Green Rating Project

Benchmarking environment performance of Indian industry

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Background

- Environmental performance benchmarking + Public disclosure
- Create reputational incentive for good environment performance
- Push poor performers to improve through public pressure

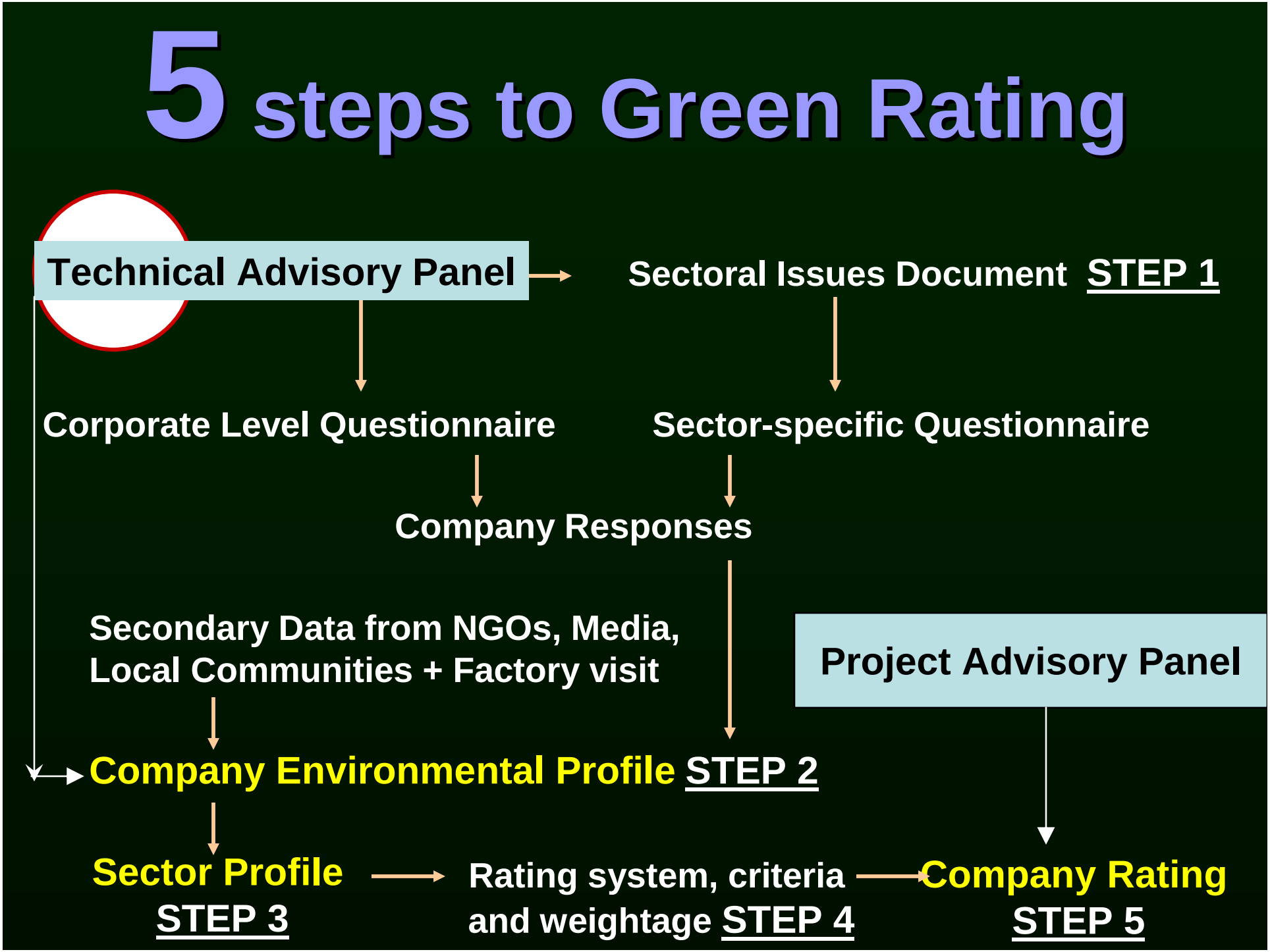
GRP's approach

- Voluntary data disclosure by companies
- Survey production plant to doubly ensure the credibility of information
- Put focus on the major Indian companies on the stock market – reputation incentive/ disincentive
- Include both companies that offer to participate and refuse to participate (based on secondary data)

Institutional structure

- **Project Advisory Panel:** Includes eminent persons from industry, government, politics, academia, research institutions.
- Dr. Manmohan Singh – ex-Chairperson and Dr.M.S.Swaminathan current Chairperson.
- **Technical Advisory Panel:** Experts from industry, research and academia
- **Green Inspectors:** Network of volunteers trained to undertake inspection of plants.
- **Green Rating Team at CSE**

5 steps to Green Rating



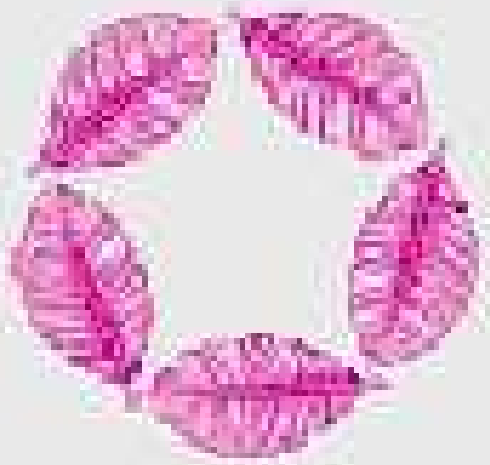
Rating methodology

- Uses Life Cycle Analysis (LCA) to rate the actual performance of companies
- Considers stakeholders perception (local community, NGOs, regulators, media etc) as an integral part of the rating assessment

The Ranking Scale

- **Fives Leaves Award**

- Above 75% — 5 Leaves award
- 50% to 75% — 4 Leaves award
- 35% to 49.9 % — 3 Leaves award
- 25% to 34.9 % — 2 Leaves award
- 15% to 24.9 % — 1 Leaf award
- Less than 15% — No award



GRP's Progress

- **Rated 4 industrial sectors so far (5 assessed):**
  - Pulp and paper – twice
  - Chlor-alkali
  - Automobile
  - Cement
  - Mining – assessed not rated (State of India's environment report on mining)
- **Now: Rating top 200 Indian companies from 18 sectors on energy, GHG emissions & water**

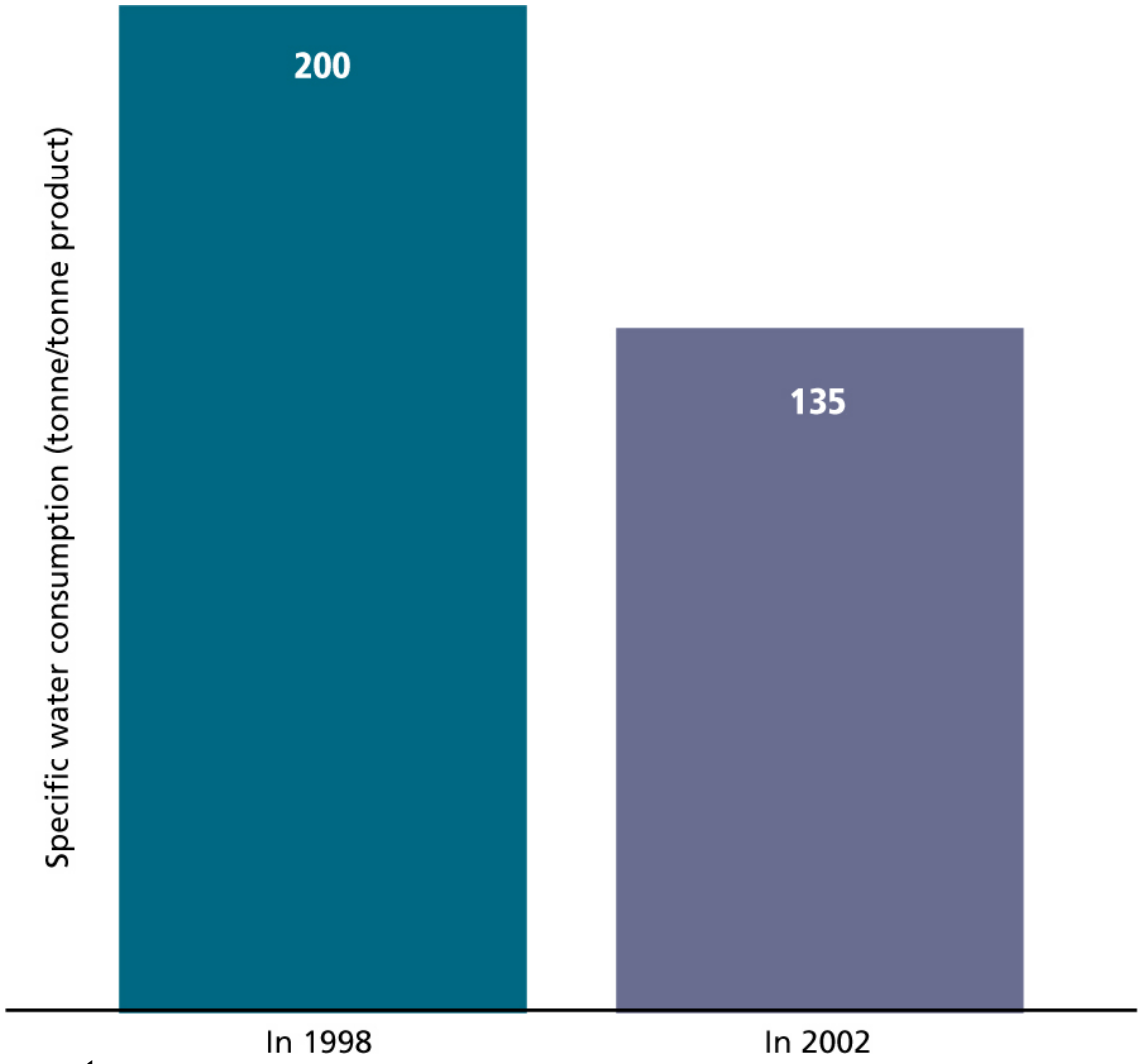
GRP performance

- Introduced transparency
  - Pulp and paper sector – 100% - 1st phase & 90%; 2nd phase voluntary
  - Automobile sector – 90% voluntary participation
  - Chlor-alkali sector – 93% voluntary participation
  - Cement sector – 95% voluntary participation

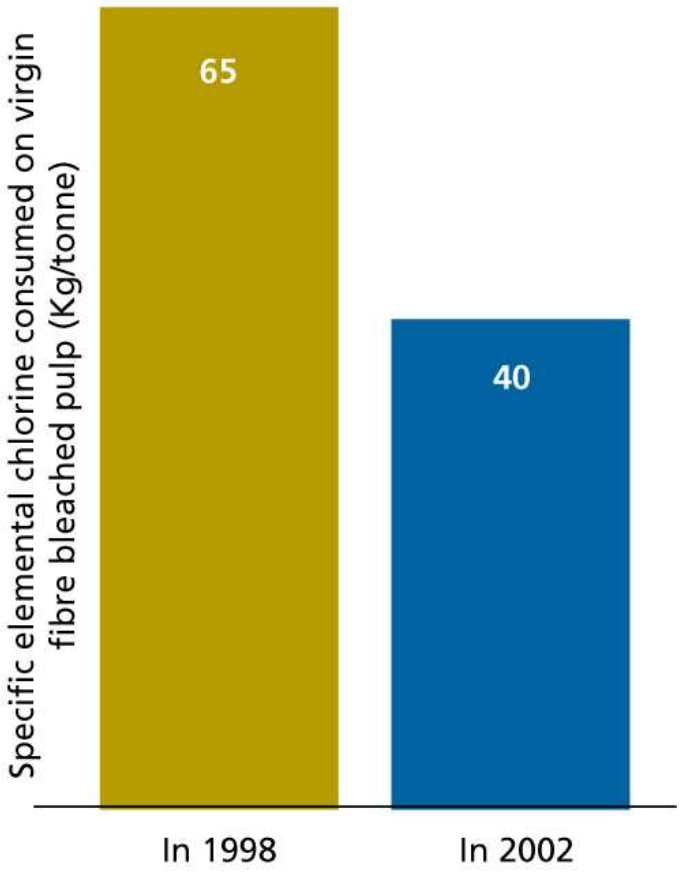
GRP performance

- Multiple uses and impacts
  - Introduction of stricter and rational standards for industrial sectors
  - Changed regulations on mercury pollution from chlor-alkali industry
  - Govt. incentivising change to membrane cell
  - Judiciary uses company profiles
  - Local community uses the data to push for change
  - Used in AGM
- Improvements in the environment performance of companies

Reduction in water use

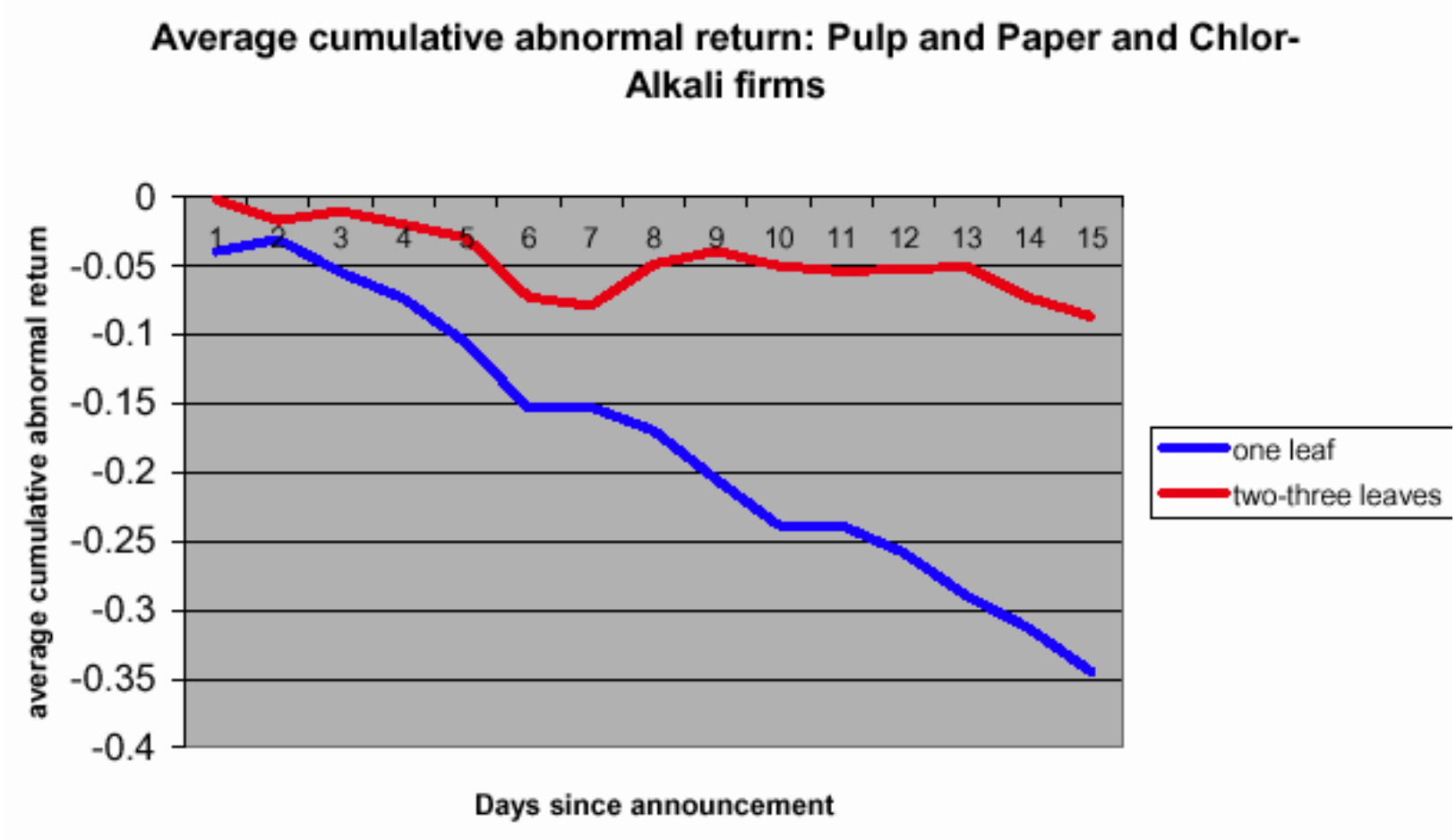


Reduction in chlorine use



GRP performance

- Influences stock market



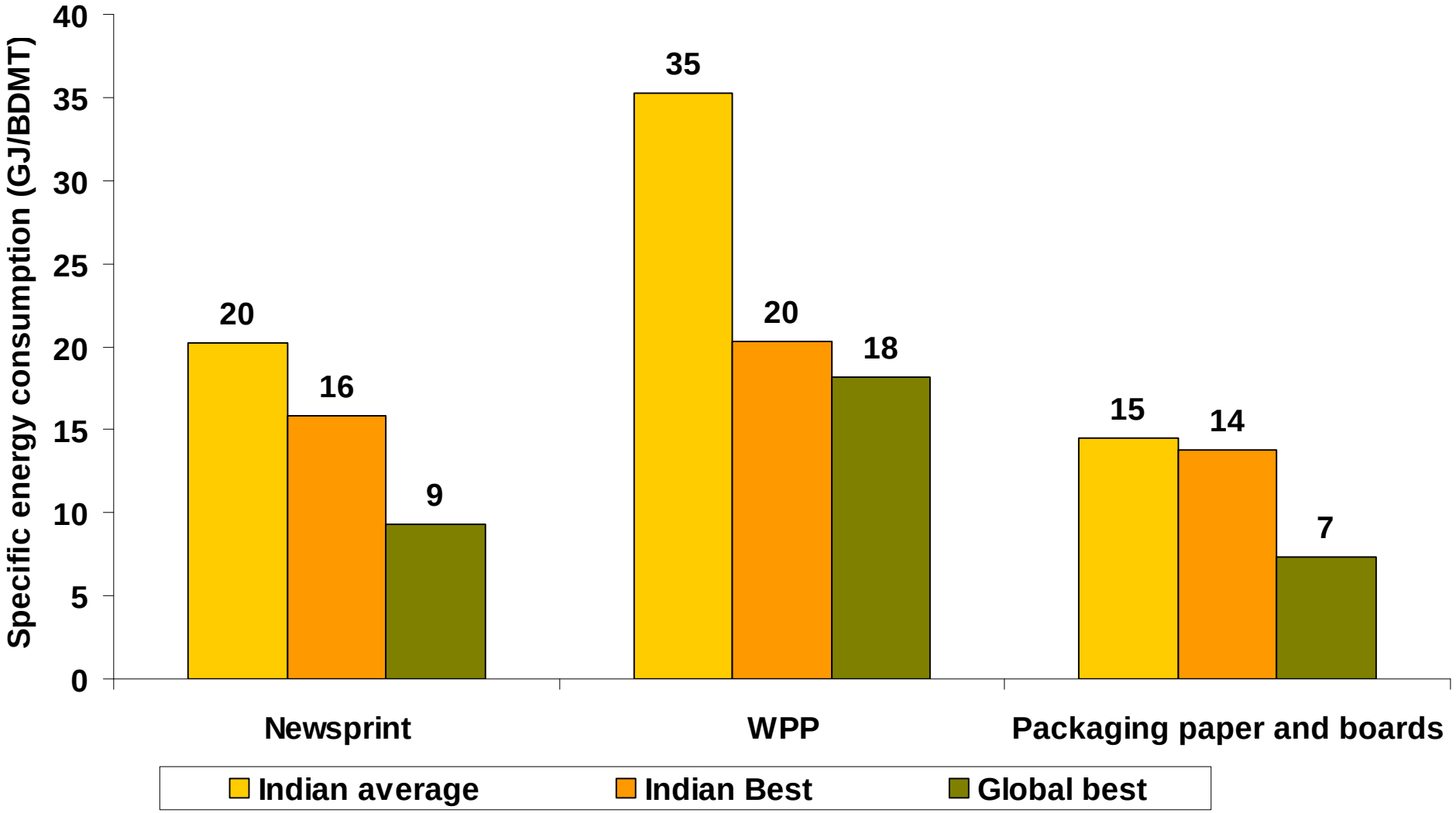
GRP

- Working and promoting democracy – system of checks and balances outside the government

Energy & GHG Emissions

- **Nuanced picture – benchmarking with global best practices**
  - Vintage/ technology
  - Size and structure of industry
  - Raw material and fuel quality and mix
  - Product mix

Pulp and paper sector



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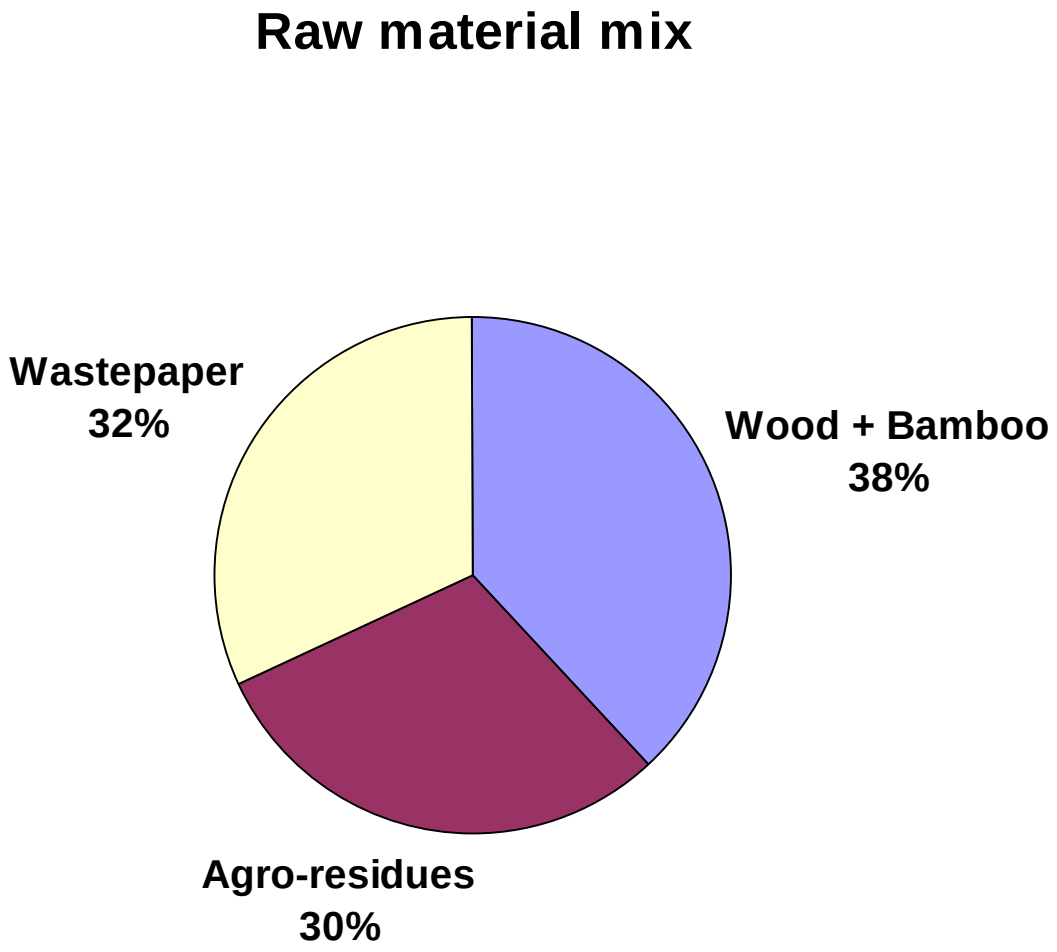

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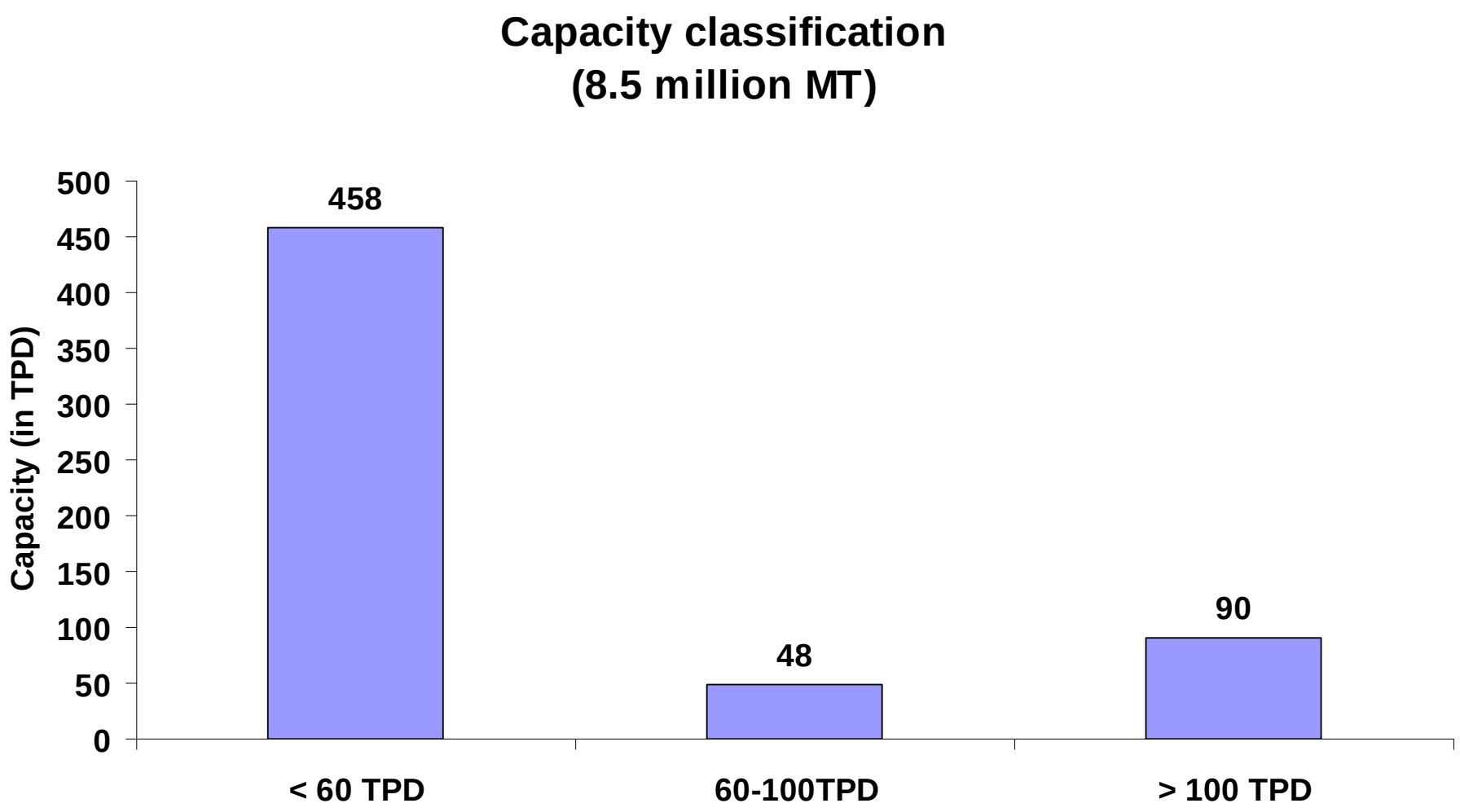
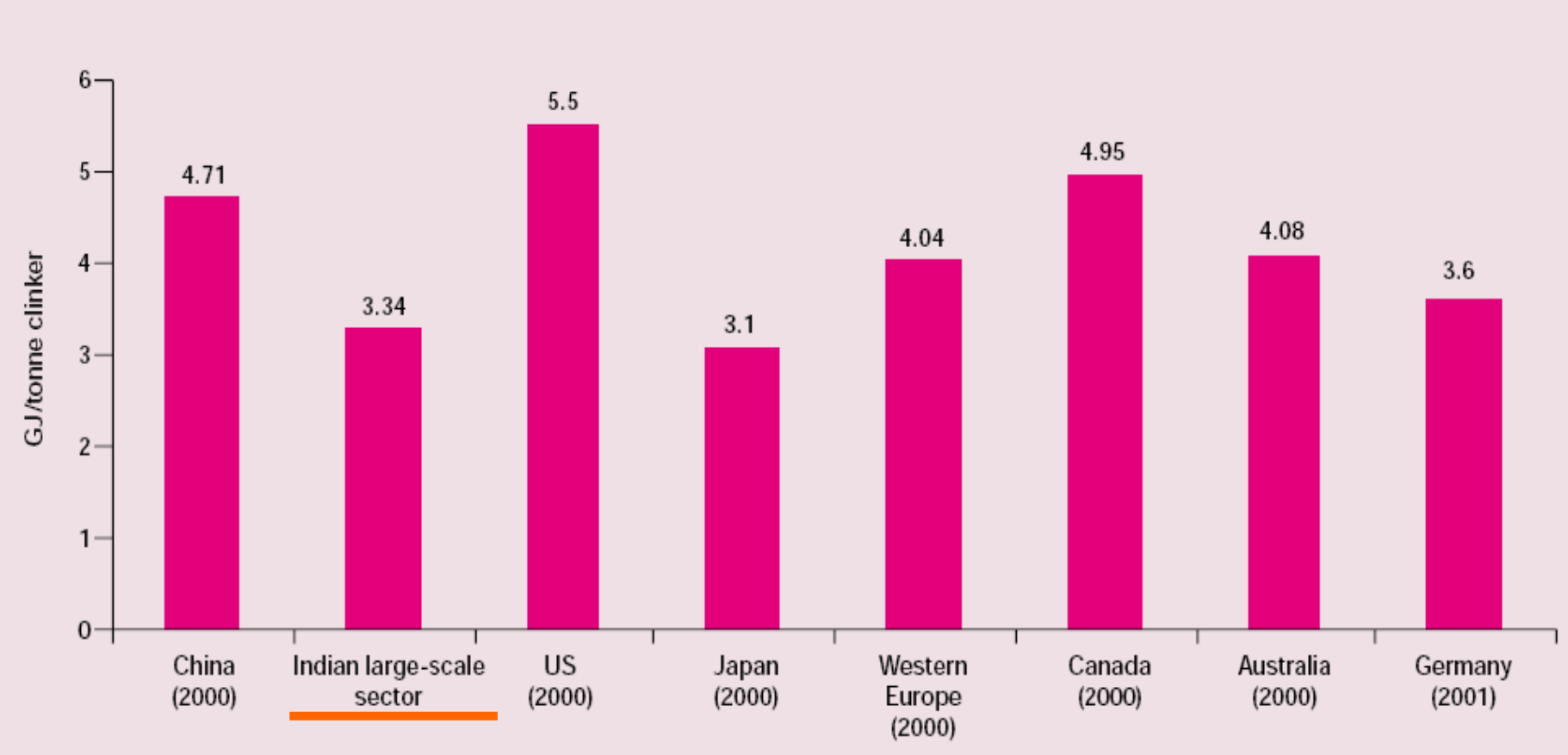


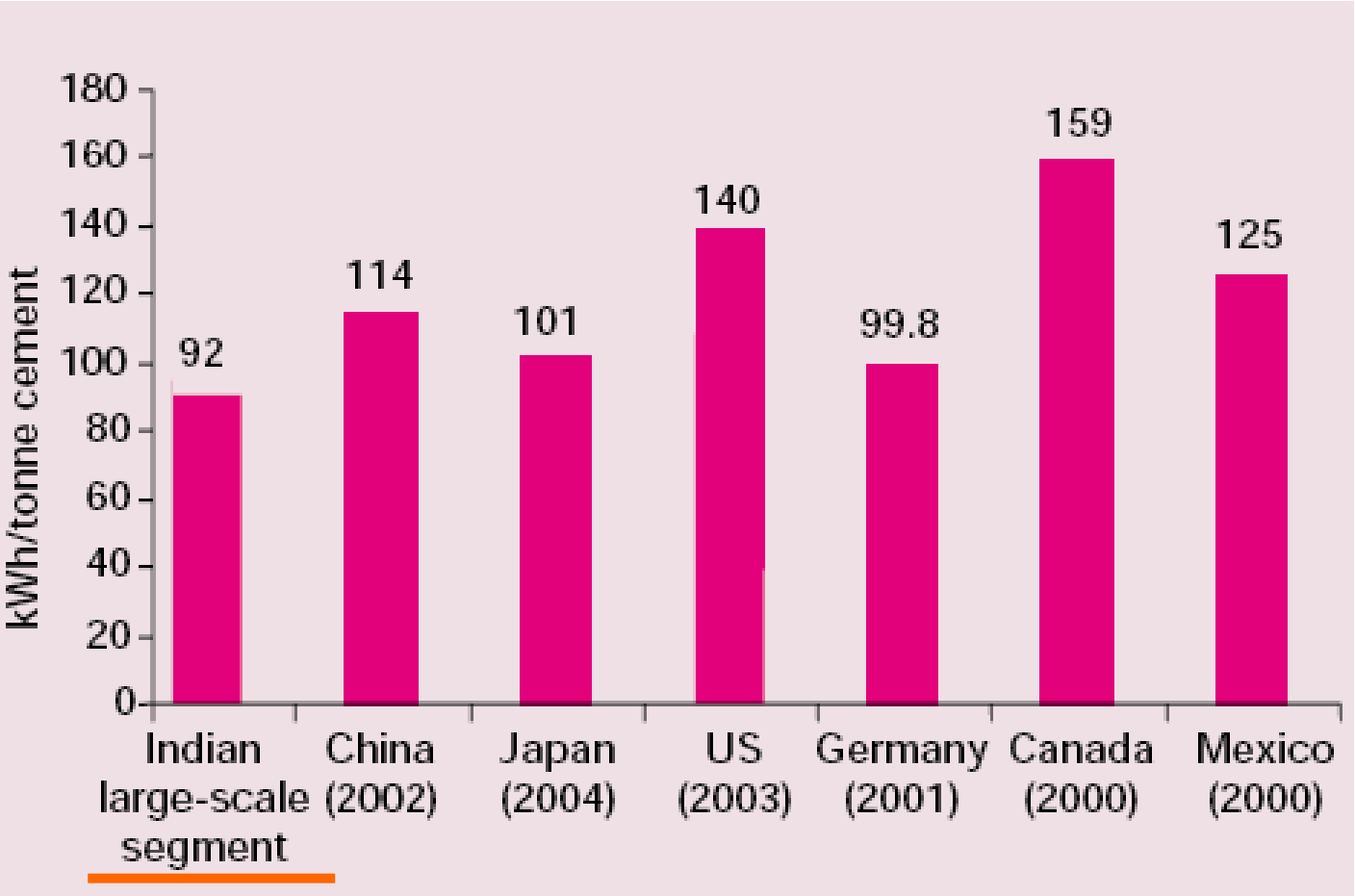
Cement sector

SPECIFIC THERMAL ENERGY CONSUMPTION

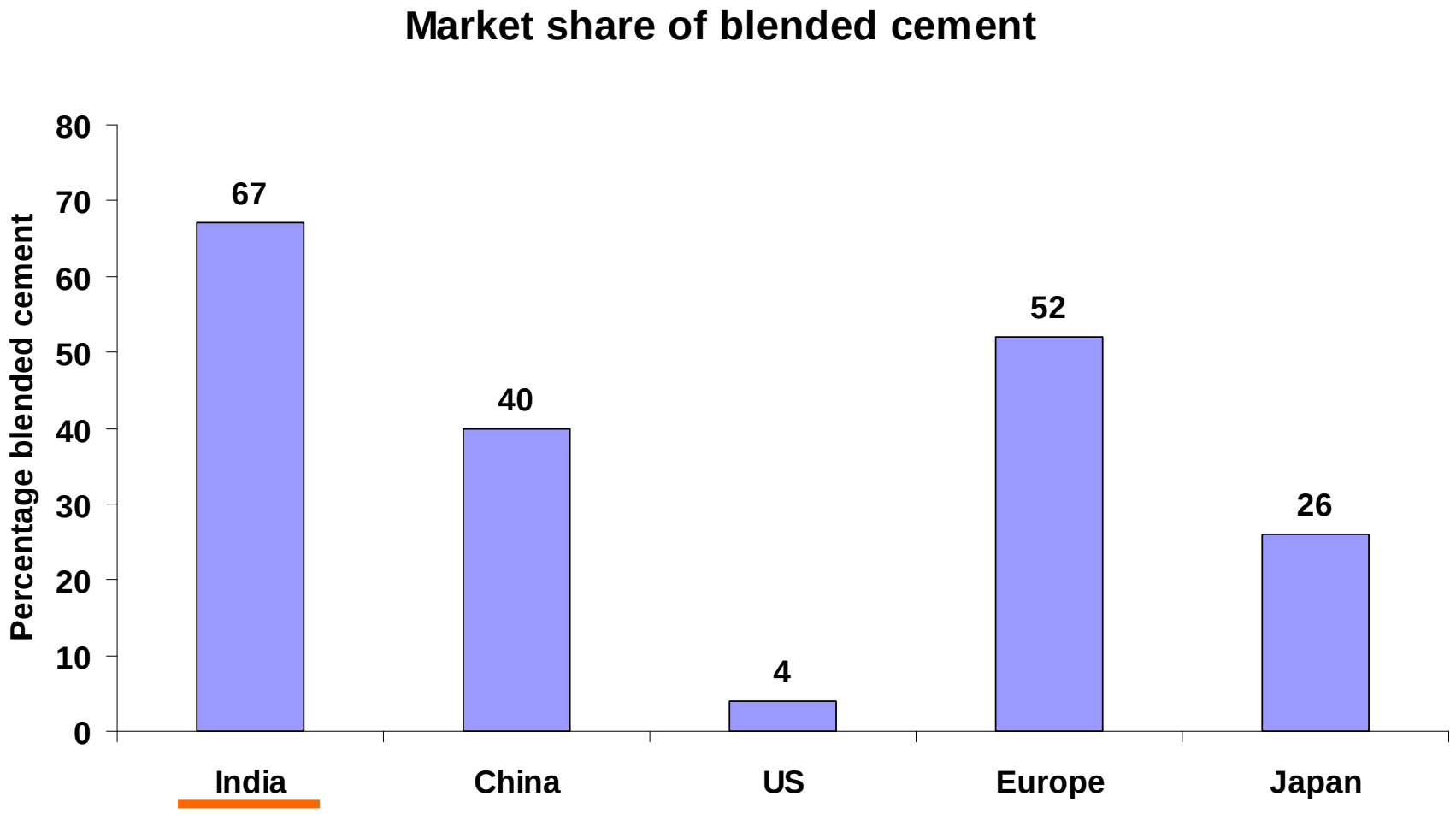


Cement sector

SPECIFIC POWER CONSUMPTION



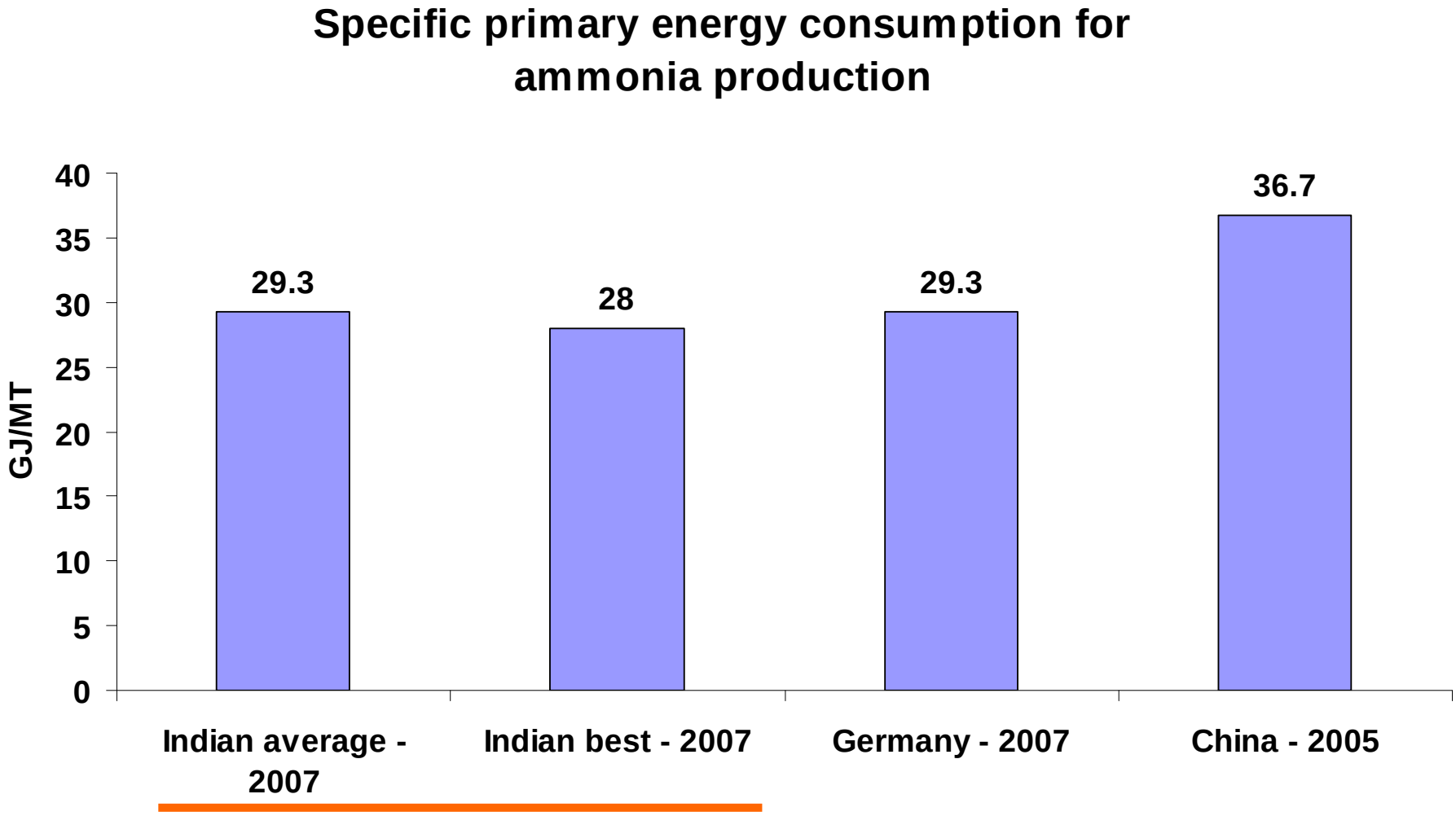
Cement sector



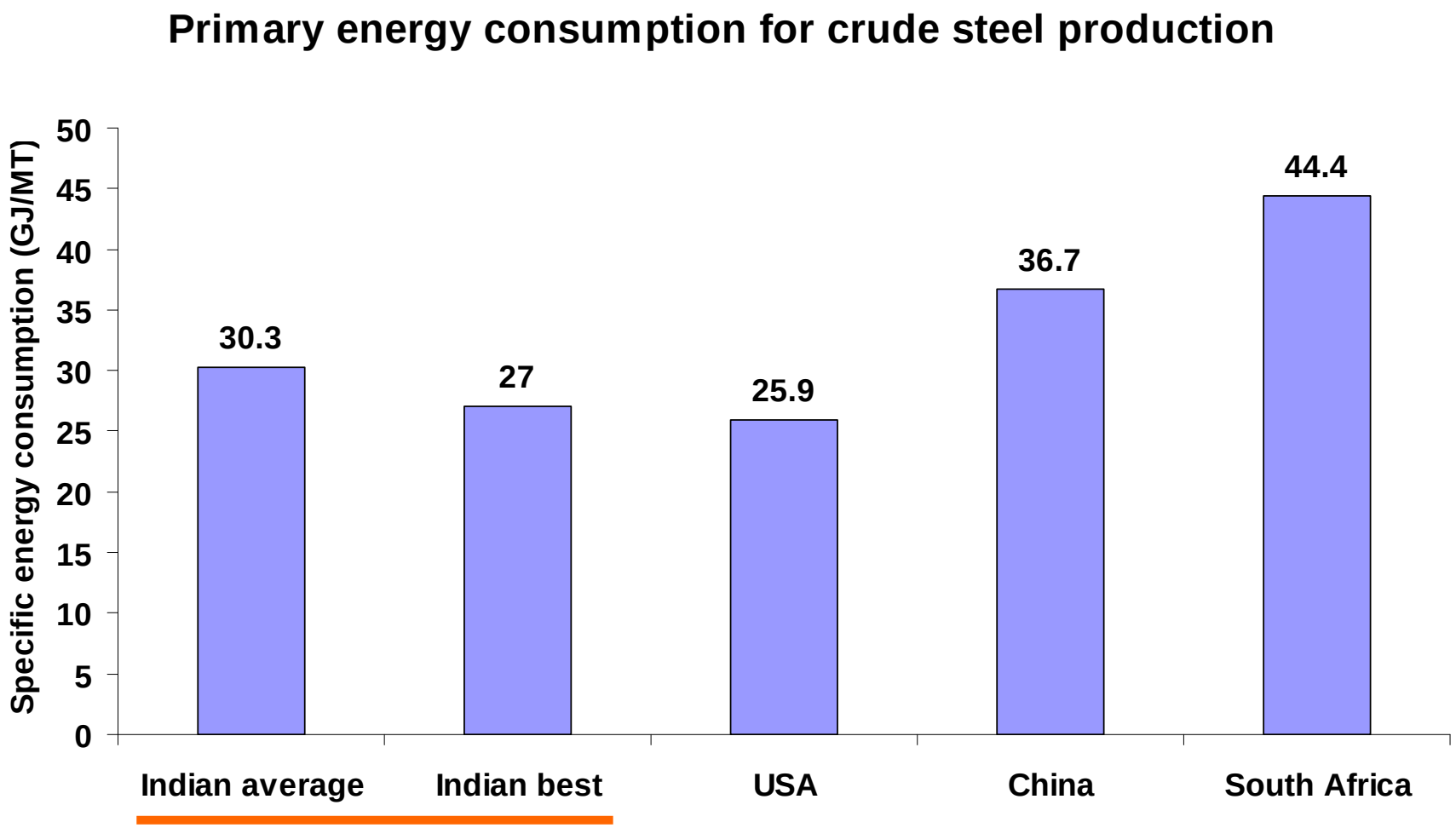
Cement sector

BENCHMARKING CO_2 EMISSIONS

Fertilizer sector

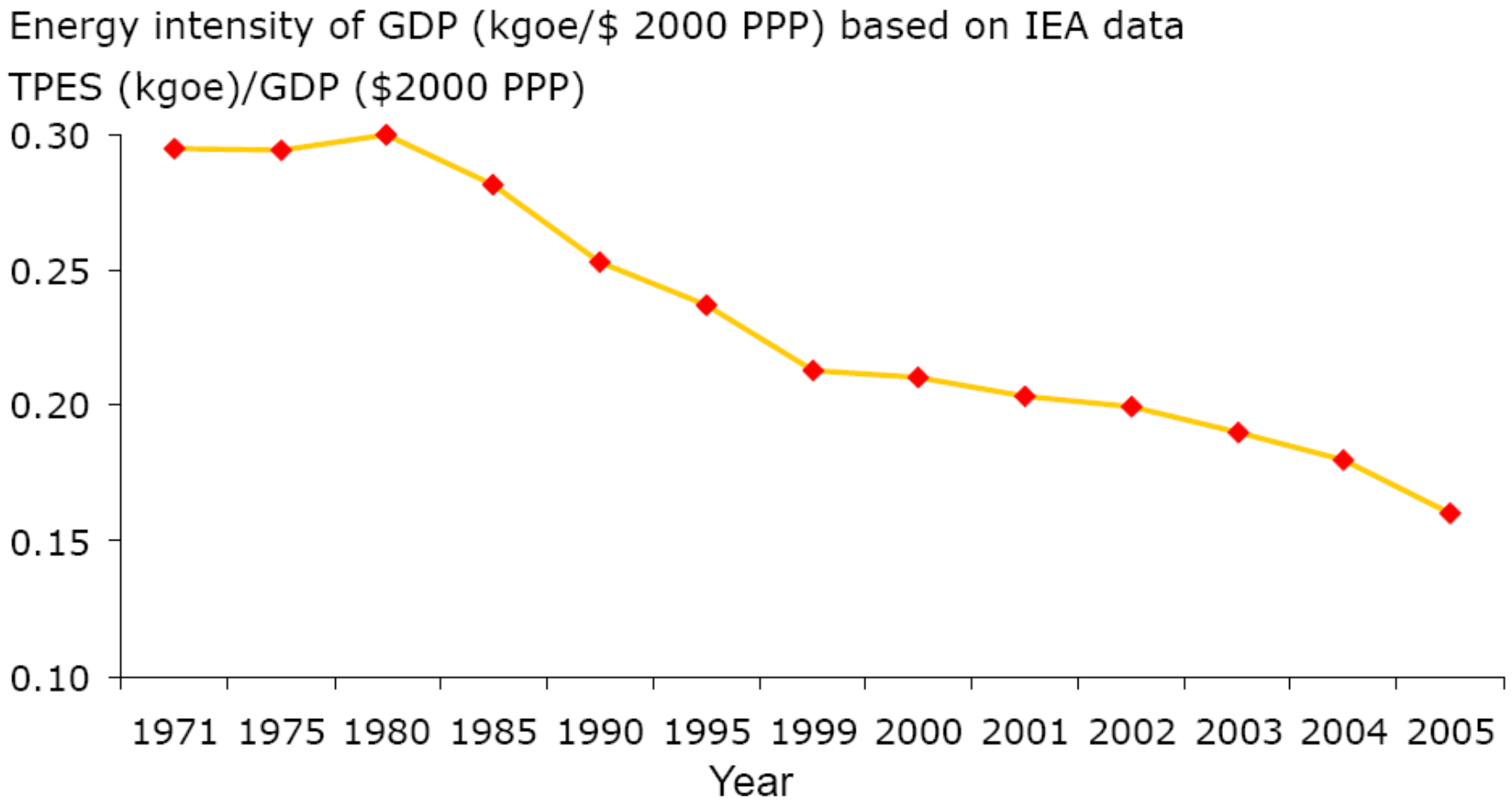


Iron & steel sector



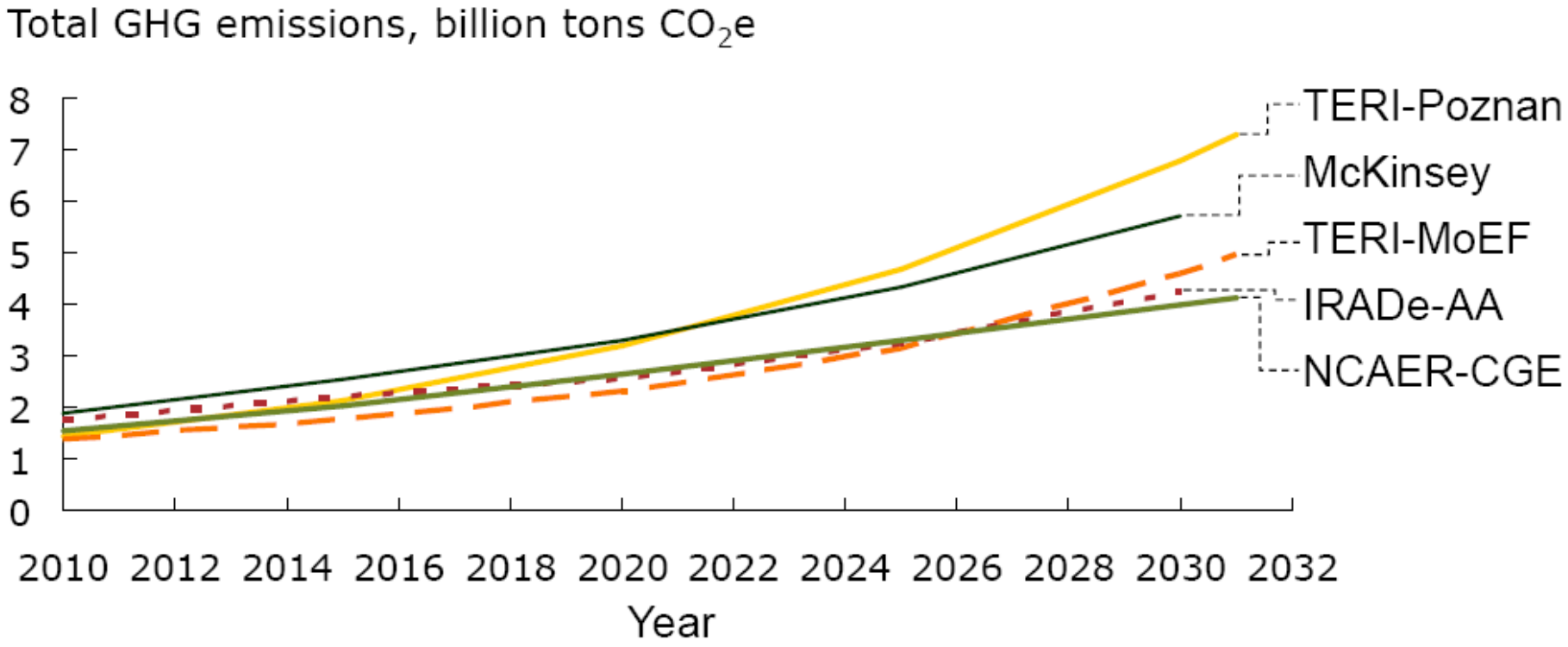
India’s energy intensity

Historical record of India’s energy intensity



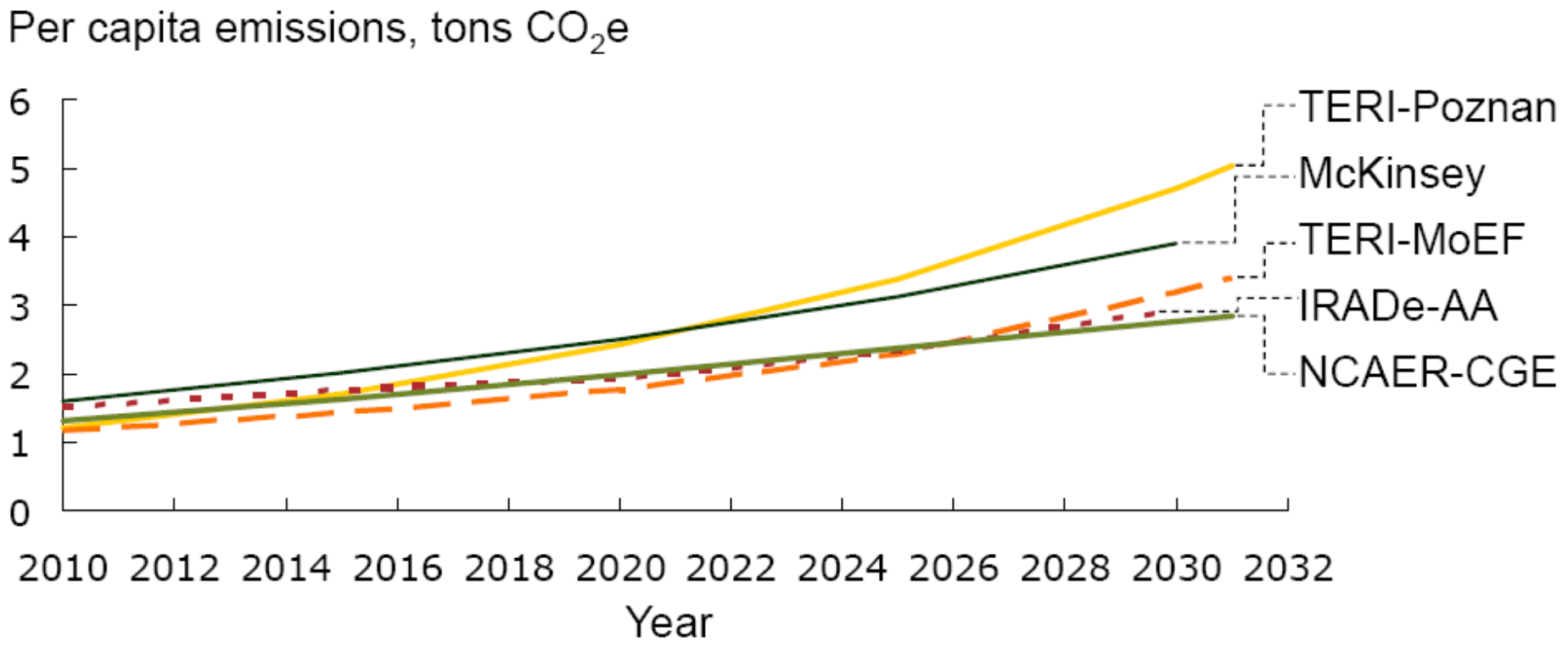
India's projected emissions 2030

Aggregate GHG emissions projections for India from 5 studies in Illustrative Scenarios (2010-2030)



India's projected per capita emissions 2030

Per capita GHG emissions projections for India from 5 studies in Illustrative Scenarios (2010-2030)



India's energy and emissions trajectory

- By 2030, India will be one of the most energy and emission efficient economies
- Its per capita emissions in 2030 will be lower than the current global average per capita emissions
- Still, its emissions will grow 2.5-3 times to meet the basic developmental goals
- This trend holds true for all developing countries

Way ahead

- Its about ecological and economic space – developed countries must create space for the developing countries to grow
- Efficiency is not sufficiency – transformational technology and reduction in consumption
- It will cost money – to hold India's emissions to 3 billion tonnes/ annum, will require more than a trillion USD in next 20 years (3-4% of GDP) – who will pay?