

16 of 22 sectors use under 10% renewable sources for energy

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A handful of large sectors accounted for the majority of emissions from listed companies in 2022-23 (FY23).

Power, metals and mining, construction material, chemical, as well as oil, gas and consumable fuels collectively contributed to 90 per cent of emissions.

This analysis is based on data from 1,040 listed companies compiled from their annual reports by EY India and shared with *Business Standard*. These companies emitted 1.26 billion metric tonnes of carbon dioxide equivalent (MTCO₂e) under Scope 1 emissions and 0.14 billion MTCO₂e under Scope 2 emissions in FY23.

Emissions made directly from sources owned by the companies fall under Scope 1, while those undertaken indirectly — such as the purchase of electricity from external sources — fall under Scope 2.

“The pathway to global net zero must pass through India. We are beginning to witness pockets of excellence in climate action. The energy transition is one of the largest transformations of our time,” said Nitesh Mehrotra, partner, sustainability, and environmental, social and governance (ESG) at EY India.

The data shows that 71 per cent of companies have projects focused on reducing greenhouse gas emissions.

“Firms can undertake various initiatives, including investments in renewable energy, green jobs training, energy efficiency improvements, and a shift toward a low-carbon growth trajectory,” said Amshika Amar, associate Fellow, Centre for Social and Economic Progress. For example, Tata Motors is expanding its range of electric vehicles and investing in non-fossil energy sources to meet its demand. All fast-moving consumer goods (FMCG) firms,

which depend on raw materials from the agricultural sector, are adopting more sustainable agricultural practices and climate-smart farming practices.

Other firms, like JSW Group, have announced their goal of becoming carbon neutral by 2050. Reliance Industries has set a target of achieving net zero carbon by 2035. Last month, NTPC and Oil India signed a memorandum of understanding to collaborate in areas like renewable energy and green hydrogen.

In total, companies withdrew 14.4 trillion litre (tl) of water, with 8.6 tl coming from surface water and 0.5 tl from groundwater, and the remainder from other sources.

The power sector accounted for 78.6 per cent of this withdrawal, followed by metals and mining (5.3 per cent), and oil, gas and consumable fuels (4.2 per cent). Chemical and construction rounded out the top five.

The firms generated 363.2 million metric tonnes of waste, of which 4.1 million metric tonnes were plastic waste. Power, metals and mining, capital goods, FMCG, and chemical collectively contributed to 95.1 per cent of the waste.

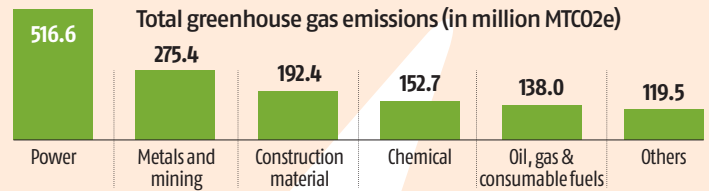
Approximately 275 million metric tonnes of waste were reused, recycled, or recovered. In addition to ESG frameworks, the Securities and Exchange Board of India should also introduce evaluation frameworks to measure the impact of climate policies implemented by Indian companies, she added.

These companies sourced 28 per cent of their energy from renewable sources. Healthcare, FMCG, and utilities consumed over 70 per cent of their energy from renewables. In contrast, metals and mining, chemical, telecommunications, and power lagged behind, with less than 1 per cent of their energy consumption coming from renewables. Eleven of 22 sectors had less than 10 per cent utilisation of renewables to meet their energy needs.

ILLUSTRATION: BINAY SINHA



TOP 5 ACCOUNT FOR OVER 91% OF EMISSIONS



Data for 1,040 companies for FY23. MTCO₂e is metric tonnes of carbon dioxide equivalent

...AND 94% OF WATER WITHDRAWAL

Total volume of water withdrawal (in million kilolitre)

Power	11,316.30
Metals and mining	763.17
Oil, gas & consumable fuels	604.40
Chemical	447.13
Construction	353.61
Others	915.52

Data for 1,040 companies for FY23

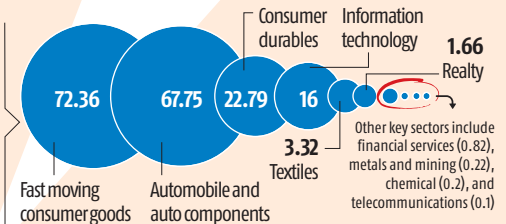
OVER 300 MN METRIC TONNE OF WASTE GENERATED

Waste generated (in million metric tonne)

Power	173.26
Metals and mining	135.39
Capital goods	19.66
Fast-moving consumer goods	10.96
Chemical	6.14
Others	17.79

LOW SHARE OF RENEWABLE ENERGY USE IN MANY KEY INDUSTRIES

Energy consumption from renewable sources (in %)



Data for key sectors based on data from 1,040 companies for FY23
Source: EY ESG Compass