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# THE ROLE OF BUSINESS

he UKIBC's Socio-Economic Impact campaign highlights the role of businesses in achieving the Sustainable Development Goals in India. The campaign is part of an ongoing commitment to advance prosperity and collaboration between the UK and India.

For decades. UK businesses have invested heavily in India, across a range of sectors, from advanced manufacturing, and engineering, to food and drink, to higher education. UK companies contribute to India's socio-economic development through various programmes and initiatives, as well as supporting economic growth. UK investment currently accounts for more 460,000 jobs directly, and more indirectly.

Socio-economic development is achieved when higher economic activity is accompanied by positive social outcomes. This means that increasing investment, developing new technologies, and enhancing trade relations run hand in hand with raising education accessibility and standards, upgrading healthcare and sanitation, and protecting the environment.

A well-educated, healthy population is more likely to be economically prosperous.

**UK** investment accounts for more than 460,000 jobs directly, and more indirectly.

Without a strong economy, investment in education and healthcare is a challenge. So, businesses have a responsibility to impact the lives of more than just the clients and stakeholders with whom they interact.

The two countries are negotiating a Free Trade Agreement that will expand opportunities for more businesses to trade, invest and collaborate within the UK-India corridor. The bilateral relationship is guided by the 2030 Roadmap for future relations.

It is therefore timely to highlight the progress towards sustainable development in India.









QUALITY EDUCATION





# COLLABORATION IS KEY: PARTNERS FOR IMPACT



Richard McCallum Group CEO UK India Business Council

In this globalised world, collaboration is key. Every day businesses in the UK and India are cooperating on technology, skills and innovation. And every day, UK business in India is doing extraordinary work to contribute to the country's development. At the same time, India has so much to give to the world and what happens in India really matters for the world's prosperity.

Business is at the heart of society and UKIBC will continue to work with our partners, and with our members, to enable business partnerships which create mutual benefit for the people of India and the UK.

We are proud to work with such an inspiring group of businesses, non-governmental organisations and both Governments on this important agenda." ■



Alex Ellis
British High Commissioner to India

It gives me great pleasure to introduce the UK India Business Council's Socio-Economic Impact Report which contains examples of British companies contributing to India's sustainable development goals.

British companies are not only creating value for their businesses in India, but are also contributing to sustainable development in India. Their work also makes real the UK Government's vision for trade and investment; creating inclusive, sustainable growth and supporting economic diversification.

The UK Government, under the British Investment Partnership, has invested in more than 600 enterprises, employing around half a million people with a focus on gender, inclusion and economic social governance standards. Through British International Investment (BII) and the UK Government's own

Development Capital Investments, investments in early and mid-stage businesses have contributed to sustainable development, jobs and economic growth, in line with the priorities agreed in the UK-India 2030 Roadmap. These investments have had a positive impact onmillions of lives; creating quality jobs, and supporting infrastructure, energy, health and education.

The UK-India Free Trade Agreement, which is currently being negotiated, would boost the UK-India trading and investment relationship, contributing to economic growth and sustainable development.

Thank you to the UK India Business Council for undertaking this Socio-Economic Impact Campaign and highlighting the UK's contribution to India's economy and society."

# DIAGEO

Since 2015 Diageo has replenished 409,246 cubic metres of water, positively impacting 90,000 lives.

Diageo is a company built by entrepreneurs and people of extraordinary character. Since Arthur Guinness signed a 9,000-year lease, and John Walker & Sons sent the finest whisky from Scotland to the world, it's had ambition. The company intends to become the best performing, and the most trusted and respected consumer products company in the world.

Society 2030: Spirit of Progress is Diageo's commitment to sustainable growth from grain to glass.

It has committed to:

- Champion inclusion and diversity;
- Preserve the natural resources on which its long-term success depends;
- Make a positive contribution to the communities in which it lives, works, sources and sells.

Diageo has set itself 25 goals which are aligned to the United Nations' Sustainable Development Goals. The company is passionate about the role its brands play in delivering its purpose of celebrating life everyday, everywhere.

In India, two such initiatives are 'Learning for Life' and 'Water for Life'.



Learning for Life targets those who have faced barriers to employment in the hospitality industry. It provides equal access to business and hospitality skills, and resources to increase participants' employability, improve livelihoods, and support a thriving hospitality sector that works for all.

Diageo works towards improving the lives of people in communities close to its manufacturing units by providing opportunities to lead a more productive life. Its programmes create an enabling environment, especially for women to undertake sustainable livelihood opportunities. 50% of all community programme beneficiaries are women. They are trained in various skills, including manufacturing sanitary napkins, phenyl making, and mushroom cultivation.

A National Skills Development Council certified programme is combined with support to students in finding placement opportunities. By 2030, Diageo will provide business and hospitality skills to 12,000 people.

In a sector dominated by men, the programme gives women an opportunity to move from back-office jobs into customerfacing roles. In 2022-23, more than 1,200 young people will be trained and helped to secure jobs in the food and beverage sector, with 50% being women and people with special abilities.



Water for Life aims to replenish more water than they used in water-stressed areas. Community water projects include planting trees, desalting dams, improving water quality, and ensuring access to sanitation and hygiene.

Since 2015, Diageo has worked across seven states in India including Maharashtra, Rajasthan, Uttar Pradesh, Uttarakhand, Madhya Pradesh, Odisha, and Chhattisgarh, to replenish 409,246 cubic metres of water and create 59,000 litres/hr drinking water facilities. This has impacted 90,000 lives positively.

In 2023, Water for Life will replenish approximately 229,000 cubic metres of water in communities in Maharashtra and Telangana. It also improves health and sanitation, provides drinking water facilities, constructs bio-toilets, and conducts workshops to create awareness in the community. The project increases the availability of water for productive use by farmers, and boosts access to clean drinking water and sanitation. It has a direct impact on the socio-economic wellbeing of people through increased groundwater availability, better crop yields, and livestock productivity. Availability of clean drinking water and toilets help eradicate diseases and improve the general health of communities.



ThomasLloyd is an impact investment solutions provider, headquartered in Zurich. Since its founding in 2003, it has established an impressive track record in the renewable energy space, particularly in emerging markets in Asia. ThomasLloyd's approach is robust, and socially and environmentally responsible. Its focus is to provide clean energy, avoid carbon emissions, create quality jobs, and have a positive impact in the communities where it invests.

ThomasLloyd Group systematically maps the impact of its investments to the UN's Sustainable Development Goals (SDG). Since 2016, it has been a signatory of the Principles for Responsible Investment.

#### **SolarArise**

ThomasLloyd is committed to long term investments in India with trusted local partners that enable a transition to low carbon energy. The ThomasLloyd Energy Impact Trust was an early investor in SolarArise, a leading renewable energy developer. SolarArise has an operational capacity of 234 MWp of solar energy in Karnataka, Maharashtra, Uttar Pradesh, and Telangana.

SolarArise's capacity in Karnataka, Maharashtra, Uttar Pradesh, and Telangana is 234 MWp.





Over the years, the partnership with SolarArise has deepened. As of 2023, the ThomasLloyd Energy Impact Trust has a 100% ownership stake in the company. SolarArise will develop another 200 MWp of solar energy in Madhya Pradesh, which will bring much needed new renewable energy supply online.

SolarArise also supports local schools and distributes food to communities where it invests.

During the COVID-19 pandemic, ThomasLloyd donated food kits to villages near its solar plants. In 2022, it delivered 1,000 food kits to women's self-help groups in the state of Karnataka, which in turn ensured it reached the women and families that were most in need. Each food kit contained basic supplies like cereals, pulses, spices, and oils required to cook nutritious meals for a family of four for 15 days. This helped families fight hunger, malnutrition, and related illnesses.



Pernod Ricard India (PRI) is committed to sustainable growth and to creating a better world for all stakeholders. It strives for a convivial environment, that nurtures the long-term interests of consumers, communities, and the ecosystem in which it operates. It seeks to reimagine a circular future mapped across the key metrics of sustainable development.

#### **#OneForOurPlanet Initiative – Project Unbox**

PRI has a major initiative to remove permanent monocartons across its portfolio of brands. It began by extracting 500 million pieces annually under its Indian-made foreign liquor brands and will gradually extend this initiative to include its portfolio of imported brands. This initiative contributes to the company's 2030 Responsibility & Sustainability roadmap 'Good Times from a Good Place', which supports the United Nations Sustainable Development Goals.





Project Unbox has several objectives. These include:

- Inspire consumers to make eco-conscious purchases
- · Reduce PRI's carbon footprint
- · Reduce secondary packaging waste to landfills
- Eliminate water footprint in secondary packaging
- Help reduce deforestation

With this initiative, the company will become the first in India to achieve a zero-waste-to-landfill contribution for permanent mono-cartons. It will eliminate 7,310 tonnes of CO<sub>2</sub> emissions every year, save 250,000 trees annually, and create water positivity.

#### Water, Agriculture, Livelihoods (W.A.L.)

PRI is working to save, store and replenish water, especially at its plant locations. It adopts a stakeholder-inclusive approach. Replenishment strategies at 'high' and 'extremely high' water risk sites make operations water positive.

Communities in water-stressed areas have adopted a more circular approach to water usage and become more water secure and resilient.

### W.A.L. has four major aspects of community empowerment.

- Safeguarding year-round access to water for communities: Since 2019, more than 2022 water saving structures have been built. Across 10 Indian states, 975 structures have generated a groundwater recharge potential of 1,697 million litres. These structures ensure that communities remain droughtresilient and have year-round access to water for agriculture, livestock, and daily use.
- 2. Engaging with agricultural communities: With a specialised 'package of practices', W.A.L. promotes best practices to improve production, drought resilience, resource optimisation, and local value chains. The focus is to create locally feasible, climate-resilient and low-cost approaches, and achieve scale in crop productivity. W.A.L. helps farmers manage soil nutrition and water retention better, eventually increasing yield.
- 3. Regenerative and restorative approaches for sustainable resource use in agri-allied livelihoods: Farming communities are encouraged to adopt natural resource management as a core component of their seasonal cycles. The W.A.L. programme has thus far worked with more than 16.600 farmers.
- 4. Greater participation and ownership by women in rural development: Efforts are made to empower rural women to step out, take ownership and develop better decision-making in livelihood activities and social disclosure. In 2021-22, 77 Women Producer Groups were empowered through W.A.L. interventions.

W.A.L. is rooted in a purpose of 'Leaving No One Behind'. This initiative contributes largely to PRI's emergence as a sustainable and responsible organisation.



BSI's strategy and focus for the future is centred around sustainability. Upholding its Royal Charter, the company is dedicated to creating a positive impact on people and the planet.

Along with the UK Government and other major stakeholders, BSI develops new standards in various areas, including sustainable finance, energy transition to net zero, and decarbonisation. It helps clients further their own contributions to the UN Sustainable Development Goals with several services. These include assurance, regulatory training and consulting in areas such as circular economy, sustainable procurement, energy management, carbon footprint verification, and social responsibility.



#### Supporting the Tata Group to build a sustainable future

Tata Global Beverages is the second largest tea company in the world, with a US\$1.4bn turnover, and 3,000 employees worldwide. BSI's support has a positive impact on Tata's operations, with an ISO 14000 certification. Denise Graham, Tata Global Beverages' technical manager, said: "Certification is sometimes required by customers in our industry. They show we are serious about following best practices, and stand us in good stead with food industry regulators. We can prove easily that we're meeting, exceeding even, the standards required. BSI provides very clear guidelines and timeframes, making helpful observations at every stage. They don't have tunnel vision and take a holistic approach."

### Helping reduce excessive working hours for a global footwear producer

BSI helped a leading global footwear brand identify the cause of excessive working hours at one of its suppliers' sites. It developed an improvement programme that helped management strengthen their critical thinking and problem-solving skills. During the year-long project, BSI helped the supplier understand the root cause of the issue, and addressed it systematically. On-site, online and telephone support was provided via BSI's Supplier Compliance Manager workflow and reporting platform. The programme reduced annual worker turnover from 18% to 3%, brought down production defects and rework, and enabled the supplier to control working hours. Employee wellbeing improved as a result.

BSI 'Sustainability Evaluator' is a tool that helps organisations achieve sustainability goals. It enables businesses to identify and understand sustainability challenges more deeply through information, training, consulting, and certification or verification solutions. This ultimately leads to better performance.



Scan the QR Code to access BSI "Sustainability evaluator"

BSI has played a significant role to support several organisations such as **Profine India**, to achieve international quality and environmental standards. **The Wanda Commercial Management Group**, achieved the BSI Smart Cities and Sustainable Communities Kitemark.

With the support of BSI, major companies including J.K Tyres, Tata Consumer Products, Hetero Labs, Jockey Group, and Nexus Mall, have enhanced performance, ensured compliance, and created a more sustainable future for all.

annual worker turnover from 18% to 3% for a global footwear producer.

## Beam SUNTORY

Beam Suntory was created in 2014 by bringing together the world leader in bourbon and the pioneer in Japanese whisky. The company is rooted in a deep heritage, passion for quality, innovative spirit and vision of 'Growing for Good'. Beam Suntory's business, culture is focused on having a positive impact on the environment across the value chain, from seed to sip. Its commitments to the environment, consumers, and society are aligned to the United Nations' Sustainable Development Goals.

#### **Proof Positive**

Proof Positive is Beam Suntory's blueprint for a more sustainable and equitable future. It is a critical roadmap towards 2030, 2040, and beyond, designed to track how the company will positively impact the environment, its consumers, and communities.

In India, the business works passionately to promote Proof Positive.





#### **Nature Positive**

- As of April 2021, through investments in efficient technology and cleaner fuels, Beam Suntory has globally reduced water use per unit of production by 22%. It has also reduced greenhouse gases emitted in direct operations by more than 19%
- In order to protect water supply, Beam Suntory initiated rooftop rain harvesting in Behror and constructed two percolation dams in Rajasthan, along with two RWH for schools
- Built seven ultrafiltration systems for schools in the city of Kolkata, benefitting more than 5,000 students, and a water unit supplying clean drinking water to 400 families in Hyderabad
- Constructed water conservation structures at four locations in West India, increasing ground level six-fold
- Initiated two tree-planting drives of more than 12,000 trees in Mumbai and Goa
- Announced the permanent removal of mono-cartons from its portfolio of brands in India, starting with Teacher's and Oaksmith. This is part of a global target to use 100% recyclable packaging and 40% recycled materials by weight across its packaging portfolio by 2030, and expand to 60% recycled materials by 2040.



### Community Positive Under this initiative, Beam Suntory has

- Completed more than 700 employee volunteering hours in the past year as part of its 'Together for Good' initiative
- Trained locals as well as police administration to work collaboratively for the safety of the community, especially women and children, in Behror
- Donated US\$150,000 to National Restaurant Association of India during COVID-19 to support workers in the F&B community, and provide relief to thousands of staff
- Donated US\$36,000 to the Rajasthan CM fund, half of which was contributed by employees
- Provided US\$60,000 to set up a mobile health unit, giving people support and counselling to battle COVID-19 and other ailments.

### **INCLUSIVE INVESTMENT**





Amrita Saha University Of Sussex

The UK and India are economic giants with significant trade and investment links. In 2022, UK exports of goods and services to India stood at nearly £15 billion in value, while the value of UK imports from India amounted to £19.2 billion. These trade figures were matched by significant investment flows in each direction, totalling more than £28 billion.<sup>1</sup>

UK-India trade has also contributed to employment on both ends. It is reported that at least 2 million jobs have been supported by bilateral UK-India trade alone in any given year.<sup>2</sup>

The interaction of trade and Sustainable Development Goals, as well as positive contributions to GDP and employment, are critical to an inclusive UK-India trade and investment partnership.

A Free Trade Agreement can play a positive role in this regard. As businesses increasingly align with SDGs to promote sustained, inclusive, and sustainable economic growth, productive employment, and decent work for all, it will help more businesses to contribute to fulfilment of the SDGs in both countries. UK goods imports from India are now subject to the UK's Developing Countries Trading Scheme (DCTS) that replaces the Generalised Scheme of Preferences (GSP) since early 2023. Similar to EU's GSP, the DCTS is a unilateral scheme offering developing countries like India lower tariffs on imports than for Most Favoured Nation.

Over the last decade, more than 50% of UK imports from India used GSP preferences. However, GSP preferences are periodically withdrawn in certain sectors from countries, based on competitiveness, and can remain graduated or change status. For UK imports from India, sectors such as clothing and apparel (in 2014, 2017, 2020), leather (2014)³, motor vehicles (in 2014, 2017, 2020), and others, have graduated at different points in time.

The nature of graduations from unilateral preference schemes creates uncertainty,<sup>4</sup> with implications for businesses on both ends. The transition to a bilateral UK-India FTA therefore offers the promise of longer-term certainty for trade and investments.

To fully succeed, trading arrangements should have inclusion and sustainability at the core of their agenda. Supported by complementary policies and business practices, they spread benefits to consumers, to the wider society, and across businesses of varying sizes and sectors — and therefore, will be impacted differently.

At the same time, sustainability standards of production need to be cognisant of any trade-offs between inclusion (new jobs/job losses/quality jobs) and sustainability (better standards, R&D for sustainable production).

<sup>1 &</sup>amp; 2 See uk department of international dit trade and investment factsheet: <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/1142143/india-trade-and-investment-factsheet-2023-03-17.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/1142143/india-trade-and-investment-factsheet-2023-03-17.pdf</a>

<sup>&</sup>lt;sup>3</sup> See: saha, borchert and di ubaldo (2021). The future of uk-india trade and development – part one. Link: https://www.ids.ac.uk/opinions/the-future-of-uk-india-trade-and-development-part-one/

<sup>&</sup>lt;sup>4</sup> See: saha and di ibaldo (2022): <a href="https://blogs.sussex.ac.uk/uktpo/2022/05/25/the-uk-india-and-an-fta-whats-the-way-ahead/">https://blogs.sussex.ac.uk/uktpo/2022/05/25/the-uk-india-and-an-fta-whats-the-way-ahead/</a>

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### THE UK-INDIA PARTNERSHIP



Piyush Goyal, Minister of Commerce and Industry, (4<sup>th</sup> from left), with Kemi Badenoch, Business and Trade Secretary, (5<sup>th</sup> from left), and Richard McCallum, CEO of the UK-India Business Council (1<sup>st</sup> on right), during 'India-UK Industry Engagement', in New Delhi, December 2022.

The UK India Comprehensive and Strategic Partnership and 2030 Roadmap are the guiding foundations of a re-energised bilateral relationship for this decade. The two countries have committed to strengthening trade, investment, and technological collaboration that helps both economies to grow, encourages bilateral collaboration, and improves the lives and livelihoods of citizens in both countries.

Businesses are advancing in the areas of defence and security, climate action, healthcare, and education. Their sustainability goals are aligned to those of the Government of India and the UN. This reinforces a far-reaching relationship in the future.

Ultimately, people and businesses drive the countries' relationship. So, enabling more trade, investment, and collaboration will encourage businesses to play their part in the bilateral corridor.

Working towards the SDGs is an enormous task that requires commitment and involvement of every sector and each level of society. These issues are no longer just the government's responsibility, or purely philanthropic efforts. Hence, any global business looking for an effective path for growth should bring social impact to the core of its strategy and operations.

As this report alludes, UK companies can be, and already are, key players in India's SDG drive.

#### **BRIDGING THE GAP**

Global businesses are investing heavily in India. But expectations for foreign companies go beyond investment and profit. India rightly expects businesses to be good corporate citizens, making a positive impact on the lives of its people.

Building meaningful impact requires knowledge of cultural, legal, and regulatory complexities.

UKIBC has a deep understanding of the Indian business landscape and government policies. We help foreign companies navigate the market and earn the trust of local communities.

As we've seen in this report, companies including Diageo, ThomasLloyd, Pernod Ricard, BSI and Beam Suntory are making a real difference in India. They are empowering women and children, building a clean and green environment, promoting social welfare, and creating job opportunities. Our socio-economic impact campaign is amplifying the work that they are doing.

If you are a global company looking to invest in India and contribute to meaningful change, contact us. We have the knowledge, networks, and expert team to help you succeed in your mission. ■





The UK India Business Council is a strategic advisory and policy advocacy organisation with a mission to support businesses with insights, networks, policy advocacy, services, and facilities needed to succeed in the UK and India. We believe passionately that the UK-India partnership creates jobs and growth in both countries, and that UK and Indian businesses have ideas, technology, services and products that can succeed in India and the UK, respectively.

#### FOR ENQUIRIES REACH OUT

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#### **CONTENT AND DESIGN**

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