirement for companies that supply to large enter-

prises, including MNCs. Feedback from businesses suggest that the lack of ISO 14001 certification can render companies non-competitive in some industry sectors and export-oriented businesses. The relatively low levels of technical knowledge/skills required for adopting ISO 14001 as well as incentivization in some regions also account for its popularity (for example, the Indian government's financial incentives for promoting ISO 14001 certification amongst SMEs).

Some businesses are also subject to mandatory reporting requirements within their countries of operation. For instance, in India, the top 1000 listed companies by market capitalization are required by the Securities and Exchange Board of India (SEBI) to disclose responsible business practices through a Business Responsibility Report (BRR), as part of the Annual Report. Recently, the BRR framework has been updated to a Business Responsibility and Sustainability Report (BRSR) framework, to reflect global developments in non-financial reporting.



Figure 11: Usage of Tools/Frameworks for SCP reporting



Question: Which tools do you use for SCP- or sustainability-related reporting?

In the textile sector, businesses appear to be using a large a number of frameworks and tools to guide, implement and monitor SCP practices, including the Higg Index developed by the Sustainable Apparel Coalition (SAC), Global Organic Textile Standard (GOTS) and Recycled Claim Standard (RCS).

Drivers for Reporting on SCP

Factors focused on company values, reputation, and communication to internal and external stakeholders featured as highly significant drivers for SCP reporting across both large enterprises and SMEs. The level of importance assigned to each factor also seem to indicate that large enterprises recognized the strategic value of undertaking SCP reporting more than SMEs. Legal and compliance requirements were one of the most critical drivers for SCP reporting for large

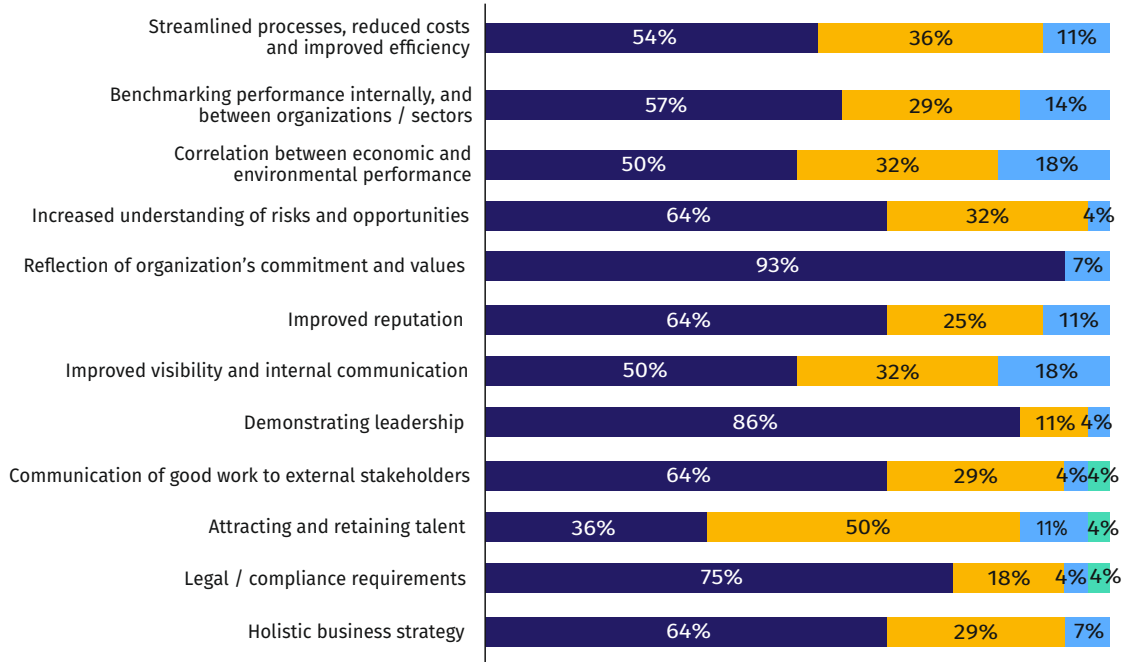
enterprises, but not as significant for SMEs.

Some large enterprises reported increased investor interest as a main driver for reporting on SCP, highlighting that in many cases, the sharing of SCP-related data with investors is not just an annual exercise, but required more frequent disclosures. Some SMEs in the B2B segment also highlighted that demand from their customers could act as a strong driver for adopting SCP reporting.

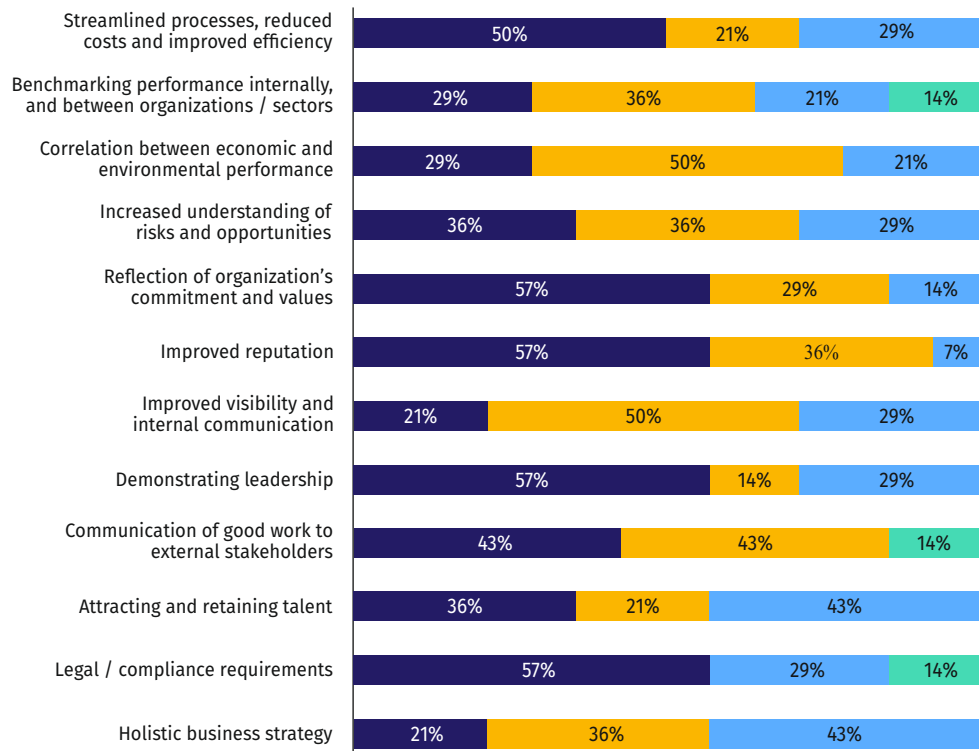


Figure 12: Key Drivers for Sustainability Reporting

Large Enterprises



SMEs



Question: What are the internal and external drivers for adopting sustainability reporting in your business?

Very important
 Fairly important
 Slightly important
 Not at all important



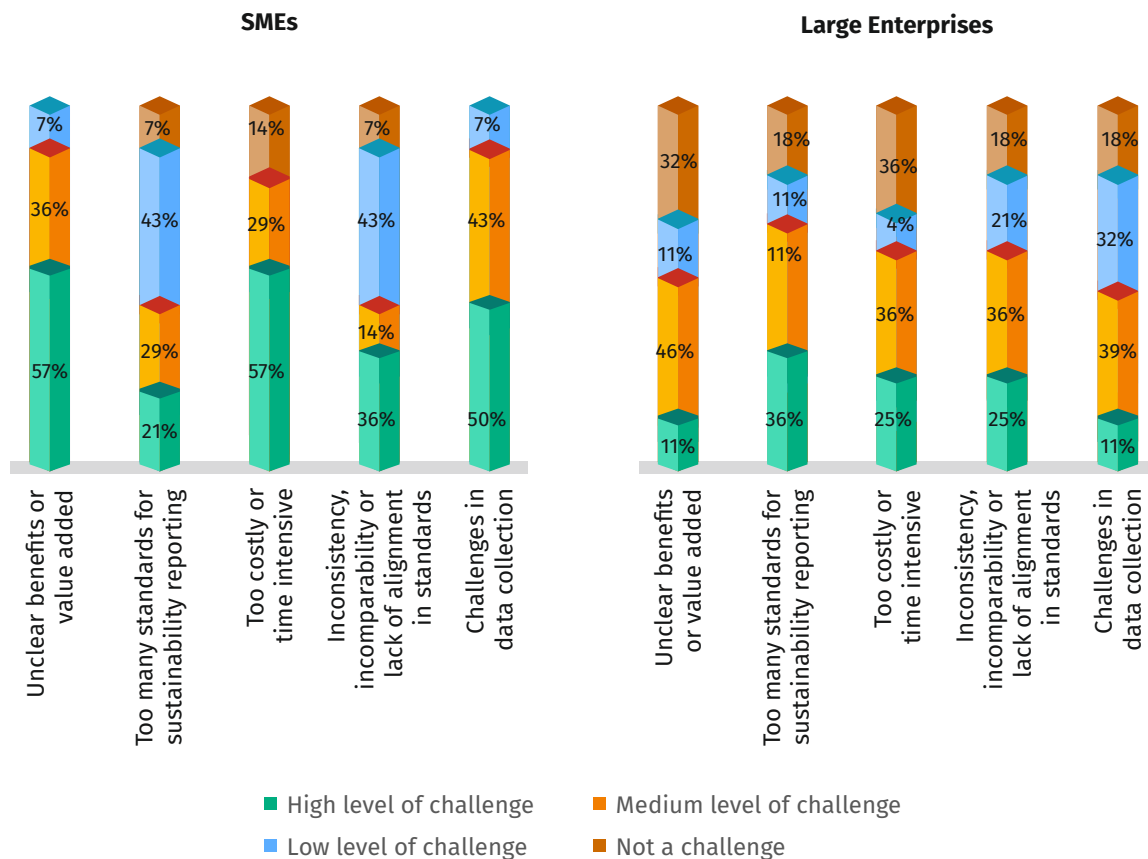
Barriers to SCP Reporting

Overall, SMEs indicated a higher level of challenge across all factors pertaining to sustainability reporting when compared to large enterprises. For SMEs, some of the most significant challenges to SCP reporting are the unclear benefits/value addition from reporting (93% indicated high/medium level of challenge), and the high cost and time-intensive nature of reporting (86% indicated high/medium level of challenge). In comparison, for large enterprises, the most significant challenge appears to be the prevalence of too many standards for reporting (72% indicated high/medium level of challenge) and inconsistency, incomparability and lack of alignment in standards (61% indicated

high/medium level of challenge), and the high cost and time-intensive nature of reporting (61% indicated high/medium level of challenge).

Challenges in data collection were perceived as a much greater barrier for SMEs (93% indicated high or medium level of challenge) when compared to large enterprises (50% indicated high or medium level of challenge). Additionally, large enterprises who are collecting data from the supply chain also indicated that the authentication/verification of this data for reporting poses significant challenges. Respondents also stated that the use of these reporting tools required additional skills and expertise, often requiring some special training, which could also act as a deterrent to adoption of SCP reporting.

Figure 13: Barriers to SCP Reporting



Question: Which factors are challenges / barriers for the adoption of sustainability reporting in your business?



An overwhelming majority of the respondents surveyed (86%) agreed that sustainability reporting can have positive financial implications for their business. 78% of businesses were in favour of sustainability reporting being legally mandated.

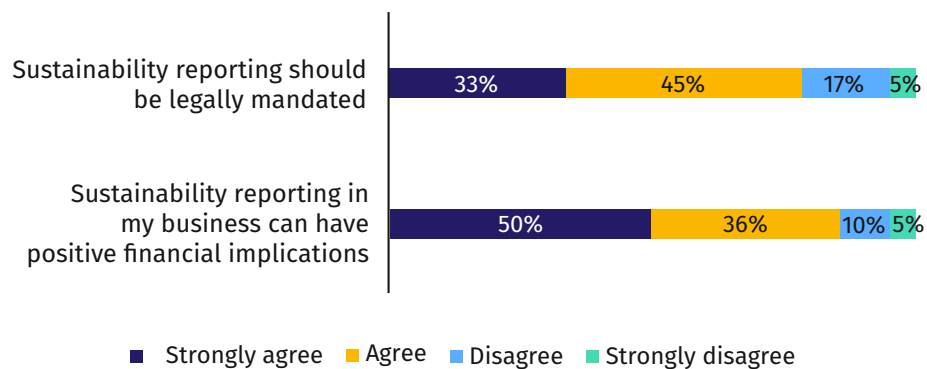
72% of the respondents who carry out SCP-related reporting indicated that it has had a direct impact on improving SCP practices within the business. 83% of businesses who are reporting on sustainability also stated that they carry out external audits and assurances of their reports.

With respect to the inclusion of SCP data from suppliers in sustainability reporting, the availability of data

(including in a usable form), verification of data and encouraging suppliers to share the data were reported to be the greatest challenges. Lack of awareness among smaller suppliers was also indicated as a challenge and the need for capacity building for such suppliers was highlighted as a necessary measure to improve supply chain reporting.

93% of businesses who carry out sustainability reporting stated that they include information from at least Tier 1 suppliers in their reporting, 35% included at least Tier 2 supplier information and only 14% included Tier 3 supplier information. 7% of businesses did not engage suppliers in any way for their reporting.

Figure 14: Perceptions on Sustainability Reporting



Section 4: Stakeholders and Value Chain Collaboration for SCP

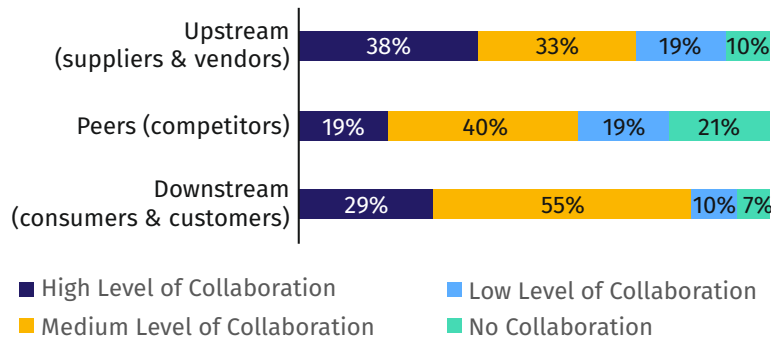


Influence of Stakeholders and Collaboration with the Supply Chain

38% of the businesses surveyed indi-

cated that they engaged in high levels of collaboration with upstream parts of the value chain (suppliers and vendors), while a much lower percentage of businesses (19%) indicated high levels of collaboration with their peers.

Figure 15: Collaboration with the Supply Chain



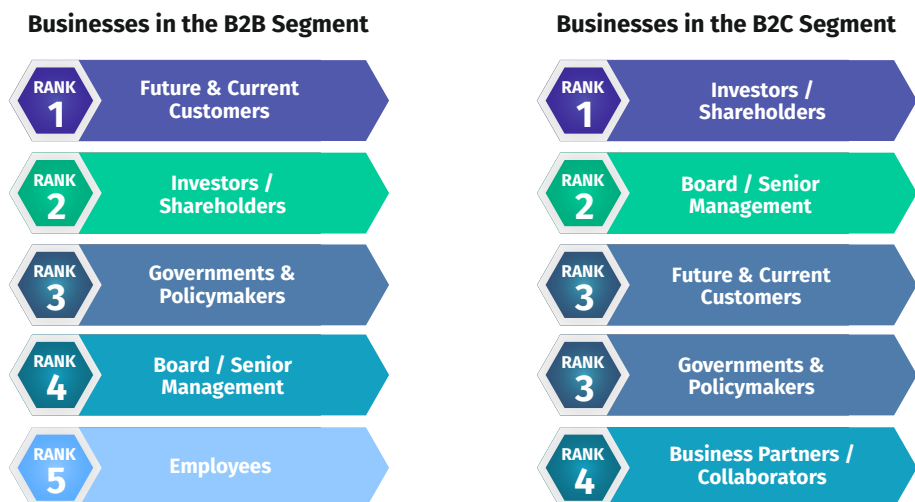
Question: What is the level of collaboration of your business with other value chain stakeholders?

Over 50% of respondents indicated that they would be interested in collaborating with industry peers to develop sector-specific guidelines/standards or shared definitions. Businesses also expressed significant interest in collaborating to set up infrastructural requirements, co-fund innovation and R&D, and engaging in public-private partnership models.

Customers emerged as the most influential set of stakeholders for the adoption of SCP practices for businesses in the

B2B segment, while for B2C businesses, investors and shareholders were the most influential group.

Figure 16: Most Influential Stakeholders for SCP Adoption



Question: Which stakeholders have the most influence on your company's adoption of SCP practices?



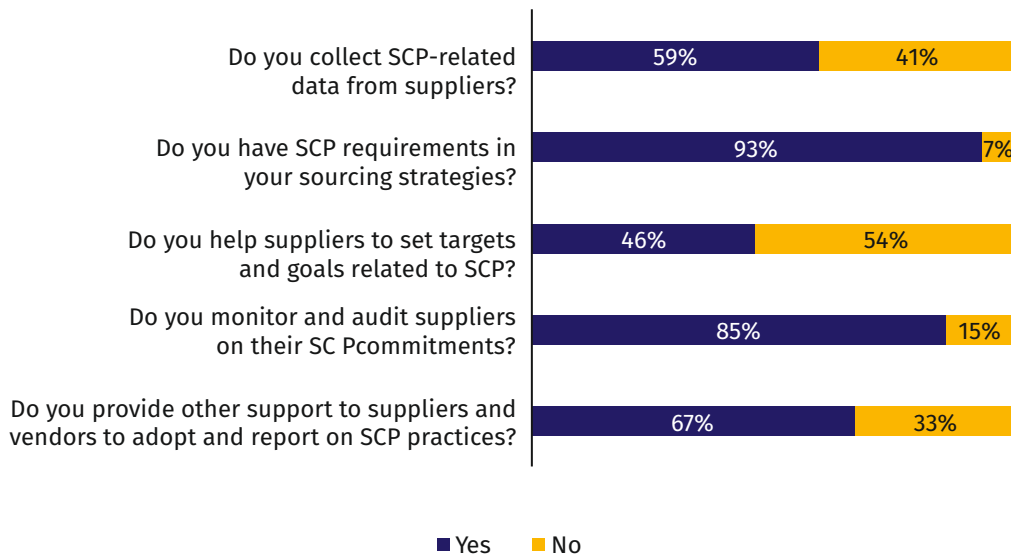
Engagement with Suppliers

96% of large enterprises indicated that they promote the adoption of SCP practices to at least Tier 1 suppliers in their supply chain. Promotion of SCP practices further to Tier 2 (39% of respondents) and Tier 3 suppliers (21% of respondents) was significantly lower.

In engaging with their suppliers on SCP, the highest number of respondents

(among large enterprises) indicated that they have SCP requirements in their sourcing strategies (93%) and also monitor and audit suppliers on their SCP commitments (85%). Fewer enterprises (67%) indicated that they provided active support to suppliers to adopt and report on SCP (in the form of training, monetary/other incentives), while only 46% indicated that they helped suppliers to set SCP-related goals and targets.

Figure 17: Engagement with Suppliers on SCP practices - Large Enterprises



Question: What is the extent of your engagement with your suppliers on SCP practices?



Section 5: Role of Policy in Creating an Enabling Environment for SCP

Policy is a critical lever for the creation of an enabling environment for SCP adoption by businesses. A wide range of policy instruments, when designed and implemented effectively, and integrated across the lifecycle in alignment with the holistic SCP approach, can advance the adoption of SCP by businesses. However, since many policies currently in place

have been designed for a more linear economy, and are often inconsistent across product lifecycle stages and sectors of business, they can also potentially act a barrier to the overall adoption of SCP. A few different types of policy tools and instruments that can be used to increase adoption of SCP^{11, 12} are:

Figure 18: Policy Instruments for SCP

| Regulatory tools | Economic tools | Information-based tools | Voluntary agreements | Behavioural tools |
|--|--|--|---|---|
| Environmental quality standards | Taxes and usage charges (based on the polluter-pays principle) | Government-provided information including training | Unilateral commitments by polluters/resource users | Nudge-type tools |
| Technical/emissions standards | Subsidies, soft loans and tax reductions | Government-mandated information disclosure (product labeling/ corporate reporting etc) | Private agreements between polluters/resource users and those affected | Peer ratings/comparative evaluations/endorsements |
| Restrictions and bans on undesirable products/technology | Tradeable permit schemes | | Negotiated agreements between industry and public authority | Consumer pledges/commitments |
| Sustainable public procurement | Deposit-refund schemes | | Voluntary programmes in which participating firms agree to standards developed by public bodies | Public/community participation |

Across different segments and sectors, businesses perceived the following policy instruments to be most effective in enabling the adoption of SCP:

- Environmental Quality Standards
- Subsidies, Soft Loans and Tax Reductions
- Technical/Emissions Standards
- Education & Awareness Programs
- Taxes/Use Charges (Polluter Pays)
- Product Information Labelling/Certification

➤ Socially Responsible Investment

However, there were some differences in the way large enterprises and SMEs ranked the effectiveness of these instruments.

While 73% of large enterprises indicated that there were adequate mechanisms for engaging with policymakers on SCP, only 57% of SMEs believed that there were adequate mechanisms for engaging with the policymakers.

Figure 19: Effectiveness of Policy Instruments in Enabling Adoption of SCP

| Rank | Large Enterprises | Rank | SMEs |
|------|---|------|---|
| 1 | Environmental Quality Standards | 1 | Environmental Quality Standards |
| | Taxes/Use Charges (Polluter Pays) | 2 | Government provided Information/Training |
| 2 | Socially Responsible Investment | 3 | Technical/Emissions Standards |
| 3 | Education & Awareness Programs | 4 | Subsidies, Soft Loans and Tax Reductions |
| 4 | Subsidies, Soft Loans and Tax Reductions | 5 | Green Public Procurement |
| | Product Information Labelling/Certification | 6 | Education & Awareness Programs |
| | Corporate Reporting | | Product Information Labelling/Certification |
| | | | Taxes/Use Charges (Polluter Pays) |

Question: Which policy instruments can be most effective in enabling adoption of SCP practices in your industry sector?



Respondents overwhelmingly chose regulatory, economic and information-based policy tools and instruments as most effective in spurring SCP action, compared to voluntary agreements and behavioural tools. The lower preference for behavioural tools aligns with the relatively lower understanding and adoption of SCP in Consumption-related phases of the product lifecycle (as indicated by Responses in Section 1 and 2). However, the use of behavioural tools will have to be examined in more depth as businesses and governments increasingly look to engage consumers more actively in the move towards holistic SCP approaches.

Policy Barriers and Enablers

Survey respondents cited the lack of clarity or consistency in regulations and ambiguity in laws as key policy-related barriers to SCP adoption. In several instances, policies are also in conflict with each other across different parts of the product lifecycle. A few businesses also highlighted the lack of policies aimed at consumer behaviour change as a key challenge in driving adoption of SCP.

Businesses also emphasized the need for a deeply consultative and inclusive process in the formulation of policies, with due consideration given to challenges in implementation aspects, and to examine and derive learnings from prior policy rollouts that have not been able to achieve the intended effects.

Additionally, businesses stressed the need for a comprehensive national policy on SCP, that is holistic and follows an integrated policy approach, with harmonization across different resources, materials, sectors and

Perform, Achieve and Trade (PAT) is a regulatory instrument aimed at reducing specific energy consumption and enhancing energy efficiency in energy-intensive industries in India. Under this scheme, specific energy saving targets are assigned to Designated Consumers (DCs) for a three-year cycle, and it also includes a market-based mechanism allowing the trading of certified excess energy savings.

PAT was launched by the Bureau of Energy Efficiency (BEE) under the National Mission for Enhanced Energy Efficiency (NMEEE) in India. PAT Cycle I (2012-2013 to 2014-2015) assigned targets to 478 Designated Consumers (DC) from 8 energy intensive sectors, with PAT Cycle II (2016-17 to 2018-19) and Cycle III (2017-18 to 2019-20) expanded to include additional sectors and new DCs from existing sectors.

The trading of ESCerts (Energy Saving Certs) began in 2017, with ESCerts awarded to a DC (designated consumer) if it surpasses its energy savings target and which can be bought by DCs to comply with their energy saving targets, the price for which is determined through market supply and demand. DCs that fail to meet their targets either through their own actions or by purchasing ESCerts face financial penalties under the Energy Conservation Act.

PAT Cycle-I saw an achievement of 8.67 Million Tonne of Oil Equivalent (MTOE) of overall energy savings and 31 million tonnes of carbon dioxide emissions avoided. This was 30% above the target of 6.686 MTOE of energy savings for PAT Cycle-I.

Source: <https://beeindia.gov.in/content/pat-cycle>



lifecycle stages to create coherence in SCP actions by different actors in the value chain. They also highlighted the need to remove any incongruity in policies which promote SCP in one stage of the lifecycle, while continuing to encourage unsustainable practices in other stages. The success of policy instruments such as PAT (Perform Achieve and Trade) in India to reduce specific energy consumption in energy intensive industries could potentially be studied to help frame policies aimed at bringing about similar reduction in overall material/resource consumption as part of a comprehensive SCP approach.

Specific policy instruments, for instance those based on the 'Polluter pays' principle, were deemed to be effective for enabling SCP, but only if their implementation challenges are well-considered and addressed, and complemented by proper enforcement. Also, respondents pointed out that such policies can only move the needle on SCP if they are accompanied by the necessary support to build capacities in the ecosystem to meet the policy requirements. It is also imperative to equip all relevant actors with the knowledge base (including, for instance, a ready reference or compendium of alternative technological solutions) that can enable 'Polluters' to actively reduce their negative impact, in addition to bearing the financial cost of such externalities.

In addition to awareness and training programs, some SMEs highlighted the need for non-financial incentivization through policy to give recognition to smaller businesses that are adopting SCP and which can give them a competitive advantage in the market (for exam-

ple, through a rating system).

Both SMEs and large enterprises reiterated the need for providing financial support and incentivization for SCP through various policy instruments, including:

- Subsidies for adopting SCP initiatives, including certifications for these practices/materials, especially when the business case is yet to be fully established
- Incentives for encouraging R&D and innovation (including for example, collaborative R&D centres and design facilities)
- Financial Mechanisms to support development of infrastructure for SCP-related practices (such as collection and processing of waste)
- Development funds for green infrastructure
- Different instruments aimed at making the pricing of technologies for SCP competitive in order to make them viable for use
- Market-driven instruments, including for example, domestic carbon trade market

Specific Policies as Barriers to SCP

Adoption: Existing regulations in India do not allow for the use of recycled material in the manufacturing of food-contact materials. Such regulations, if removed, could play a vital role in creating robust markets for the use of recycled materials such as PET, thus enabling an economically-viable circular value chain for plastics.



Section 6: Impact of Covid-19 on SCP in Businesses

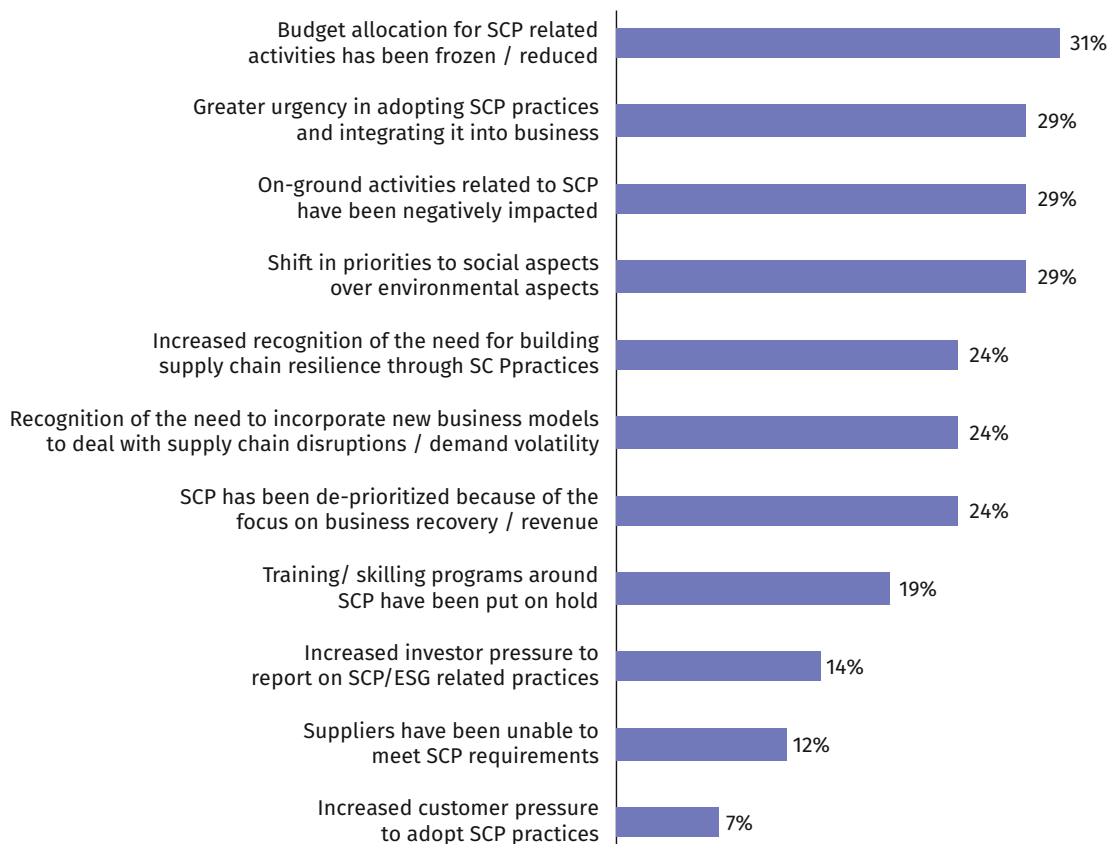


More than a year into the Covid-19 health crisis and the associated economic fallout, and with varying trajectories and timelines for recovery from the global pandemic, the impact of Covid-19 on SCP approaches in businesses cannot be overlooked.

The effect of the pandemic on SCP adoption seems to vary considerably. While on the one hand, 31% of businesses indicated that budget allocation for SCP activities had been frozen or reduced and 24% indicated a de-prioritization of SCP activities, on the other, 29% indicated that there is a

greater urgency in adopting SCP practices and integrating it into business. 29% of businesses indicated that on-ground activities related to SCP have been negatively impacted, while 24% of businesses indicated that there is increased recognition of the need for building supply chain resilience through SCP practices and incorporating new business models (reuse/repair/remanufacturing) to deal with supply chain disruptions and volatility in demand. 29% of respondents stated that there has been a shift in priorities to social aspects over environmental aspects.

Figure 20: Impact of COVID-19 on Perception and Adoption of SCP Practices



Question: How has COVID-19 affected the adoption of SCP practices in your business?





Case Studies



Case Study 1



Creating Additional Business Value by Extending Product Life beyond the First Use Cycle

Company Featured: Tata Motors Limited

Tata Prolife, a customer-focused service programme by Tata Motors, extends the life of engine long blocks and other aggregates in commercial vehicles after their first lifecycle of use through remanufacturing. Under the Prolife take-back programme, an equivalent of 33,615 engines were reconditioned in Financial Year 2020, resulting in revenue generation of INR 247 crores. Recycling initiatives at Prolife have led to material savings of 3,760.1 tonnes, with GHG emission reduction of 8,923.7 tonnes of Carbon dioxide achieved through remanufacturing.

Context

Extending the life of products through reconditioning and remanufacturing of components is well-recognized as an important model under Sustainable Consumption and Production (SCP) practices. Remanufacturing components, instead of scrapping them for material recycling or other alternatives, offers significant benefits in terms of material and cost savings, while simultaneously mitigating negative environmental impact through reduced emissions, energy and water consumption.

While remanufacturing is highly prevalent in some sectors, it has traditionally been restricted to the business-to-business (B2B) segment.

Remanufacturing also tends to be 'hidden', and several challenges come

into play when considering remanufacturing for products under a business-to-consumer (B2C) model, chief among which are consumer concerns on the quality of the remanufactured product, logistics issues (including reverse logistics) and associated economics of the model.

Tata Motors - Approach to Developing a Product Life Extension Model

Tata Motors Limited, a USD 42 billion organisation, is a leading global automobile manufacturer with a portfolio that covers a wide range of cars, sports vehicles, buses, trucks and defence vehicles.

With the aim to provide high-quality, low-cost replacement parts for its



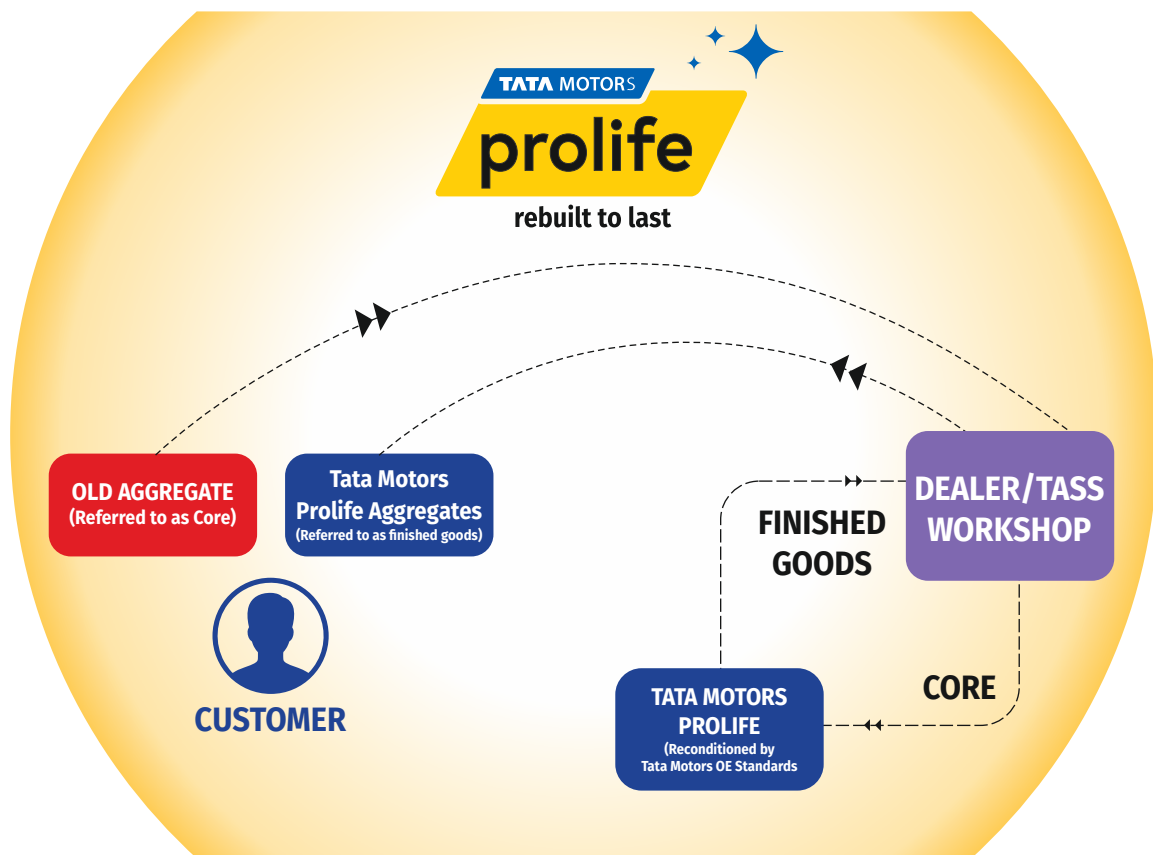
customers in the commercial vehicles segment, and to ensure that critical components like engines are not repaired/overhauled in improper environments and to poor standards, Tata Motors developed Prolife, a pioneering after-market product support strategy for its customers, that allows them to exchange their old aggregates for reconditioned aggregates, subject to simple acceptance norms.

Tata Motors' Prolife provides customers access to the highest quality of aggre-

gates and components that are reconditioned directly by Tata Motors (in 4 facilities distributed across the country), and come with a nation-wide warranty. Prolife services are easily available through all Tata Motors' dealers/TASS (Tata Motors Authorized Service Station) network.

Reconditioned products available to customers include engine long blocks, clutch assemblies and cabins, with new products being constantly explored and introduced to market.

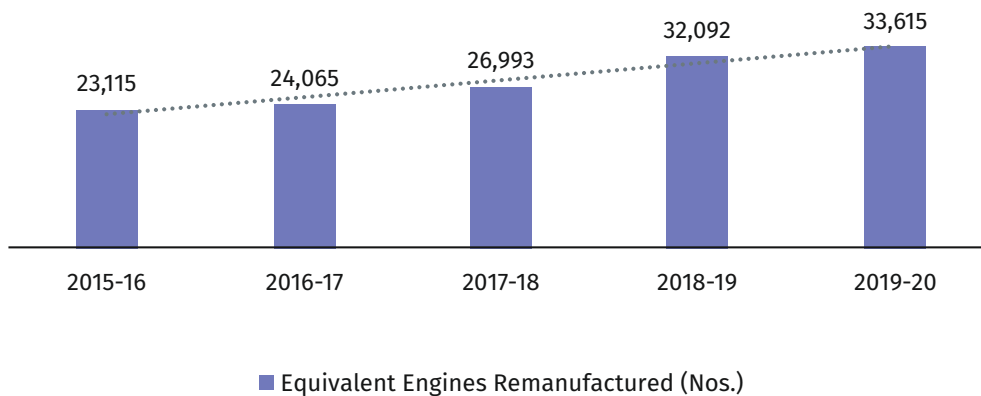
Figure 21: Tata Motors Prolife Model



Benefits and Impacts:

1. In FY 2020, Prolife remanufactured the equivalent of 33,615 engines through the take-back programme, translating into revenue generation to the tune of INR 247 crores.
2. In comparison to conventional overhauling, the Prolife model offers several advantages such as simplified operations and cost savings, including lower inventory levels and reduced logistics cost.
3. The reuse and recycling of materials and components under the Prolife business has also resulted in significant material savings to the tune of 3,760.1 tonnes.
4. Through the remanufacturing of 6BT and ACE engines, reduction in GHG emissions to the tune of about 8,923.7 tonnes of Carbon dioxide has also been achieved.

Figure 22: Tata Prolife - Equivalent Engines Remanufactured by Fiscal Year



GHG emissions avoided due to re-manufacturing of 6BT and ACE engines at Prolife
8,923.7 tCO₂

Total material savings due to recycling at Prolife
3,760.1 TONNES

5. Reuse and recycling of components also leads to significant reduction in waste generation, along with lower energy and water consumption compared to manufacturing of a new component.
6. Social impact has also been realised through the creation of new business and employment opportunities under the Prolife service.
7. Customers have access to high-quality reconditioned aggregates that have been made to original equipment spectrum and available at lower costs, through an efficient exchange process.



Key Learnings:

- 1) Customers are ready to pay more upfront for qualitative products, if its life-cycle cost is less.
- 2) Technology already exists to salvage the end-of-life products, but they have to be innovatively adapted in reconditioning to extend the life of products.

Key Challenges:

- 1) In many components, economic salvaging solutions are yet to be explored.
- 2) Good quality core collection and transportation back to the plant in an optimised way is also a challenge.
- 3) There are no classified learnings available in this sector in the public domain.

References:

(This case study was developed based on a case study by the Tata Group on Circular Economy in its group companies along with additional information through secondary research and interviews with representatives from the Tata Group).

1. <https://www.tatasustainability.com/pdfs/Highlights/TheCircularEconomyInAction.pdf>
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Case Study 2



Science-based Targets as a Tool for Aligning Individual Company Action with Global Climate Goals

Company Featured: Mahindra Sanyo Special Steel Private Limited

In April 2018, Mahindra Sanyo became the first company in India and the first steel company in the world to have its GHG emissions reduction targets validated by the Science-based Targets Initiative. In the year 2019-20, Mahindra Sanyo has successfully reduced absolute GHG emissions (Scope 1 and Scope 2) by 24% as compared to 2016-17.

Context:

Companies around the world have recognized the critical role that they play in meeting the global climate goals. In addition to recognizing the risks of climate change, they also understand the opportunity that climate action provides for innovation and demonstrating leadership, and are taking significant measures to mitigate their climate impact. However, most businesses set targets based on what is achievable in their individual capacity, which often do not match the effort that is needed, in terms of the targeted reduction and the timelines, to meet global climate goals. This inconsistency will need to be addressed if we are to make meaningful strides towards a 1.5 degree C future.

The Science-based Targets Initiative (SBTi):

The Science-based Targets Initiative,

launched jointly by CDP, the UN Global Compact (UNGC), the World Resources Institute (WRI) and WWF, mobilizes companies to set Science-based Targets (SBTs) - ambitious GHG emission reduction targets that are in line with the scale of decarbonization that is required, as per the latest climate science, to limit global warming to within 2 degrees, above pre-industrial levels. SBTs present a step-forward in the private sector's decarbonization plans, providing a clearly-defined pathway for companies to reduce GHG emissions, and the scale and pace for doing so, based on a scientific evaluation of what is needed for global GHG emissions reduction, as determined by relevant carbon budgets.

Mahindra Sanyo - Approach to SBT:

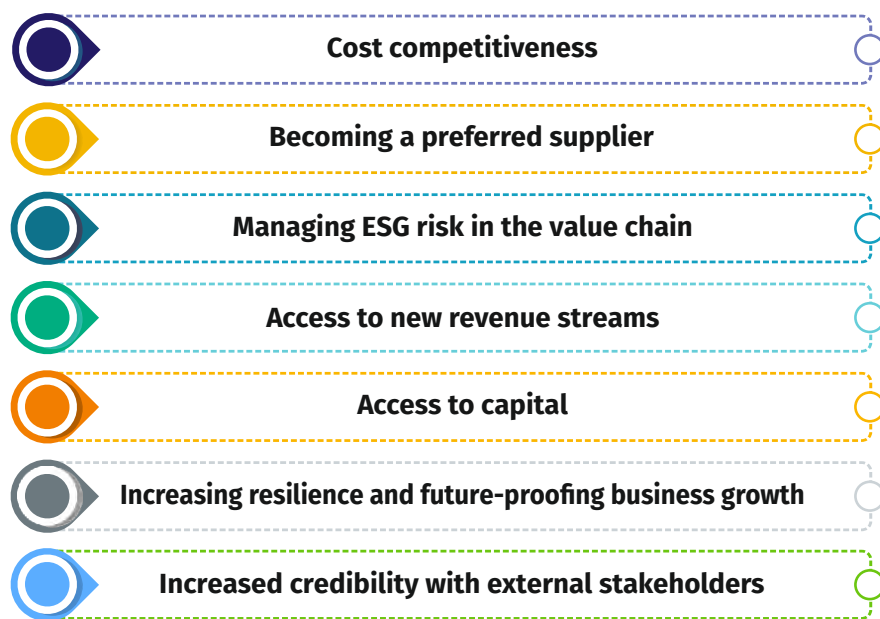
Mahindra Sanyo is a world leading and pioneering manufacturer of carbon, alloy and stainless steel for the automo-



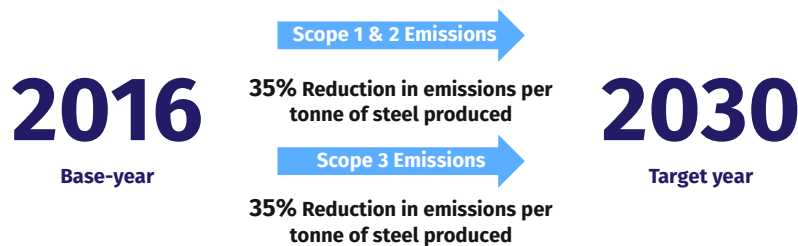
bile, machine building, power and railway sectors.

At the 2018 World Economic Forum in 2018, Anand Mahindra, Chairman of the Mahindra Group, pledged to commit the entire Group to the Science Based Targets initiative (SBTi).

Following this, Mahindra Sanyo undertook the setting of a Science-based Target, with the aim of further integrating sustainability into every facet of its business, and going beyond statutory requirements and demonstrating leadership in the steel sector at a global level. Key drivers for the setting of SBTs at Mahindra Sanyo include:

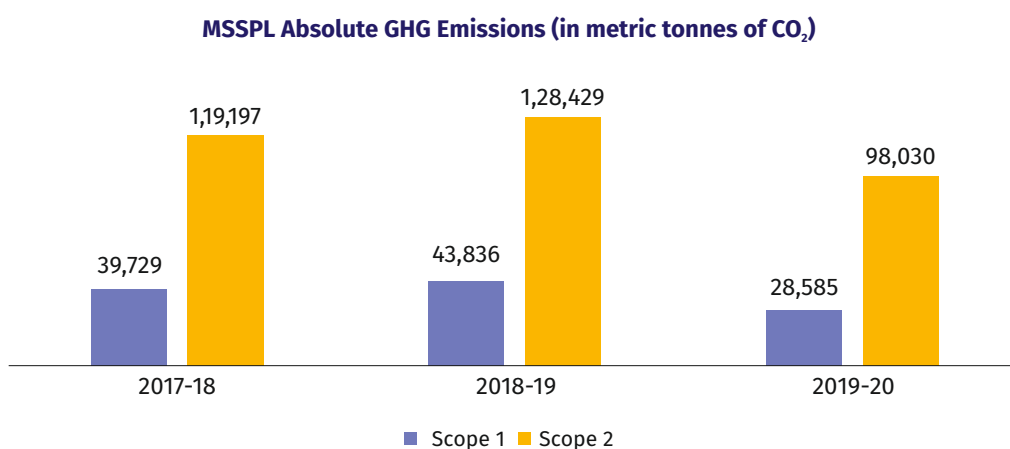


Target for Emissions Reduction



Impact:

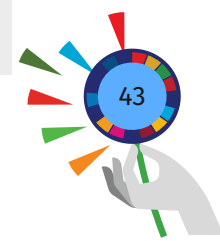
1. In the year 2019-20 Mahindra Sanyo has successfully reduced absolute GHG emissions (Scope 1 and Scope 2) by 24% as compared to 2016-17.
2. Following the success of the SBT work at Mahindra Sanyo, till date a total of 21 group companies have committed to set SBTs, and 16 Mahindra Group companies have had their SBT approved.
3. Value chain collaboration: Mahindra Sanyo is also engaging their supply chain to adopt emissions reduction targets, in order to support the reduction of their Scope 3 emissions.



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(This case study was developed based on a case study by SBTi and other references, in addition to interviews with the representatives at Mahindra Sanyo/Mahindra Group).

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Summary of Key Findings



Summary of Key Findings



Understanding of SCP and Drivers for Adoption in Businesses

- High degree of variability in awareness and adoption of SCP amongst businesses
- While on the one hand, 89% of large enterprises and 43% of SMEs indicated that they have an understanding of SCP and undertake some SCP practices, a large number of companies, particularly SMEs, declined to participate in the survey as they were not aware of SCP or did not see it as relevant to their business
- Critical Drivers for SCP adoption:
 - B2B businesses : customer demand and operational risks/benefits
 - B2C businesses: regulatory requirements in domestic markets and reputational risks/benefits

Implementation of SCP Practices - Barriers and Enablers

- Adoption of SCP practices more prevalent in production-linked stages of the product lifecycle, compared to the consumption and end-of-life stages
- Most significant barriers for SCP adoption:
 - Large enterprises: lack of business case, technological and policy barriers
 - SMEs: lack of financial support was much more significant than any other barrier
- Critical enablers for SCP adoption: increased awareness and demand from customers, and an enabling policy landscape

Measuring and Reporting on SCP

- SCP-related reporting is significantly more prevalent in large enterprises compared to SMEs
- Most popular tools for SCP reporting: the Carbon Disclosure Project (CDP), Science-based Targets (SBT), UN Global Compact (UNGC) and Global Reporting Initiative (GRI)
- Amongst SMEs, the ISO 14000 series of standards was most popular
- Most significant barrier to SCP reporting:
 - SMEs: unclear benefits/value added
 - Large enterprises: Prevalence of too many standards for reporting





Stakeholders and Value Chain Collaboration

- Most influential stakeholder group for SCP adoption in a business:
 - B2B businesses: Customers
 - B2C businesses: Investors/shareholders
- 38% of businesses engaged in high levels of collaboration with upstream parts of the value chain (suppliers and vendors), while only 19% engaged in high levels of collaboration with their peers



The Role of Policy in Enabling SCP Adoption

- 72% of large enterprises indicated there were adequate mechanisms for engaging with policymakers on SCP related aspects, while only 57% of SMEs believed this to be the case
- Key policy-related barriers: lack of clarity/ambiguity in regulations, inadequate consideration to implementation challenges and incongruence in policies
- Businesses stressed the need for a comprehensive national policy on SCP, that is holistic and follows an integrated policy approach, with harmonization across different resources/materials, sectors and lifecycle stages, with adequate capacity building to enable businesses to meet policy requirements
- Most effective policy instruments as perceived by businesses: Environmental Quality Standards; Subsidies, Soft Loans and Tax Reductions; Technical/Emissions Standards



Impact of Covid-19

- Wide variation in the impact of covid-19 on SCP in businesses, witnessing both positive and negative trends
- 31% of businesses indicated that budget allocation for SCP activities has been frozen or reduced
- 29% of respondents indicated that there is a greater urgency for adopting and integrating SCP approaches into business



Conclusion and Way Forward



Conclusion & Way Forward



The preliminary engagement with private sector businesses through this assessment has uncovered some key challenges, barriers and potential opportunities, yielding a few focus areas for further study and potential next steps that can accelerate the mainstreaming of SCP in South Asian businesses.

Conclusion

- 1. Capacity Building for awareness, knowledge and skills:** Although awareness of SCP appears to be relatively high amongst respondents to the survey, a large number of companies, particularly SMEs, declined to participate in the survey as they did not understand SCP or see it as relevant to their business. Efforts need to be made to increase awareness and understanding of SCP, and its relevance and value for different businesses across sectors and parts of the value chain, particularly for the SME segment. Even amongst businesses where awareness on SCP is high and the businesses are looking to adopt SCP, there is a need to provide readily accessible "how-to" guidance to enable rapid uptake of SCP practices and technologies.

Another challenge in this area is the large number of terminologies (SCP, circular economy, sustainable development, cleaner production

etc) that are used to refer to allied and overlapping concepts. There is a need to clarify and align such terminology to ensure that businesses can be engaged more effectively.

- 2. Measuring and reporting on SCP -** There appears to be a clear divide between SMEs and large enterprises in the levels of SCP disclosure using tools and frameworks such as CDP, SBTs, UNGC and GRI. While for large enterprises the challenges in reporting are centered around the multitude of reporting formats and data collection/validation from the supply chains, for SMEs, the barriers to reporting are at a more fundamental level, with a lack of clarity on the value creation and benefits of reporting, as well as challenges in data collection. The large amount of resource allocation required for the process of reporting was a barrier for both SMEs and large enterprises. Mandatory reporting requirements from customers could also provide the right impetus for SMEs in the B2B segment to adopt these tools, if

adequately supported.

3. Driving SCP through the supply chain:

Businesses in the B2B segment cited customer demand as the most critical driver for adoption of SCP. This is suggestive of the potential for driving SCP adoption in businesses in the B2B segment by engaging with them as part of the supply chain of brands/larger enterprises. The potential for driving SCP adoption through supply chain initiatives and collaboration needs to be examined in more detail to understand best practices in not only setting SCP-related requirements, but also building the capacities of suppliers to meet the requirements in a competitive manner.

- 4. Policy:** Businesses underlined the need for sector-specific policies within an overarching and ambitious policy framework (anchored in a national policy) that takes into consideration harmonization across sectors/materials and product lifecycle stages, and which address current incongruencies in different policies. Policy formulation would need to be highly consultative (ensuring adequate representation from SMEs) to develop agreed measures, and also acknowledge implementation challenges under the current scenario. Any policy rollout would need to be accompanied by a comprehensive building of capacities (including knowledge, data, infrastructure and logistics) in the ecosystem. Across both SMEs and large enterprises, the need for

providing financial support and incentivization through various policy instruments was highlighted repeatedly.

5. Financing the SCP transition:

Businesses consistently identified cost as a significant barrier to SCP adoption, with varying cost implications associated with adoption of different kinds of SCP practices along the value chain. These can include costs associated with R&D, sourcing of alternative materials, upgrading of technologies and processes in line with SCP approaches, restructuring business models for alternative modes of delivering products/services, costs of recovery of products/materials at end-of-life, and costs for upgrading skills, data collection and reporting, adoption of digital tools etc. The adoption of SCP is also often limited by infrastructural or logistics barriers that are outside the control of individual businesses. Innovative funding models are required to address these varying needs.

6. Addressing the data challenge:

Businesses recognized that their SCP approaches and decision-making can often be limited by the lack of transparency both upstream and downstream of their individual business operations. A holistic approach to SCP, with practices and policies integrated across the lifecycle, is highly dependent on the availability and authenticity of data on materials, products and processes, which is currently a large gap



in the ecosystem. Globally, several different models are evolving around data and traceability for SCP, involving multiple stakeholders in the ecosystem. Start-ups like Circularise in the EU, and Recykal and Lucro in India, are leveraging the use of digital technology for creating traceability in the product and recycling value chains. Leading businesses are working in collaboration with international agencies, start-ups and other actors towards the development of standards (harmonized across industry sector) and open data-sharing protocols to enable the sharing of product information across lifecycle stages as a key first step to improve many SCP approaches including product recycling, enabling business models like renting and sharing, and product life extension models like repair and remanufacturing. Concerted efforts need to be undertaken to understand these data-related challenges in greater detail within specific sectors and material streams, and develop solutions to address the collection, authentication and communication of relevant data across different actors in the value chain, and improve the overall trust between stakeholders, and traceability and transparency in the system. Additionally, there is a need to ensure the availability of open data sets for assessing environmental impact (for example in LCA calculation) as well as data governance to address privacy concerns and proper use of shared data.

7. Emphasizing the 'consumption' phase as part of the SCP approach:

Awareness and adoption of SCP approaches appear to be oriented more towards the 'Production' phase, while relatively lower emphasis is placed on the 'Consumption' phase and aspects of consumer behaviour. Further examination of how the Consumption aspect can become a bigger part of the SCP dialogue is required, along with deeper exploration of the use of behavioural policy tools to reflect the vital role of the consumer as a key stakeholder for large-scale success of SCP approaches. Behavioural studies that look at interventions to enable positive consumer behaviour change (for example, studying willingness to buy/pay for more durable products, getting products repaired instead of replacing them etc.) can provide the evidence-base for policy making as well as establish a business case for companies to offer products and services that integrate SCP.

8. Collaboration: Collaboration between private sector businesses for accelerating the SCP transformation is still relatively low, compared to what is needed to achieve the massive scale of the SCP transformation. There is immense potential and interest from industry in participating in collaborative initiatives, for example, to develop sector-specific guidelines/standards, as well as explore public-private partnerships and co-develop/co-fund innovation and R&D. Setting up a forum for pre-competitive collaboration for busi-



nesses in the South Asian region, similar to the CE100 global initiative by the Ellen MacArthur Foundation, could enable acceleration of solutions contextualized to the sub-region and creation of cross-sectoral synergies.

Chambers of Commerce at the national level are an important avenue for enabling private sector collaboration and have been recognised as critical in addressing the private sector's role in tackling sustainability-related challenges. Presently, there is very little collaboration between the Chambers of Commerce in the eight South Asian countries, however there is a strong need for these bodies to scale-up collaboration at the sub-regional level to amplify impact.

- 9. Capturing the momentum created by Covid-19:** While on the one hand, the Covid-19 crisis has slowed down the adoption of SCP practices in many businesses and in some parts of the value chain, on the other hand, it has also led to increased recognition of the need for building resilience through SCP approaches. There appears to be a momentum for building back better that incorporates SCP approaches, and there is immense potential to leverage this momentum to accelerate the widespread adoption of SCP and SCP reporting in businesses, by providing adequate support in several key aspects listed in this section.

Way Forward

As next steps following this preliminary study, we highlight a few actions within these focus/priority areas. These are only suggestive and not exhaustive, and will require in-depth study and consultation with stakeholders in order to build consensus, and further contextualize, prioritize and validate them. For each of the actions, a value-chain approach to identify hotspots for intervention is critical considering the overarching application of SCP across the entire product lifecycle.

- 1. Capacity building for the private sector to improve awareness, knowledge and skills:**
 - Based on an extensive needs assessment, a comprehensive capacity building program with a systemic and long-term approach needs to be developed, targeting priority sectors and parts of the value chain (for instance, where the business case is most compelling and immediate and/or where existing or upcoming policies and regulations face a lack of capacity). The capacity building program also needs to be contextualized to each country in the sub-region, and the potential for institutionalization of knowledge for the private sector has to be explored (for example, within National Cleaner Production Centers).
 - Since SCP approaches span the entire lifecycle of production and consumption of goods and services,



in addition to disseminating general knowledge on SCP, there is a need for more concrete capacity building programs that specifically target different stages and functions in the product lifecycle - for instance, product design and development, sourcing, resource recovery and recycling, manufacturing, new business models such as access over ownership/sharing etc., product-life extension services including re-manufacturing, repair etc.

- In addition to technical skills for specific functions, capacity building programs should also focus on soft skills and aspects such as collaboration, communications, consumer behaviour, design thinking and systems thinking, which are key to enabling a holistic transition incorporating SCP approaches.
- In addition to building capacity of individuals, training programs should also address creation of organizational capacities such as organizational structure, rules and regulations as well as resource allocation.
- With the high levels of variability in the awareness and readiness to adopt SCP that exist in the business ecosystem, different kinds of programs are required to effectively target the capacity building needs of these businesses. These include addressing:
 - Informational level needs: Programs and knowledge products to raise awareness on SCP, facilitate knowledge exchange, showcase best practices etc.
 - Implementation level needs: Sector-specific practical implementation guidelines, and tools to guide the implementation, measuring and monitoring of SCP
- Wherever possible, the use of digital tools and dynamic databases should be explored to enhance outreach, improve effectiveness and maintain continuity of programs. These can include centralised knowledge platforms and forums for knowledge exchange, tools and frameworks to enable evidence-based decision making (for instance, an 'Alternate Material Tool' to choose more sustainable packaging options contextualised to a specific region, platforms enabling industrial symbiosis, database of proven technologies that can enhance SCP etc.)
- Capacity building has to address knowledge, information and skill building at a strategic level aimed at higher-level decision makers, (understanding the need for SCP and mapping strategic risks/opportunities for businesses) as well as at a functional/technical level, aimed at personnel who will implement and oversee the SCP practices (how to adopt, monitor and evaluate SCP approaches)
- Capacity building programs also need to include quantified performance targets to assess their impact and align with overall SCP targets in the region.



- Developing a compendium of terminology related to SCP could be a first step towards clarifying and aligning many of the concepts and practices in SCP.
- Additionally, there is also a need to carry out capacity building on SCP for Chambers of Commerce in the South Asian countries, in order to amplify their role in enabling private sector action for SCP.

2. Promoting the adoption of SCP reporting in the private sector:

- The multitude of reporting standards related to SCP makes the reporting process complicated (including choice of standard for reporting), in addition to making data non-comparable. Hence, harmonization of standards is a critical measure for promoting SCP reporting amongst businesses.
- Since SCP reporting is much less common in SMEs than in larger enterprises and Multinational Enterprises (MNEs), in-depth training on SCP is required especially for SMEs. In addition to technical training on the selection and use of appropriate reporting tools, these trainings have to enable an understanding of the core value creation from SCP reporting (for instance, SCP reporting is increasingly required for deeper integration of SMEs into global value chains), as well as the use of SCP reporting as a strategic tool for aligning SCP activities across the organization and identifying/risks opportunities in a rapidly-

evolving business landscape.

- Mechanisms that can streamline the reporting process (including data collection) and reduce the personnel, time and monetary allocation from companies need to be explored. For example, pre-defining materiality for companies in a specific sector or part of the value chain, can help to reduce complexity in the reporting process.
- Development and promotion of digital reporting platforms for SMEs for easier production of reports need to be explored.
- Mechanisms to incentivize SMEs for adopting sustainability reporting have to be explored to reduce the financial barriers that typically prevent SMEs from undertaking reporting.
- A forum needs to be created to connect businesses and public authorities in the subregion to build consensus, and update roles and responsibilities around SCP reporting.

3. Driving SCP through the supply chain:

There is a need to explore the promotion of SCP practices in businesses in the B2B segment by engaging with them as part of the supply chain of brands/large enterprises. While this is a complex challenge, there is potential for amplified impact given the massive number of suppliers within the supply chains of many large enterprises.

A number of models and good practices



are evolving in the South Asian region and around the world for brands/large enterprises (both in their individual capacities and as industry consortia) to engage, enable and incentivize their supply chain actors (including the informal sector) toward meeting SCP requirements that are in line with the brand's own vision and commitments. An in-depth study needs to be carried out to understand these emerging models and the associated implementation challenges. This could form the basis for the creation of a toolkit (for prioritized sectors and parts of the value chain) that can provide guidance for brands/large enterprises on engaging their supply chain for driving SCP in the broader ecosystem.

4. Creating an enabling environment through policy interventions

- Recommendations on sector-specific policies and implementation frameworks have to be developed to scale key SCP actions. For each country in the sub-region, detailed policy mapping has to be undertaken for priority sectors to identify relevant policies that act as enablers or barriers to SCP adoption in businesses. This policy mapping along with an examination of policy options to enable SCP (based on global best practices) can act as a basis for recommending amendments or strengthening of specific policies, or introduction of new policies.
- Recommendations on sector-specific policies should take into account

harmonization across sectors, lifecycle stages and material streams within an overarching policy framework to ensure there are no incongruencies in the policies and to avoid burden shifting across the lifecycle.

- In addition, a special emphasis on SME-specific policies is required, along with mechanisms to ensure the representation and engagement of SMEs in policy making.
- Since current policies focus predominantly on enabling solutions at the end of the product lifecycle, special emphasis needs to be placed on providing policy options that can enable upstream SCP interventions, including areas like product design and consumer behaviour.
- For upcoming and existing SCP-related policies and regulations, gaps in the ecosystem for implementation have to be analyzed, including gaps in knowledge, data, infrastructure and logistics. This could form the basis for recommending actions /interventions that will enable the necessary capacities to be built to ensure compliance with regulations and maximize the intended impact of the policy.
- Since SCP approaches and practices are evolving at a rapid pace, the setting up of a robust policy review system should also be considered to ensure that policies stay relevant as SCP is increasingly mainstreamed into the economy.



5. Financing the SCP transition

- There is need for a structural assessment to identify and prioritize gaps in funding for SCP approaches and practices (for instance, financing for pilot projects, development and adoption of innovative technology, cost of certifications etc.) and innovative financing models and instruments (including debt and equity instruments) that can fill these gaps, by accessing a mix of public, private and philanthropic capital.
- Appropriate capacity building of the financial sector to enable better understanding of the SCP landscape, the scope for development of SCP-enabling funding instruments, and the risks and challenges in SCP models could help to mobilize

financing for SCP through both private and public funds.

Since countries within the sub-region are at various stages of including initiatives to promote SCP, wherever possible, the suggested actions should build on existing and planned activities/programmes carried out by business associations, regional governments, and other bilateral and multilateral projects. The suggested actions also need to be aligned to shifting priorities in the private sector on account of the Covid-19 pandemic and associated business impact.

Within each of the suggested actions, the potential for the use of digital tools and platforms and collaborative models should be explored to improve overall outcomes and scaling up of SCP-related approaches.



Key Challenges and Considerations in Studying SCP in South Asian Businesses



The challenges faced in studying SCP in businesses in the course of this assessment and key considerations for any further studies and interventions aimed at businesses are discussed below:

- 1) While many businesses adopt some SCP practices and use tools such as ISO 14001 for monitoring SCP-related practices, they do not relate these practices to the "SCP" terminology. This led to challenges in engaging with businesses, particularly SMEs, and collecting responses for this study. Any further studies, capacity building exercises, policy dialogues etc. should reconsider the terminology used in communicating with the businesses, in order to maximize the relevance to them, and hence enhance representation and participation.
- 2) Engaging with SMEs on any SCP-related exercises/programs would need to take into consideration the type of business and the level of maturity that currently exists in this ecosystem, and needs to be highly targeted in its approach.
- 3) There was a high level of reluctance in sharing information in the form of a survey questionnaire, across both large businesses and SMEs. Reluctance to share information was attributed to concerns around data privacy, including how the data would get interpreted and used; as well as to company policies preventing participation in such surveys (especially amongst larger businesses).
- 4) By its very nature, since SCP is a wide-reaching concept covering all stages of the product lifecycle and multiple functions within a business, finding a single point of contact or a single team within a company to share information emerged as a challenge. Further, with the study being conducted during the Covid-19 crisis, and most teams working remotely, obtaining information for this study has been particularly challenging as it requires multiple touchpoints within a single company. Engagement with businesses for any future studies or participation in SCP-related trainings/programs will need to take these challenges into consideration during the design phases.
- 5) With the assessment being carried out during the Covid-19 pandemic and most travel restrictions still in place, the study team was unable to

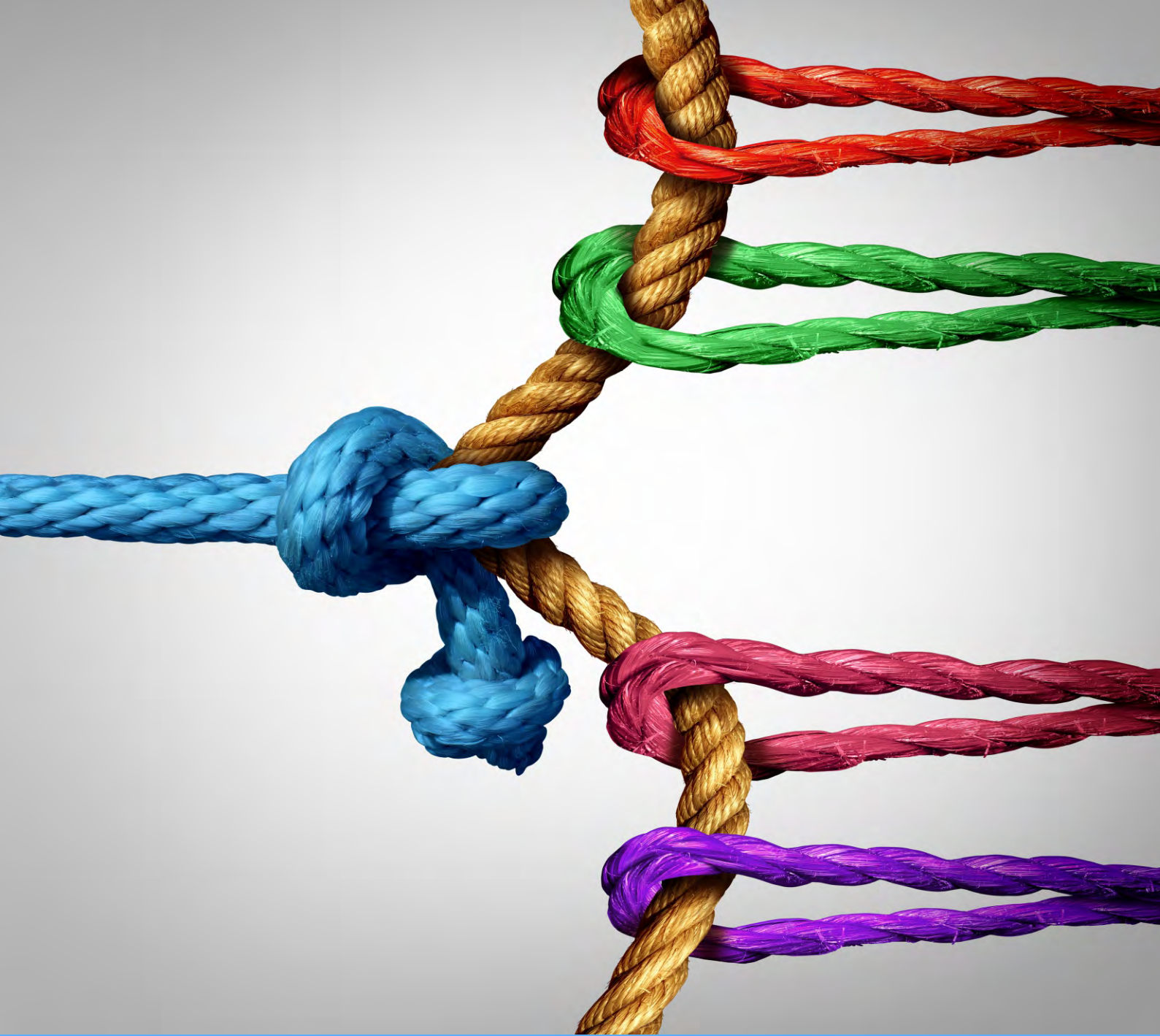


travel on-site for follow-up and in-depth discussions with relevant personnel in respondents' organizations.

- 6) Lack of incentives for companies to share information and the significant amount of time required for completing the survey questionnaire also posed challenges in this study.
- 7) With the nascent levels of

understanding and engagement with SCP in the wider business ecosystem, and concerns around sharing information, it is suggested that any future engagement with businesses to understand perspectives on SCP are best conducted through one-on-one interviews or stakeholder gatherings, rather than through written responses to questionnaires.





Appendix



Research Methodology and Considerations

The methodology for collecting data for this study included an online survey and in-depth interviews with selected respondents. The questionnaire was targeted at businesses in South Asia, from across different sectors, and representing both B2B and B2C companies as well as SMEs and large enterprises, to understand the current ecosystem of incorporating and promoting SCP practices. The breakdown of business demographics is given below.

The complete survey questionnaire can be accessed at: <https://rb.gy/jyrrs9>

While best efforts were made to ensure appropriate representation from companies to reflect a reasonably accurate state of affairs with respect to SCP adoption, the data and analysis may face certain limitations, as listed below:

- The survey was conducted primarily by distributing an online questionnaire through FICCI and SWITCH-Asia's networks and their partner organizations. Hence, the respondents are likely to have been predominantly from these channels, and as such, may understand and adopt SCP practices to a greater degree than the rest of the businesses, which may have been reflected in the survey results and analysis.
- The high levels of SCP adoption reflected in the survey responses could suffer from a bias since it was observed that companies already adopting SCP were more likely to complete the survey than companies who are currently not aware of or not adopting SCP practices.
- Even among companies that were adopting SCP, there was significant reluctance to share information and participate in the survey.
- The dissemination of the survey questionnaire through Google Forms (online survey tool) also posed challenges in accessibility for some companies, hence limiting the number of responses.
- Responses where businesses were asked to rank factors in terms of their relevance/significance were analysed using a weighted score

methodology (accounting for some inconsistencies in how businesses

marked their responses), in order to present the most relevant results.

Figure 23: Breakdown by Base Country of Operations

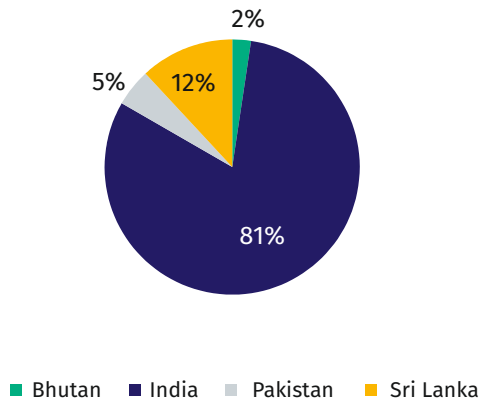


Figure 24: Breakdown by Size of Business

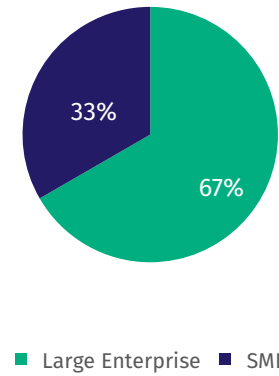
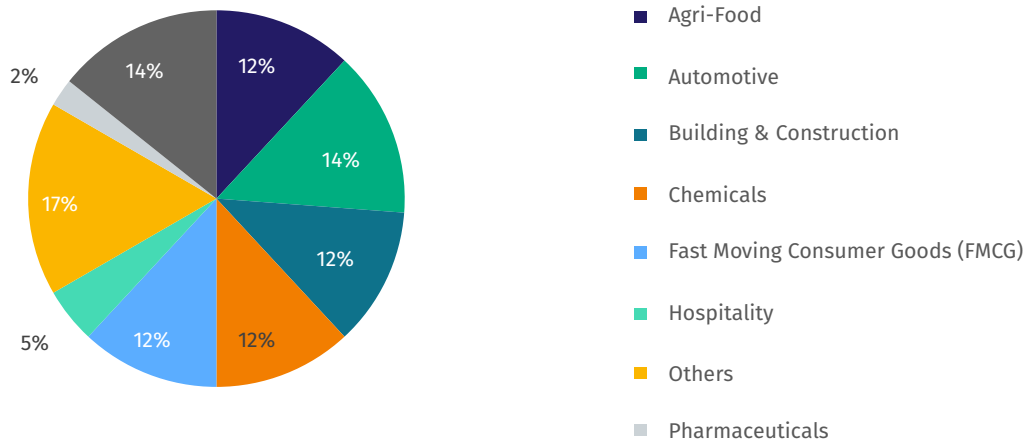


Figure 25: Breakdown by Sector of Operations



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