

THE REAL DEAL DEMYSTIFYING SUSTAINABILITY & SOCIAL IMPACT

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Gayatri Divecha

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Moderator



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Nisa believes businesses can truly drive large-scale, long-term impact as a result of innovation and putting people and planet alongside profits.



Balram Singh Yadav

Managing Director,
Godrej Agrovet

According to Balram, mixing new technology with age-old tradition - especially when pioneered by organisations like ours - could be the answer to creating a greener world.

The Real Deal is our in-house talk show that encourages open conversations on important topics.

Gayatri

Okay. Good evening everyone and welcome to this Real Deal conversation on Demystifying Sustainability and Social Impact. This is a really special moment for us as a group because this year marks the first 10 years of our Good and Green journey. And, as you will see on the slide that will come up on your screen in just a second, we've achieved some of our milestones, we've missed a few, but I think we've definitely learnt a lot along the way. So, to celebrate all of this and to kick start our campaign in which we will share our learnings and highlights over the coming week, today's conversation with Nisa and Balram will demystify some of what we mean by sustainability and social impact. Nisa, Balram, thank you so much for making the time to have this conversation today and welcome.

Nisa

Thank you for having us here today. Excited to be here.

Gayatri

Great! So the past 18 months, I think it's safe to say, have underscored how volatile and uncertain a global context we live in, and the increasing importance of placing people and planet alongside profit. Both of you have championed this for Godrej and we're privileged to have you share your views with us today. I will ask a couple of questions common to both of you and then move on to some specific ones. This is being live streamed on Workplace, so everyone watching, if you have questions, please do put them in the comments box on Workplace, and we will pick them up from there and read them. So diving right in, a question to both of you – What does sustainability and social impact mean to you as an individual, as a parent, as a business leader or as a citizen? Nisa, if we could begin with you please?

Nisa

Sure Gayatri. I love this quote Gayatri. Is it echoing? Sorry. I love this quote which says... sorry I'm echoing. Is it me?

Gayatri

Balram, if I could just request you to go on mute.

Balram

Yeah.

Nisa

Yeah that's better. Balram was echoing me. I won't do it to you Balram. So I was saying Gayatri, I love this quote which says, 'To whom much is given, much is expected'. So I think the individuals who had access to education or companies like Godrej... we are 125 years young next year and it benefited so much from being part of India and now a global ecosystem, I think it's extremely important for us to keep people and planet alongside profits. And I think it's very much doable, right? And we should always keep this idea of trusteeship. Can you leave something better than you found it? And obviously, in each generation, in each decade, what you need to do might change. So I think things

like... there's so much focus on COVID right now. I remember reading somewhere that climate change needs the same PR person that COVID had because if you think of climate change, you think of pollution, you think of issues with our education system which are just going to get deeper because schools have been closed for 15 months in India. These are much bigger than COVID actually, problems for us to solve. But, because they're not immediate and in our face, and maybe some of us who are privileged don't see some of this so closely upfront, we tend to ignore them. I hope COVID is really like a line in the sand where we realise that we need to wake up. I mean, look at Mumbai. We've had three cyclones which didn't happen before 3 years in a row. So all of this is really staring us in our faces and we must change quickly. And COVID has thought us with this very quick vaccinations, with this ability to work from home, that innovation can solve these problems. So I think, as a parent, I think it's this idea of hopeful realism that, whether it's with your children, with your team, whether a corporate citizen, everything is not okay, some of it is really bad. But we can be hopeful because there is innovation, there are things that we can do, whether it's on plastics, climate change. Some of the solutions are immediate, some are a few years out, but we must change and it's possible. And we shouldn't be... let's not wait to be at the brink of disaster to make some of these changes happen.

Gayatri

Thank you Nisa. Balram, if I can request you to unmute and weight in?

Balram

Yeah. I think I agree with Nisa that COVID has changed our thinking to a certain extent. But, I also must tell you that it has also awakened us to how we have abused the planet and how we are abusing our natural resources. Now since you asked me, as a parent I must say that in urban India the younger generations are more switched on environmental issues than us and what we were at this age a few decades ago. In my house I can see that there is a big change in the way they react to the way I worked. Let me tell you, I had a very bad habit of keeping the air conditioning at 18 degree centigrade, and Nisa knows it, because that was one of the extra cost the organisation used to pay to

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Nisa

keep me cool. But today both my kids have made sure that air conditioners are locked at 24 degrees centigrade. You won't believe, I have not taken a printout for the last almost 6-7 months because printing is banned at home. They say that if everybody can read the screen, so can you. And I think this change is the only positive change, I would say, as far as COVID is concerned. So I think, there is a lot of realisation that all is not well. I come from... most of our businesses are a part of a food chain and as Nisa said, the climate change is hitting us in our face with 3 cyclones in Mumbai. There are no predictive models now. In one of the webinars I said that all meteorological departments will have to change their models because whatever they are predicting is not coming true. A month ago everybody said we're going to have a normal monsoon. We rejoiced when we had an early start. Now we have a 15-20 day dry period and nobody is able to explain why is it happening. So I'm saying, this is staring in our face, and if we don't react and respond to it, I think we are in very serious trouble as far as food production is concerned. As managers, I think what we need to do is that we have to make it a way of life. I am very glad that when this journey started, most of us thought it is just one more initiative, but I think you and your predecessors have all pushed the envelope very very seriously and what we have achieved has given us lot of confidence that we can achieve much more. I think huge amount of empowerment has happened, lot of ideas have come. And I must say that rural India is closer to sustainability than urban India, if you really ask me. Because, if you ask me chemicals and fertilisers, etc. it would be around 150 years old. Still world farmers were able to keep feeding people. Of course, there were famines and because of chemicals we have generated lot of surplus. But I think the time has come to find the right balance, and I'm very glad that we have undertaken several of these initiatives. I have travelled to lot of rural areas in the world, and let me tell you, the farmers have a lot of traditions which are sustainable traditions. You go to eastern Europe, you go to eastern Asia, you go to Latin America, Africa particularly, everyone has soil conservation and water conservation methodology which has been passed from generation to generation. In India, you go to any rural area before monsoon, the

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In India, if you go to any rural area before monsoon, the whole village joins hands, every house contributes man days to make sure that all water bed bodies are de-silted and all tributaries to those water bodies are cleaned so that they can gather as much water as possible. I think those traditions are very valuable. We just have to mix new technology with old traditions, to create a bigger impact.

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Balram

whole village joins hands, every house contributes man days to make sure that all water bed bodies are de-silted and all tributaries to those water bodies are cleaned so that they can gather as much water as possible. But let me just tell you, I think those traditions are very valuable. We just have to mix new technology with old traditions, and water shed development is one such technology which is a great intertwining of old traditions and new technologies to create a bigger impact. I'm very hopeful that these kinds of things are being realised by everybody, and I think organisations like ours have the responsibility, as Nisa said, for pioneering all that, and I'm very sure we will be a beacon for lot of other organisations to follow.

Gayatri

Thank you for that Balram. It surely sets the bar high for us. One thing you mentioned was that sustainability is not necessarily something new, and that there are older traditions and practices on sustainability. Like this, there may be other misconceptions that you often hear about sustainability and social impact. So, a question to both of you, and maybe Balram if you want to sort of continue... what are the other misconceptions you've heard about sustainability?

Balram

Okay. Everybody feels that it is a cost and we also came from the same thought process till we started. I must also tell you that regulatory framework is also needed to probably realise the benefits. Today I can say sustainability is likely to be one of the best businesses for us in times to come. We will do great for the planet, for the country, for the community, and we will also make money. Let me just give you a few examples. I think we started a journey of green energy, and today I'm very glad to say that 65% of the energy we consume in Godrej Agrovet is renewable. And the cost of this electricity is close to about Rs. 4.50 per unit. When we buy from the grid, we are paying anything between Rs. 8 to Rs. 10. People don't realise that when we buy at peak hours, we pay surcharge and surcharge on surcharge, and again surcharge, etc and the cost of electricity works out to Rs. 10 per unit. This saves almost \$1 million for us per annum in Godrej Agrovet, and our effort is to keep on increasing solar energy footprint as the regulatory environment in most of the states. So I'm saying, this is one of the examples.

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Balram

The other example is, we have become carbon positive because of our afforestation in OPP and I'll elaborate on that in the future what plan it is. I'm telling you, one of the source of income for us in the future is going to be, we will be carbon positive we'll be selling carbon credits on the international market. We made some efforts a few years ago, but I think this market will sophisticate. So definitely, I think this is one of the things that this is only a cost, I disagree totally with it. The other thing will be branding benefits. I think that Nisa would like to elaborate more because if you see sustainable oil palm is more expensive oil palm, and Unilever pays us much more than they pay the others for buying oil palm, particularly in India, because it is all afforestation. The second bit is, it is not measurable, and I think that would have been correct 10, 12, 15 years ago, but with so much data now generation, technologies have evolved, we can measure the benefits. And if you see, tangible benefits can be measured because Jan Dhan accounts are there, we have more ways of measuring farmer income and production and productivity improvement.

Apart from that wonderful proxies also can be used. I'll just give you an example. 10 years ago I was called by one local politician in our Tumkur factory and there was a school in that schedule tribe village and the attendance of girls used to be 15-20%. And he had the solution but no money that we just have to build a toilet. So I'm saying, we just contributed about Rs. 2 lakh from our CSR funds and attendance went to 80% because people started coming to use that. And then I went there and said, 'Why didn't you put a mirror?' And then somebody told me that suddenly everybody wants to look good also because people were so poor that they were not able to mirrors also about 12, 13, 15 years ago. So I'm saying that these things are proxies which can be used to measure that.

And another evolution which I also see is that, there are credible NGOs also. So I think that has changed a lot of educated people who are dedicated to NGOs and it is a sustainable livelihood for them also. So I think that is why more and more people are joining hands and very credible people are coming. So I think, these are certain things which have changed over the last 10 years and this is just the beginning. I think this movement will only grow.

Gayatri Divecha

Thank you Balram. Wonderful! So, it is cost effective, it is measurable and there are credible people and organisations working in this space. Nisa, any common misconceptions that you often hear about sustainability and social impact?

Nisa

Gayatri, one is really what Balram commented on, that there isn't always a green premium. I wouldn't say that it's never there. Obviously, if you're buying sustainable oil palm, there is a green premium right now. But I think, when I look at emerging markets or I look at India, and if you look at emerging markets v/s the West, we tend to argue that we also need to burn coal, cut our forests, do all these things because that helped in terms of economic growth and these western countries have the benefit. So I think yes, we need growth, but we shouldn't be defensive about it because what technology was available to us 50 years ago is different than today. So I think countries, if they are forward thinking, if they are... we should be like China has become, the solar energy captain of the world. We should look towards these things and you need innovation, right? The land you need for

oil is still much less than you need for a wind farm. You can't store wind cheaply. So, I think some of the answers are there, some of them are not, but we should not be defensive, would be one thing. And then, when I look at say FMCG, we should not develop products in consumption like we have in the West, right? We have an opportunity not to spend millions of dollars advertising sugared water and then say let's take sugar out because we have a health crisis and let's take a little bit of plastic out because it's causing pollution. And I think Magic hand wash is a good example of innovation. It upgrades the consumer from a bar soap to a more hygienic product which consumers deserve. If you say sanitary napkins, you can't put the green thing onto a 14 year old girl saying keep using cloth because that will be sustainable. Some of our old practices which are more sustainable but from a health or a modernisation perspective, might not be aspirational for them. So, if you look at Magic hand wash, it costs the consumer less than soap, it gives them a better experience, has a smaller footprint than bar soaps and I make more money than I do on bar soaps, right? So, I think that is what we should aspire to in terms of bringing all these things together. And then, I think sometimes there's just so many things to solve, right? Sometimes people just throw in the towel because they feel whatever you do is insignificant. I think that's also a misnomer... single drops fill a bucket. So I think that's something for us to always keep in mind that even at an individual or a corporate level we can really make a difference. So we must do whatever we can to make a difference and encourage others around us to do the same. So, not let people be pessimistic because if you don't show up to change something, it won't change, but if you do, atleast you have the chance to change it.

Gayatri

Wonderful! Nisa, thank you for that. I think it's really interesting that what we consider to be not sustainable might not always be the most healthy thing, and I think plastics are a really good example of that where... yes there is a waste issue with plastics, but it's also one of the most environmentally efficient materials to produce. Linked to that, Nisa I wanted to ask you about plastic packaging coming specifically under the regulatory radar for a couple of years. As an FMCG for GCPL, some section of consumers are also asking for a shift to cleaner forms of plastic. What implications does that have for GCPL, given that our focus is on making high quality products that are also affordable for consumers?

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When I look at FMCG, we should not develop products in consumption like we have in the West. We have an opportunity not to spend millions of dollars advertising sugared water and then say let's take sugar out because we have a health crisis and let's take a little bit of plastic out because it's causing pollution. And I think Magic hand wash is a good example of innovation. It upgrades the consumer from a bar soap to a more hygienic product which consumers deserve.

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Nisa

Nisa

I think plastic packaging is obviously under the regulatory radar, but it is also in a way an amazing material. So I think we have to just focus on this Reduce, Recycle and Reuse. I don't think that just that plastic is a problem per se, but it's how we're using it and how we're building the models for it. So I think compliance... we've been taking back 100% of the plastic packaging we put out. So I think continuing to do those sort of things, with our community waste management we've recycled 3,500 metric tons of waste. So I think we really need to manage waste, so really recycle. I think we have to reduce our footprint as we do product development, as we do these LCAs on our product. We have to really focus on how do you compress that, what are the opportunities to take it out or have it reused?

Gayatri

Thank you Nisa. A similar question to you Balram. I had a question for you on organic farming. There are these studies that say that can be profitable for small and marginal farmers especially. And Atul has asked a great question on Workplace which is linked to this – Do you feel there is a need to reduce chemical pesticide usage? And I will add to that, is organic the need of the hour or is it just a fad? Over to you.

Balram

So before I come to organic, let me tell you, I cannot even think of life without chemicals. Now, one of the big advantages we have in India or for the developing world is that we are at least 3-4 generations behind in all technologies as compared to the developed world. Let me give you an example. As Nisa said, the benefit of technology will come, and that we can see in electricity. Now, lot of countries like ours are jumping from coal to solar. We are missing gas and atomic energy in the middle, isn't it? So I would say this is the later mover advantage in lot of things which has come to the advantage of several countries. Similarly in chemicals also, chemicals are a part of life. And let me just tell you

that our per capital consumption is lower than the world per capital consumption of chemicals for food production, no. 1. No. 2, as compared to the developed world, we are using about 1/6th or 1/7th of what they are using per acre. But the benefit we have is that, as the developed world is coming up with green chemistry and safe chemicals, we are also adopting them very very quickly. So that is one of the advantages under developed countries have is that we have missed a few chemicals in the middle which were less harmful and have come to green technologies very quickly, and that will happen in the future also. I must also tell you that we cannot wish away chemicals because there are lot of... You must also remember that 85% of the world is poor and 80% of the world's farmers are marginal. So there are chemicals which are harmful, but they provide a solution in Rs. 200 per acre. And a chemical which is a safer chemical provides a solution in Rs. 1,000 per acre, and affordability

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Balram

becomes a very big problem for people in Asia, America, Latin America and Africa. So we cannot wish it away. The only thing is that usage of safer chemicals and once they are off patent, I think China and India start manufacturing it, costs would come down. So it's just a matter of costs. Having said that, I would say chemical use will increase, but the greater proportion of chemical use will be safer chemistry than green chemistry. So this I can see. But it is not going to happen in 5-10 years, this is a process which will take a few decades, that's point no. 1.

Point no. 2, organic has a very big problem. The problem with organic is both in production as well as market access. Production because one cannot have organic in small farms, because if the neighbour is spraying chemicals, all the pests will come into this organic farm and eat away and cause damage. I have seen that in organic vegetables 100% losses in pest attack within 2 nights, because once the caterpillar comes, it eats away the vegetable and what you are left with is only the shell with nothing inside. It's a huge loss! So, it has to be done on a community scale or big farm lands so that you are protected. So that is no. 1. No. 2, market access is very poor. There are so many places people produce by force organic products. Now, one of the things is that productivity is 20-25% less when you produce organic products. Now the problem is that they get the same price in the market as compared to others, so there is a big loss. So market access is a very big problem. The third this is that, credible certification is a big issue. So I think that is one of the things which is holding back organic, particularly in several developing countries. So my sense is... and you know, the data is saying something else now... while people talk more about organic, the acreage under organic farming is coming down throughout the world because of the reasons I just mentioned. So unless and until there is a sustained effort, it cannot happen and there has to be some kind of a market premium on this because organic farming is more expensive than normal farming, that's point no. 1. Point no. 2, having said that, at least in animal agriculture I'm seeing lot of self-regulation coming in through EU initiatives, through a US initiatives lot of countries like ours are also learning. You would be very glad to know that use of antibiotics in feed is almost negligible in the country. We have also mandated our operators in the industry that... I'm saying therapeutic use of antibiotics will have to be done; India is full of diseases, you know that, and we cannot even dream of life without antibiotic for our children. Similarly with animals. But now increasingly people are using gut acting antibiotics, antibiotics which don't interfere with human beings, in spite of the fact that it's not regulated in India the way it is regulated in EU. So I think there is awakening. The only thing is that we just have to give time because India is a poor country. We cannot impose solutions which are unprofitable for the lower strata of the society, particularly in food production. So organic, I don't know, it will gain momentum, but it requires a very, very sophisticated supply chain. There should be source to sync relationships which should be managed. And my sense is that contract farming is a great solution for organic agriculture.

Gayatri

Thank you Balram. Thank you for those candid views on organic and the toss ups between organics and the use of pesticides and chemicals.

Nisa

Gayatri, one of the things that we have to be careful of is, when you talk about chemicals and people talk about chemicals as all bad and natural as all good... I mean, snake poison is also natural and you

definitely don't want that in your body. So I'm not saying that there are not bad chemicals out there, I'm not saying there are no side effects to chemicals, I'm not saying that we shouldn't work to better chemicals and green chemicals; that innovation is happening. But we have to be very very careful of painting it with broad brush strokes, because the history of science and chemicals has taken our life expectancy up from the 30s or the late 20s to the 60s and 70s even in emerging, even in poor countries. So whether it's in medicine, you know, the green revolution, it's not based just on chemical fertilisers but a whole set of practices that meant people were not starving. So science and these synthetic molecules that we produce, protects people against malaria; it does all sorts of things. And the natural alternative sometimes is not just more expensive, it's not as good. So I think we need to have a very thought through and a scientific debates on some of these issues.

Gayatri

Absolutely Nisa. This sort of ties into the next question I wanted to ask you. How does a business, especially an FMCG business with the purpose that we have at GCPL of bringing the goodness of health and beauty to customers in emerging markets... how do we communicate all of this, all of our progress on sustainability in these aspects that you just spoke about, more responsibly for the consumer? So the consumer also understands things like plastic and so on. But what you mentioned, that these ultimately... our household insecticides portfolio is protecting people in a domain of public health.

Nisa

Yeah, so I think now digital gives us that opportunity, our government relations give us that opportunity, our ability to actually explain to consumers or the government investors and to other stakeholders what were they doing and we're open to their feedback. So I think this is something extremely important that we need to be working with all stakeholders to explain the benefits of products whether they have chemicals or not. You might have natural products you need sort of registered, but this is something that we must continue to reach out to stakeholders about.

Gayatri

Great! Thanks Nisa. Balram a question for you on agriculture and the greenhouse gas emissions that agriculture and the allied industries contributed, which is pegged at a quarter of all global emissions. There are studies which say this is more than all of global transport combined. How does an agri business then think of sustainability? What do we see as our intent and ability in this space at Godrej Agrovet?

Balram

Yeah. I think this is a problem which is exaggerated, and let me tell you why and let me tell you with data. So, 13-14% of total greenhouse emission is because of human activities, it's because of animal agriculture. It's not that we are contributing 70-80%. And I think that is not too much considering 7 billion people have to be fed thrice a day, isn't it. So that's one. Second thing is, I must also tell you the big contributors are the rich countries who have large expanse of land. So let me give you some data. India produces about 14 million tons of greenhouse gases out of close to about 100 million tons the world produces. Look at the data now because we are such a huge population, but we are

only about 13-14% of the total greenhouse gas emission because of animal agriculture. Now, the bigger countries are to be blamed more because they have lot of land. And more the grazing, more the fodder, more the methane production. Now for example, India produces less methane per animal just because feed industry is developing fast and if there are more fed, we don't have lands where animals can graze. So that is one positive side. I'm saying that yes, definitely it is a problem, animal agriculture is definitely sending lot of methane in the atmosphere, but it is only 14% of the total methane being generated because of human activity. Now, 80% of the farmers are marginal level farmers. It is very difficult to bring change because the solutions right now are not very economical solutions. So it will take time. As we have been saying, we have to bring technology into it. There is huge amount of research which is happening in the western world

by nutrition, but dietary control, etc. But I must also tell you that there is a scientific community which is working on a vaccine in animals which can bring down methane production. So science definitely will have a solution in future, but I don't see that happening immediately just because affordability of these dietary change solutions is a problem for majority of the people.

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Balram

So we at Godrej Agroveter are the feed millers of this country. We are the largest sellers of cattle feed in the country. And it has already been proved that if you feed the animals more feed and less fodder, the methane production is less. The only thing that comes back is that, how many farmers can afford that? So I think this is a battle which will continue and I believe that the way the western world is taking it up, I think scientific solutions are not too far away.

Gayatri

Wonderful! Thank you. Nisa, Balram mentioned the product that Agroveter makes in the form of animal feed being better for the planet in terms of methane emissions. We had this Vision 2020 goal of creating good and green products, and we don't seem to have made much progress or definitely not measured it very well over the past few years. You spoke about Magic earlier in this conversation. Any thoughts from you on what will be the focus on good and green or green products going forward?

Nisa

Yeah, I mentioned doing a sort of product lifecycle assessment. So I think we need to focus much more in doing that. I think we need to sort of align our product development with sustainability much more strongly than we have done in the past. So I think this has definitely tied in... needs to be tied in much more and this has sort of been a learning. But, I feel that this whole purpose of bringing the goodness of health and beauty... I think goodness also means doubling down on sustainability. So I'd

love to see more products like Magic. I mean, 30% of GCPL's portfolio is protecting people from vector borne diseases. So they are good products, we need to make them greener now. So yeah, I think you'll see much more focus and much more... We've put this Sustainability Committee at the board. We're kind of relooking at how we measure this and what you measure happens. So I'm looking forward to that going forward.

Gayatri

Wonderful! We're all looking forward to the amazing innovations ahead. I'm going to just quickly take a question from Apurva Kothari on Workplace who asks – For environmental protection efforts to be taken now for an effect in the future, how difficult is it to convince people and partners in our effort towards being good and green in a world where people expect immediate results? I can say it's tough, but any thoughts from the both of you?

Nisa

I'll let Balram take this one.

Balram

I think it's very very difficult because removing antibiotics from feed is something which different associations are trying for the last 10 years. And the only thing which I can say, is that science will come to these solutions. That's because, 10 years ago the feed cost would go up by about 3% if you removed antibiotics and put probiotics. I think that is a substitute. Now the cost of probiotics has dropped by almost 70-75% in the last 10 years and suddenly it has started making sense. So, one of the things is that, it is easy to convince people to adopt these practices when the economics is right. So that's the first thing. The second thing is, practices are something... I think the responsibility of an organisation like ours, and I'm talking about the pesticide space, is that lot of good companies in this country and almost all multinationals, we are introducing new package of practices of integrated pest management, which uses several things at the right time in the right proportion, and it is an integrated package which is given. So instead of one chemical finding a solution, it is a mixture of chemicals and management practices which delivers much better and much more economical solutions. So I can definitely tell you that these are time consuming things, these are things which require a lot of effort and lot of effort by all companies together. And I'm very glad that pesticide associations do it very diligently. I can give you an example also which we are doing and I think the industry is also following that now. The pilots have started not only by us but also several other people, but it takes time, but there is nothing better than successful demonstration with quantitative data. So I can take that example later or I can give that example right now on how a combination of different things is helping.

Gayatri

Please go ahead Balram.

Balram

So, let me tell you, in India the most expensive pulses is red gram and we all know that red gram grows in central India. And the big problem with red gram is pollination. We have to pollinate the

male and female so that you get this flower and then it becomes a pulse. It used to happen that the pollinator was the solitary bee. And this bee is a lone wolf and they live in crevices under the plants, etc. One of the big problems is that it attracts lot of other insects and in order to kill those insects we were killing that bee also. So the pollination became a problem and our productivity was 400-500 kilos per acre. And that's why it was always not a very attractive crop to be in inspite of it being very expensive. Now how has science helped? The safer chemistries have come and safer chemistries were introduced which does not kill this solitary bee, but kills the other insects which damage this. Now, there is a big pilot with several companies and several partners that we are putting bee hotels. It will be surprising to you that we put a box and that produces bees and all these bees go and pollinate. And I'm very glad to say that this experiment was done by Dharwad Agricultural University in India successfully. They have PHD thesis and we have taken the same people and we are putting this pilot at several places along with several other companies. But look at how science and advancement of science is solving this problem. My sense is, if 25-30% is contained, maybe 40% increase in productivity can happen if it is handled well. So these are the things. It may take 3 years, it may take 5 years, but at 25-30% productivity in a farm, (where normally pulses are grown by marginal farmers) just see the kind of impact it will make. The chemical is cheaper, the bee is free and productivity improves significantly.

Gayatri

Wonderful! And is there a sort of positive impact in farmer income from the sale of honey as well?

Balram

No, they are not honey bees, they are solitary.

Gayatri

Okay, understood. So there isn't that aspect to it but the yield does increase and it does have a direct impact on...

Balram

But Gayatri, one great thing about Indian agriculture is that, the worst thing you can do to a farmer is show him another farmer with the same resources and access to same information, and making more money. This guy would not sleep. That's because, all these people are entrepreneurs, they are self-employed. So they'll figure out what to do next. That is why, because of communication, I think the spread of technology is becoming easier.

Balram

Yeah, great! A question to both of you and one that we may regret later but we felt that it was needed to be asked – What do you find frustrating about sustainability and social impact? Nisa, if you could go first please?

Nisaba

I think the sort of behaviour change and how long it takes. So I think the changing... unless you have something like COVID, even then people don't wear their masks. You're shocked into working from

home or wearing your mask or your washing your... you think about washing your hands as a defence against disease, it protects you against so much, but it took COVID to really get that message home. So I think behaviour change, it takes a while, but you have to stick at it. You know, sometimes there are other issues connected, inter-related issues, especially when you're looking at the social impact you want to get. I remember there's this The Poverty Lab, the Abhijit Banerjee and Ester Duflo, they have this Poverty Lab and they were studying in Africa getting kids to school and why were they not coming to school or why were they not succeeding? And basically it was the nutrition deficiency. So they just needed to be given a multivitamin... not a multivitamin, but it was something with zinc or calcium or whatever, I can't remember. And that intervention really made things move. So, I think it's behaviour change but then there's all these inter-related things which makes it frustrating and then just how long some of these things take. So even if you look at EMBED, our malaria program, it's a 3 year implementation cycle. So it takes 3 years to really get that data back in terms of the impact you're having. So I think it would be the time and the behaviour change for me.

Gayatri

Balram, what about you? What do you find frustrating about sustainability and social impact?

Balram

I fully agree with Nisa and I think it is a long journey. All players in the game want very quick results which are not likely to happen. I agree with Nisa that it is a change of habit. And inspite of such big things like COVID happening, we still find it very difficult for people to change their habits. So, it will be a journey and I think frustration is part of the investment we have to make in this as business leaders. The only thing what I feel will deliver is sustained effort and more and more people will connect with it. 'Seeing is believing' is everything which I have seen in my sector particularly, and once people see the advantage, then these changes are irreversible also because economics, safety and health is such a great determinant of our behaviour. So I think we just have to be patient, that's the way I look at it.

Gayatri

Great! You mentioned different stakeholders having different expectations. Balram, could you also talk a bit on how can other teams outside of sustainability teams engage more with our Good and Green progress or even own some of it?

Balram

I always use one sentence and I think that is where we have reasonably successful considering the kind of investments of time, effort, energy Nisa, the other promoters and the leadership team have made. I think people do lot for money, even more for a person, and everything for a cause. And I think that in case we are able to inculcate this

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Balram

cause or drive,... I'm saying that in our MBA classes we have learnt about super ordinate goals and at some point in time they start motivating people. And I think that is one thing which I always believe. If we can keep on harping on this and include more and more people in this initiative... Now if you see, people in the field of sustainability were deeply involved, but by Godrej volunteering they involved many more people who were not directly involved in all those initiatives, isn't it? And I think these are the kind of small-small efforts which need to be made in small bits and pieces, some nuggets of information of changes people have made and the kind of benefits people have seen, isn't it? This will make a lot of difference. So I'm saying that it is just that we just have to make sure that people think it is much more than what they're doing in a daily routine, and the kind of long term impact it will make. And as Nisa said, it is trusteeship which needs to be spread.

Gayatri

Wonderful! Nisa, over to you.

Nisa

Yeah, I think more teams can get involved by really defining what our goals are. (interruption) Sorry. Gayatri, when I look at dry hair, the high fashion business in Africa, there's no legal requirement right now on the Reduce, Reuse or Recycle of the products, but I think it's one of the biggest players in the market for that business team to hold that challenge, that innovation challenge in terms of how you recycle, what sort of fibres really let you...? I think it's really like an innovation game. And that can't be done by a Sustainability team, because that's not your usual stuff that you've been doing that people know how to do correct, whether it's water shed management, etc. That's because the industry itself is only 25 years old. So I think it's how we define what we want to do and how do we hold it with business. And it should be these things that are more sustainable, that would sever the consumer and are more profitable for you. So I think defining more goals like that will definitely help. And I hope... you know, the world's been through so much. I think these volunteering activities, helping our communities and stuff, I hope we can do more of that. And I think it will help people because I think really focusing on your own suffering and your own journey because everyone's been through something, but really living from gratitude and being able to help them, if we can do more of that as an organisation, especially post COVID, I think it would be very meaningful.

Gayatri

Thank you Nisa. With that I would ask my last question which is, imagining yourselves 10-20 years maybe in the future, what would you be really proud of us having achieved as a group in sustainability and social impact? Nisa, do you want to go first?

Nisaba

I think the no. 1 for me would be innovation. I'd love to see a whole basket of Magic type of products. So, really doing FMCG in a new, more sustainable way, I think that would be something that I would love to see. I also think going beyond our sustainable packaging goals would be a really big win; being part of the innovations around plastics. I think that would really help us be a global leader, not just in plastics, but in many ways if you can use innovation to solve some of these. I think in GCPL, in this fight to be malaria free, whether it's with EMBED or a lot of work we're doing with

Goodnight, and also as we build out household insecticide business in Africa, I'd love to see us make a huge impact on that.

Gayatri

Great! We've definitely got our work cut out for us. Balram, do you want to add to that please?

Balram

So, I think my first obsession is with green energy actually, and I strongly believe water and energy should be a very big focus for everybody in this world. That's because I think, fossil fuels, etc will cause the biggest damage... have caused the biggest damage and will continue to cause. That's why... Elon Musk, because of his electric cars, etc. So my sense is that we should be adopting several new technologies and upgrade technologies so that we become very efficient in usage of water and energy. And I'm very sure because I have seen the solar space for the last 15 years, and how year after year the efficiency is increasing. At one time solar energy used to cause Rs. 16 per unit and today it is Rs. 2.75 a unit. So I think my sense is that, machine technology, particularly motors, plus energy generation technologies will improve dramatically, and I would like to see us double our efficiency as a group in time to come as far as energy consumption is there. I would also like us to be water positive and I think it is not very difficult to do that because technologies in water harvesting, etc are improving significantly. We would like to be carbon neutral and positive after some time. We should definitely minimise emissions, but also offset emissions through our oil palm plantation business where we plant almost 6 lakh trees a year, and we have been doing that for the last 15-16 years, and now which is an initiative which is counted in Carbon

Sequestration, if I'm not wrong Gayatri, maybe you can second that. So I'm saying, all these things will definitely help us provide leadership to several organisations in this country who probably don't take it very seriously or who do not have the resources or the bandwidth or the inclination to start on this journey. And I think we should be a guiding force for such organisations. Plus, I would definitely like to see our IR integrated rural livelihood project to be successful. We have seen improvements in

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Balram

productivity and farmer income, and you all have generated very good data there, so I see a lot of promise there. My sense is that this can only grow and we can make a significant impact in all the areas we are operating in.

Gayatri

Great, thank you. Well, that brings us to the end of this Real Deal conversation. Nisa and Balram, thank you so much for your wonderfully candid thoughts, the learnings in this conversation and your leadership in ensuring that Good and Green and sustainability and social impact remain core to us as a group. Thank you so much for taking out the time for this. Everybody who is watching, thank you for tuning in. As we mentioned, this is the beginning of our campaign on 10 Years of Good and Green, and we've set our vision for the next 5 years, some of which encapsulates what both Nisa and Balram shared, and we look forward to partnering all of Godrej and achieving these goals. Thank you so much once again both of you.