

Outlook

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How Infra Companies Can Work For A Sustainable Future

During current times of pandemic that are extraordinarily difficult, it calls for the infrastructure companies to swift and thoughtful action.



Infrastructure businesses are growing at a rapid scale. There is a societal demand as well as need for cutting edge infrastructure in India. The Oxford University in its report 'Global Infrastructure Outlook' has estimated that global infrastructure investment needs to be \$94 trillion between 2016 and 2040. India will have a major share in this as we move towards ambitious plan of achieving \$5 trillion economy by 2025.

However, this is facing an uphill task in terms of enhanced global scrutiny on ESG. As the global community strives to limit global warming to well below 2 degree Celsius, preferably to 1.5 degree Celsius, compared to pre-industrial levels, there is enormous pressures for businesses to reduce carbon footprint. Also, climate change has brought focus on other social-environmental risks in an unprecedented way.

It is high time that we focus on sustainable infrastructure as an important dimension of 'being sustainable'. Thus, Inter-American Development Bank defines sustainable infrastructure as infrastructure projects that are planned, designed, constructed, operated, and decommissioned in a manner to ensure economic and financial, social, environmental (including climate resilience), and institutional sustainability over the entire life cycle of the project. It is thus pertinent that sustainability in the planning process should be given highest priority so that execution is seamless and sustainable.

We need to look at four dimensions of infrastructure sustainability: financial sustainability, environmental sustainability, social sustainability, and institutional sustainability. This would ensure balancing growth with de-risking of the businesses. It would also ensure rebalancing of ecology, environment and economy in the post-industrialised, highly urbanised world. The top critical areas to be sustainable thus include countering climate change, water security, waste management, land & biodiversity conservation and building a green supply chain. We have made consistent efforts in restoring the forest cover through planting 1.5 lakh fully grown trees in our campuses across India. Our Water & Effluent Treatment business planted 8.7 lakh saplings in FY21 in addition to the 1.4 million saplings planted in FY20, reinforcing the agenda of restoring India's green cover. Enhanced focus on climate resilience would ensure that there is reduction of carbon footprint on continuous basis. This would ensure that there is a balance between resource consumption and protection of environment.

With the objective of conserving one of our most precious resources, the water treatment capacity of 7355 MLD and a wastewater treatment capacity of 1595 MLD created by us is benefiting 7.5 crore people directly across the country during past three years.

Urban Transformation, Green Businesses & Financial Sustainability

We cannot think of sustainable infrastructure without thinking about cities. According to UN's New Urban Agenda, by 2050 the World's urban population is expected to nearly double, making urbanization one of the twenty-first century's most transformative trends. The New Urban Agenda adopted after the Habitat III Conference at Quito, Ecuador endorses sustainable urban development and advises city planners and urban infrastructure designers to undertake the city transformation that is equitable, resilient and sustainable. It envisages resource-efficient and resilient infrastructure by fostering energy efficiency, renewable

energy, resilience, productivity, environmental protection and sustainable growth in the urban economy. With the commissioning of solar power projects of 1GWp in FY 19-21, a 99 MW hydel power project in FY 20-21, and a 2x700MW nuclear power in 2012, we have been paving the way for wider adoption of clean energy in India.

India's Smart Cities mission is also envisaging providing core infrastructure, clean and sustainable environment and give a decent quality of life to citizens through the application of 'smart solutions'. Our Smart World & Communications business is adding teeth and muscle to the country's Smart Cities mission by deploying such sustainable and smart solutions in the areas of city surveillance, intelligent traffic management systems, transport & logistics, OFC cabling, communication network, smart grids, smart governance & education and smart city development.

In industrial and construction sectors, the deployment of IT and IoT infrastructure will play a major role in ensuring sustainability and ensuring resource-efficiency. Connected machines and equipment will ensure that there is optimization of energy and other resources consumption. For example, we have over 11,000 construction equipment connected digitally with IoT, providing real-time visibility into the operations, ensuring resource-efficiencies and sustainability at remote construction project sites.

Developing green business lines and growing them stronger would lead to financial as well as environmental sustainability for infrastructure players. Developing more certified green buildings across construction segments, developing solar power parks, focussing on Co2 fixing technologies, large (MW) scale building of EV Charging Infrastructure, achieving reduction in emissions from Coal Fired Power plants are some of the green businesses that we as a committed sustainable infrastructure player are already working on and intend to grow vigorously in the future. Our GHG reduction of 8.5% in FY21 is equivalent to an emission reduction delivered by almost 3 million fully grown trees/ annum.

A long-term sustainable investment planning would ensure that there is a balance between availability of funds and sectoral growth. This requires adequate planning by policy makers as well as businesses. Finance professionals do have to play a major role in ensuring project scrutinization from ecological lens and availability of sustainable funds. Especially, during current times of pandemic that are extraordinarily difficult, it calls for the infrastructure companies to swift and thoughtful action to manage immediate crisis, stabilise supply chains and reinforce companies' financial position to emerge from the crisis to remain sustainable for long times to come.

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