

# Unlocking Competitive Advantage Through Shared Value

The opportunity for Indian business leaders to drive business value by addressing societal challenges

ABHISHEK KHANNA, SHIV SETHI

MARCH 2026

# Foreword

---

Indian businesses are entering a defining phase. As the country charts its course towards **India@2047**, the next decades of growth will be shaped by how effectively businesses respond to societal and environmental realities that increasingly influence performance, resilience, and trust.

Environmental, Social, and Governance (ESG) considerations are no longer peripheral. They are central to how businesses manage risk, unlock opportunity, and build long-term relevance. Yet many organizations continue to treat these efforts as parallel to core strategy — fragmented across functions, driven by compliance, or confined to philanthropy. This limits their potential to create lasting business and societal value.

The idea of **Shared Value** offers a powerful alternative. It reframes societal challenges as strategic constraints and opportunities that can be addressed through core business decisions. When approached with intent, Shared Value enables businesses to strengthen supply chains, build workforce resilience, expand markets, and secure long-term competitive advantage while contributing meaningfully to national development.

Our *Good & Green* journey over the last fifteen years has deepened this understanding. Across our diverse businesses, we have seen that when social and environmental challenges are approached as strategic opportunities, they unlock innovation, strengthen supply chains, build workforce resilience, and create a competitive advantage that endures. These learnings have shaped how we think about growth as one that is inclusive, responsible, and future-facing.

This whitepaper arrives at a moment when Indian business leaders are seeking practical ways to integrate ESG into everyday decision-making. Drawing on real-world examples and clear frameworks, it offers a grounded approach to embedding Shared Value across vision, strategy, and execution. It moves the conversation beyond aspiration towards action.

From our own experience of working at the intersection of business growth and societal outcomes, it is clear that the path to 2047 will require collaboration — across industries, with communities, and with institutions. No single organisation can address these challenges alone. But collectively, businesses have the capacity to shape an India that is more resilient, inclusive, and sustainable.

It is my hope that this paper serves as a useful guide for leaders who are ready to rethink growth, align purpose with performance, and contribute to a future where business success and societal progress reinforce one another.

**Pakzan Dastoor**

*Head – Good & Green, Godrej Group*

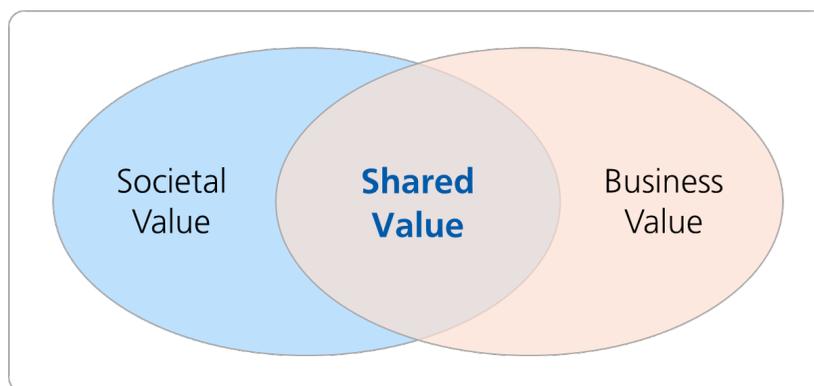
# I. Introduction

**Indian business leaders have long viewed corporate citizenship as core to their identity, particularly within the communities and regions in which they operate.** This commitment runs deep in India's industrial history. Leading business houses built schools, hospitals, and infrastructure alongside their factories. Today, three forces are amplifying this foundational commitment: mounting regulatory pressures on ESG disclosures, increasing brand value from sustainability credentials, and growing investor and customer scrutiny of environmental and social performance. Importantly, these forces are pushing the commitment beyond CSR into core business operations. Companies invest in supply chains, develop workforce programs, and improve operational efficiency to address environmental and social challenges.

**This idea of creating business value through addressing societal challenges is known as Shared Value,** as developed by FSG co-founders Michael Porter and Mark Kramer. Through advising dozens of companies on their Shared Value strategies, FSG has found that a defining aspect of Shared Value is its ability to create competitive advantage.

A Shared Value approach recognizes that many business constraints are directly linked to social and environmental issues. Serving underserved segments—such as low-income rural customers or informal sector workers—opens white space markets and can provide a first-mover advantage. Investing in supply chain capacity—such as improving smallholder farmer productivity or supplier financial health—creates supply security and quality that competitors cannot easily replicate. Improving employee health and well-being reduces attrition and builds organizational capability that takes years to develop.

Figure 1: What is Shared Value?



Many Indian businesses are actively investing in social and environmental initiatives closely tied to business operations and thus have the raw ingredients for creating Shared Value. Yet our conversations with Indian business leaders reveal that they are leaving **significant Shared Value on the table because their social and environmental initiatives are often not designed to generate competitive advantage.** These initiatives are often siloed and framed as efforts to manage stakeholder expectations. This framing limits both the ambition of what companies pursue and the strategic value they capture. Importantly, it misses opportunities for innovation that are more likely to emerge when the social and business elements are considered together.

Consider a manufacturing facility facing rising water costs. The conventional response focuses on operational efficiency: invest in readily available water-saving equipment, an approach that delivers cost savings but creates no competitive advantage. A CSR response treats the water challenge separately: fund community watershed projects to build goodwill and manage stakeholder expectations. This addresses social needs but operates independently from core operations. **A Shared Value approach recognizes that operational water costs and community water security are interdependent challenges rooted in the same regional water constraints.** Manufacturing teams and community relations teams coordinate investments in both plant efficiency and nearby watersheds. This integrated approach creates a competitive advantage by reducing operational costs and strengthening community ties simultaneously—securing long-term water access that competitors dependent solely on municipal supply or expensive borewells cannot match.

Our work with companies globally reveals that companies that create significant Shared Value consistently employ three practices:

- **Vision** that looks beyond the obvious to identify where societal and environmental challenges intersect with strategic constraints, revealing advantages competitors miss.
- **Articulation** that demonstrates clear pathways to profit and quantifies financial returns.
- **Collaboration** that engages and co-creates value with external stakeholders (e.g., suppliers, communities, workers), where much of the Shared Value creation resides.

These practices often unfold simultaneously, rather than sequentially, and reinforce each other.

**This paper identifies the key challenges in creating Shared Value and provides Indian business leaders with practical tools and examples for implementing these practices to build meaningful competitive advantage.** Drawing on Indian businesses that have successfully built hard-to-replicate advantages, we show what Vision, Articulation, and Collaboration look like in action.

## II. 3 Key Practices to Create Shared Value

---

### VISION

**Shared Value requires leaders to have the vision to look beyond surface-level business constraints,** understand the most material social and environmental issues that constrain business value and identify how addressing these issues could create a meaningful competitive advantage.

Many businesses still see societal and environmental challenges as separate from business constraints. A Shared Value vision requires leaders to ask: **which societal and environmental barriers are materially limiting our growth, increasing our costs, or threatening our operational continuity?**

Consider worker absenteeism in labor-intensive manufacturing, such as garments, electronics assembly, and food processing. Most businesses see absenteeism as a business issue, separate from the social issue of inadequate healthcare facilities in the community. A conventional approach addresses absenteeism through attendance incentives and stricter leave policies.

A Shared Value approach recognizes that inadequate healthcare access—for workers and their families—is a key root cause driving absenteeism, and invests in comprehensive preventive healthcare and family support programs. This creates multiple competitive advantages: reduced absenteeism and improved productivity; lower recruitment and training costs from better retention; stronger community relations that secure social license to operate; and an enhanced employer brand in local labour markets that competitors without similar investments cannot match.

With this fuller vision, leaders can go beyond surface-level solutions to capture significant Shared Value, by strategically focusing on the social and environmental challenges that are most material to their core operations and creating a competitive advantage around it.

### Why is this vision hard to develop?

**Immediate operational concerns mask underlying societal issues.** Leaders see the business problem clearly: high attrition, inconsistent supplier quality, and weak rural market penetration. However, they frame the solutions operationally: improve safety protocols, strengthen vendor management, and enhance distribution. This framing addresses symptoms while missing the deeper societal roots. The real constraints remain unaddressed: worker health infrastructure remains inadequate, suppliers lack formality and access to capital, and product designs exclude low-income customers. Without seeing how business constraints and societal challenges interlink, leaders pursue solutions that address operational challenges to some degree but fail to capture the scale and competitive advantage that a Shared Value approach enables.

**Social and environmental initiatives are perceived as conflicting with business priorities.** Leaders interested in pursuing Shared Value often face resistance within organizations due to deeply held views about the interaction between business and society—“social initiatives are cost centers,” “what is good for society is not good for business,” or “these initiatives belong to CSR teams, not core business.” When faced with this overwhelming resistance, leaders prioritize addressing immediate business challenges over the underlying societal root causes.

**Short-term pressures create tension with the timeline for capturing significant Shared Value.** Business operates on quarterly results and annual targets. While some Shared Value benefits emerge quickly, the full competitive advantage often builds over three to five years. For example, workforce health programs may show productivity improvements and reduced absenteeism within the first year, but the deeper advantages—significantly lower turnover, enhanced employer brand, and stronger community relations—materialize over three to five years. Similarly, supplier development initiatives can deliver quality improvements within months, while the full competitive advantage of reliable delivery, innovation capacity, and supply security takes years to entrench. Leaders must navigate this reality: demonstrating near-term value while having the patience for building long-term competitive advantage.

### How can leaders develop this vision?

- **Map key stakeholders and their constraints to identify root causes of key business challenges.** For the most persistent business challenges (e.g., retention, supply reliability, market access, resource availability, energy and waste management costs), list out the key stakeholders—workers, suppliers, distributors, customers, and communities. Then, examine the capabilities, resources, and systems that your stakeholders lack but need to engage productively with your business. Understanding how these gaps simultaneously constrain stakeholders and your business performance reveals where Shared Value opportunities and competitive advantage exist.
- **Engage employees to identify where societal challenges constrain their daily work.** Employees closest to operations see friction points that leaders miss. Warehouse teams notice that inadequate worker transportation leads to absenteeism and delays. Customer service teams hear complaints revealing which product features exclude certain communities. Regional managers observe how poor infrastructure limits market expansion. Establish forums where employees can share these observations and propose solutions. When employees connect societal barriers to their own performance challenges, they become champions for Shared Value initiatives. This grassroots buy-in transforms resistance into momentum.
- **Address resistance by reframing conversations from social impact to competitive advantage.** Redirect Shared Value conversations away from ‘doing good for society’ toward ‘solving business constraints through addressing root causes.’ Use business language: cost reduction, productivity gains, supply security, market access. Start with the business problem (retention, supply reliability) before introducing the societal dimension. The next practice, Articulation, provides the quantified business case that transforms skepticism into buy-in by demonstrating clear pathways to profit.
- **Identify and demonstrate early wins while articulating long-term advantage.** Understand which benefits will emerge in 12-18 months versus 3-5 years. Communicate early wins to maintain support while using the Articulation practice (discussed in the next section) to show what the full competitive advantage will look like over three to five years.

Godrej Industries shows the Vision practice in action: developing a Shared Value framework for all business units to identify where addressing stakeholder constraints creates business opportunities.

#### Godrej Industries: Creating Shared Value vision through a systematic framework

**Godrej Industries (“Godrej”) has supported social causes for over a century.** It funded education, healthcare, and community development, among others. Till 2010, these efforts were often seen as distinct from business objectives, even though they often supported business value creation.

In 2010, Godrej launched “Good and Green” with a ten-year vision to address this disconnect. It aimed to create Shared Value by advancing people and the plant alongside profit. **The breakthrough came when Nadir Godrej, Managing Director of Godrej Industries, realized “doing good doesn’t have to cost anything.”** This insight drove intentional efforts to embed social initiatives into business decisions.

**Good and Green translated this Shared Value vision into a framework that business units could act on.** The framework maps four critical stakeholder groups—communities, channel partners, colleagues, and customers—and identifies how addressing their specific constraints can create a competitive advantage. Business units within Godrej use this framework to improve existing operations and identify new business opportunities<sup>1</sup>. Examples include:

- **Communities: Securing water for operations while expanding agricultural markets.** Droughts threatened factory operations and pushed local farmers toward poverty. Rather than investing in expensive borewells, Godrej funded community watersheds to secure the factory’s water supply at a lower cost. The same watersheds helped farmers improve crop yields and incomes, strengthening their purchasing power for Godrej’s agriculture products—turning one investment into both operational resilience and market expansion.
- **Channel Partners: Transforming vocational graduates into distribution channels.** Godrej’s vocational institutes trained women beauticians, but these graduates rarely stocked Godrej products in their salons. The business unit recognized that the lack of entrepreneurship training and product knowledge was limiting both women’s business success and Godrej’s market reach in underserved areas. By redesigning training to include business skills and product knowledge, graduates began opening salons that became new distribution touchpoints, establishing Godrej’s presence in areas where formal retail was limited.
- **Colleagues: Building workforce stability through community health.** Malaria outbreaks in factory regions drove significant absenteeism during outbreak seasons. Godrej partnered with NABARD to provide mosquito nets, fumigation, and preventive medication to communities in the surrounding areas. This reduced absenteeism and turnover, improving workforce stability in locations where health infrastructure remained limited.
- **Customers: Expanding markets through financial inclusion.** Many potential customers in emerging markets lack formal credit histories despite strong repayment potential. Godrej developed social finance partnerships — including small-ticket loans supported by loss-guarantee mechanisms — that enable last-mile market participation. These interventions expand addressable markets and strengthen brand equity while responsibly managing risk.

These four examples are among dozens generated by the framework. What began as a ten-year vision has become routine practice. Business units across Godrej now use the framework to surface Shared Value opportunities as part of their operations. The interventions reinforce each other: community resilience stabilizes supply chains, channel partner capability strengthens distribution, workforce health improves productivity, and customer inclusion expands markets.

The framework’s deepest contribution is not any single intervention — **it is an organizational capability for systematically identifying Shared Value, a competitive advantage in itself.**

Vision identifies where competitive advantage can be created. Articulation—the next practice—demonstrates the specific pathways and quantifies the financial returns that secure resources and commitment.

## ARTICULATION

**Successful Shared Value initiatives clearly articulate how addressing societal challenges creates business value and competitive advantage.** This articulation enables leaders to secure resources, prioritize among competing opportunities, and secure organizational commitment. Leaders must demonstrate not only that value will be created, but also how, how much, and when—providing both the logic and the roadmap for investment.

**Without a clear articulation of the business case, initiatives lose momentum and fail to secure scaled investment.** Promising initiatives get stuck in the pilot stage because leaders cannot justify the financial returns. Other initiatives are dismissed as passion projects rather than strategic priorities. Finally, without a roadmap for how Shared Value will be captured and created, initiatives compete poorly with conventional investments. The result: good ideas lose momentum and companies lose opportunities to gain a competitive advantage.

### Why is the articulation of Shared Value hard?

**Pathways from social interventions to business value are unclear and often complex.** Leaders recognize Shared Value opportunities but face numerous intervention choices, uncertain assumptions, and indirect pathways to value creation. For example, leaders know that improving supplier capacity matters, but they must navigate: which interventions work (training? capital access? infrastructure?), what assumptions must hold (supplier willingness to formalize? market demand?), and how business value ultimately emerges (reduced defects? reliability? expanded capabilities?). This complexity makes it difficult to commit resources or convince stakeholders.

**Quantifying the business case is inherently difficult because value emerges across multiple dimensions and lacks established benchmarks.** Shared Value initiatives often create value across multiple dimensions (e.g., cost savings, revenue growth, risk reduction, intangible benefits such as brand or employee retention), making it hard to capture the full picture in financial terms. Benefits accrue over vastly different timeframes, from immediate to multi-year horizons, making it challenging to present a unified payback period. Attribution becomes murky when multiple factors influence outcomes (How much of the improved supplier reliability comes from training versus market conditions? What portion of the retention gains stems from health programs versus broader labor market trends?). Further, most Shared Value approaches are innovative and lack established benchmarks, making it difficult to estimate expected returns or to compare them with conventional alternatives.

### How can leaders better articulate Shared Value?

- **Build the complete causal chain from social intervention to competitive advantage.** Map each step connecting the societal challenge to business value. For example, if worker attrition is your constraint, trace the pathway: inadequate community health infrastructure → workers and families get sick → workers miss shifts and eventually leave → attrition increases → recruitment and training costs rise, productivity drops. Then map how your intervention creates advantage: investing in preventive health programs → reduces illness → improves attendance and retention → lowers recruitment costs and builds workforce stability that competitors cannot match. State your assumptions explicitly at each step—Will workers use preventive services? Will health improvements actually reduce turnover? Will competitors fail to replicate this approach? Even when assumptions are uncertain, articulating them transforms vague

intuition into testable hypotheses you can monitor and refine. This causal mapping guides investment design, surfaces critical uncertainties, and provides the foundation for measurement.

- **Use mixed methods to develop directional estimates of business value.** Identify where business value is created—through revenue growth, cost savings, risk mitigation, or a combination of these. Then use multiple approaches to develop directional estimates. For revenue growth, ask: “What is the size of the market that we could capture?”; “What is the range of revenue we can expect in the first 3 years?”; “What similar products exist and what is their market share?”. For costs, ask: “What operational costs does this intervention reduce?”; “When would these cost savings begin to materialize?”. For risk mitigation, consider the counterfactual: “What losses or disruptions would occur if the risk were not addressed?” Map when different benefits materialize and be transparent about assumptions and ranges. Triangulating across methods—market data, operational metrics, comparable cases, expert judgment—validates estimates and surfaces blind spots. Even with attribution challenges, systematic quantification enables prioritization and builds credibility with stakeholders.
- **Use the articulation as an implementation roadmap.** Bring the causal chain and quantified projections together to chart what must happen and in what sequence to capture the projected value. This becomes the roadmap: which activities come first, what milestones indicate progress, when returns should materialize, and where to adjust if assumptions do not hold. Articulation is not just a quantification document, but a guide for execution.

JSW Cement shows how Articulation built the business case and competitive advantage for green cement innovation in a low-margin, price-sensitive market.

### **JSW Cement articulates its green future.**

#### **JSW Cement (“JSW”) faced a fundamental question: Does green cement make business sense?**

The cement industry contributes 7% of India’s emissions<sup>2</sup>. Environmental pressure on the sector was mounting. However, JSW operated in a price-sensitive market where customers rarely paid premiums for sustainability. Teams questioned investing in green variants when margins remained tight. The company needed to prove green cement could create a competitive advantage, not just lower emissions.

JSW mapped how turning industrial waste into green cement could create a competitive advantage.

JSW Steel produces “blast furnace slag” — a byproduct that can replace limestone as cement’s primary raw material. **JSW Cement articulated how this single input shift would deliver both environmental benefits and a competitive advantage, without raising prices.**

**The environmental benefits from this shift are substantial.** Replacing one tonne of traditional cement with slag-based cement reduces CO<sub>2</sub> emissions by nearly 0.85 tonnes (a ~50% reduction<sup>3</sup>) and consumes up to 90% less energy<sup>4</sup>. Additionally, slag-based cement conserves natural resources by reducing the need for limestone and other raw materials.

#### **JSW’s articulation revealed a competitive advantage across four business dimensions.**

- **Lower and more stable input costs.** Traditional cement production requires mining limestone and heating it at extreme temperatures. Slag-based cement skips both steps. It consumes up to 90% less energy and replaces expensive mined limestone with a byproduct<sup>4</sup>. JSW procures slag from JSW’ Steel’s plants, providing greater price stability and lower dependence on quarry supply chains.
- **Favorable financing.** Lenders increasingly offer better loan terms to companies with verified

environmental performance. JSW's shift to slag-based cement gave it credible sustainability credentials. These credentials unlocked INR 800 crores in sustainability-linked loans at terms unavailable to competitors without validated green products<sup>5,6</sup>.

- **Green market access.** Builders and architects pursuing green building certifications need materials with verified low-carbon credentials. JSW validated its green claims through independent Life Cycle Assessments and Environmental Product Declarations (i.e., third-party certifications that verify environmental performance). This positions JSW as a preferred supplier for green construction<sup>4</sup>.
- **Logistical flexibility and cost savings.** Conventional cement plants must be located near limestone quarries, limiting location options. Slag-based cement removes this constraint<sup>7</sup>. JSW can now place plants closer to customers, increasing market responsiveness and reducing transport costs.

JSW's articulation of the business case for green cement demonstrated that sustainability and profitability are not trade-offs—when mapped clearly, environmental performance becomes the foundation for competitive advantage.

Vision and Articulation identify and prove Shared Value opportunities. But much of Shared Value creation requires implementation beyond organizational boundaries—with suppliers, workers, communities, and even competitors. The third practice, Collaboration, addresses how to capture value when competitive advantage depends on building capabilities, changing practices, or shifting conditions you do not directly control.

## COLLABORATION

**Successful Shared Value initiatives require external collaboration because much of the value creation happens outside the organization—with suppliers, workers, communities, or customers.** Societal and environmental challenges that constrain business (e.g., supplier informality, workforce health, community tensions, environmental degradation, lack of services) are rooted in conditions beyond any single company's operations. For example, reducing Scope 3 emissions—the indirect emissions from suppliers, distribution, product use, and disposal—requires collaboration across the entire value chain, as these emissions dwarf emissions from direct operations and no single company controls all the actors involved.

**Addressing these challenges requires building deep relationships and trust with these stakeholders, while also improving their capabilities, incentives, and infrastructure.** Further, unlike traditional bilateral partnerships, in which value is exchanged between two parties, Shared Value requires investing in systemic improvements (e.g., supplier formalization, worker health systems, community infrastructure) that benefit an entire ecosystem, not just the investing company.

Without effective collaboration, companies do not capture the full potential of Shared Value. Initiatives are abandoned as they are too big to tackle alone. Furthermore, the initiatives are fragmented or stuck at the pilot stage, as they require broader systemic changes for adoption. Finally, investing companies bear disproportionate costs while value diffuses across the market.

### What challenges do leaders face in collaborating externally?

**Coordination across diverse actors is fundamentally complex.** Shared Value requires bringing together multiple stakeholders—suppliers, distributors, workers, communities, sometimes even competitors—each with different priorities, constraints, and timelines. This coordination work demands a very different set of capabilities: facilitating multi-stakeholder dialogue, building trust across competing interests, aligning on shared problems before proposing solutions, and managing initiatives where you do not have direct control.

**Partners need their own business case and often lack the capacity to change.** Partners face real trade-offs and resource constraints. Without seeing clear value for their business, they will not engage—which means companies must articulate how Shared Value creates benefits in partners' specific economic context, not just explain their own competitive advantage. But even when partners see the business case, they often lack the capacity to act on it. Suppliers may recognize that formalization improves their margins in the long term, but cannot afford the upfront investment. Workers understand that health programs benefit them, but they cannot take time off for training. Partners need both the economic logic that justifies change and the resources and capabilities to implement it.

**Pioneering investments create free-rider problems.** When companies invest in building ecosystem capabilities—training suppliers, developing distribution infrastructure, formalizing informal sectors—competitors sometimes capture the benefits without bearing the costs. A company that trains suppliers improves quality for all buyers. A company that builds rural distribution enables competitors to reach the same markets. This creates a strategic dilemma: invest alone and subsidize competitors, or wait for others to move first. The rational response is often to delay, leaving valuable Shared Value opportunities unrealized.

### What can business leaders do?

- **Create pre-competitive platforms to address free-rider dynamics.** Convene multiple players—including

competitors—around shared challenges to distribute investment costs and prevent any single company from subsidizing others. Industry consortia, shared measurement standards, common infrastructure investments, and collective supplier development programs allow companies to invest together rather than alone. When everyone contributes, the competitive advantage comes from execution excellence and relationship depth, not from building ecosystem capabilities that others can access for free. Pre-competitive collaboration turns the free-rider problem from a barrier into an opportunity for industry-wide progress.

- **Invest despite free-riders when captured value is substantial.** In some cases, the value captured by the pioneering company is substantial enough that free-rider concerns become secondary. When the business case is strong—significant cost reductions, secure access to supply, operational advantages that create years of lead time—companies should invest despite potential free riders rather than leave value uncaptured. The strategic question becomes: is the captured value large enough to justify investment even if competitors eventually benefit?
- **Articulate the benefits for each stakeholder.** Map what each stakeholder gains from participation, translating the Shared Value logic into their specific economic context. Essentially, help partners see and quantify their business case for participation in Shared Value. Partners commit when they see their own business case—how this solves their problems, what value they capture, and when returns materialize. This requires understanding their constraints, priorities, and success metrics, then articulating how the initiative creates value in their terms, not just explaining your competitive advantage. Without this translation work, partners see requests for change rather than opportunities for mutual gain.
- **Start with small, collaborative actions that de-risk commitment.** Begin with pilot activities that let partners test assumptions, understand problems, and see early returns before requiring large investments. Small actions reduce risk for all stakeholders while building evidence for what works. Use these initial efforts to refine the approach, prove the business case, and demonstrate value before asking for scaled commitment. This learning-by-doing approach makes it easier for partners to engage without betting their business on an unproven model.

The Mahindra Group demonstrates how Collaboration within and outside its supplier network can create value, laying the foundations to gain a competitive advantage in tyre purchasing costs.

### **Mahindra Group puts collaboration at the core of its tyre circularity initiative.**

#### **Tyres account for 10% of Scope 3 emissions in Mahindra’s auto sector and 15% in its farm sector<sup>8</sup>.**

India generates 1.5 million tonnes of end-of-life tyres annually, with 70% processed by the informal sector through unregulated burning and pyrolysis, creating significant environmental harm<sup>8</sup>. New Extended Producer Responsibility (EPR) regulations require manufacturers to collect and recycle 100% of tyres by 2024-25, with environmental compensation penalties of up to INR 8.40 per kg for non-compliance<sup>8</sup>. Meeting these regulations is expected to increase costs as companies invest in formal collection and recycling infrastructure.

Addressing this challenge requires coordinating tyre manufacturers, automotive companies, recyclers, and supply chain partners—stakeholders who have been operating in silos.

As the largest tyre buyer in India, **Mahindra recognized both a responsibility and a potential Shared Value opportunity in the tyre recycling ecosystem.** The company saw that its purchasing

power could **drive change within its existing supplier network**, encouraging them to adopt more sustainable practices. While individual supplier influence was achievable in the near term, Mahindra also recognized that **broader industry transformation would eventually require coordinated stakeholder action**. The company therefore saw the need to convene stakeholders to collaboratively manage the transition as regulations tighten—reducing costs and risks through coordinated infrastructure investment and shared standards.

Mahindra also **identified synergies with recycling businesses within the group**. By building the formal recycling ecosystem, Mahindra has the opportunity to create a reliable channel for end-of-life tyres, while also helping meet its EPR collection obligations through an integrated supply chain.

To enable this ecosystem-wide formalization, Mahindra created two key foundations for further ecosystem collaboration:

- **Created a pre-competitive platform to enable ecosystem dialogue.** Mahindra convened 84 participants from 42 organizations—including tyre manufacturers, automotive OEMs, recyclers, supply chain partners, and technology providers—at a workshop in 2025<sup>8</sup>. The platform facilitated discussions on shared barriers (e.g., recycling technology gaps, supply chain integration challenges, EPR enforcement issues) and identified priority solutions (e.g., system-wide coordination, regulatory support for retreading, enhanced audit mechanisms, and formalization of the informal sector). This established a foundation for ongoing collaboration rather than fragmented individual responses.
- **Developed measurement frameworks to enable accountability and progress tracking.** Mahindra created standardized metrics that help stakeholders track sustainability performance across the tyre value chain and benchmark against peers<sup>9</sup>. These tools provide a foundation for data-driven decision-making and transparent communication.

Mahindra's platform has shifted conversations in the tyre ecosystem from "why should we act alone?" to "how can we act together?". While still a work in progress, Mahindra's early leadership positions the company to respond quickly to emerging industry standards, as the industry scales from \$0.7-0.9 billion to its \$2-2.5 billion potential<sup>8</sup>.

# III. Putting Shared Value into Practice

**The tools and case studies in this paper demonstrate that Shared Value is not just theoretical.** It is a practiced approach that can create real and meaningful competitive advantage for companies while addressing deeply embedded societal and environmental challenges.

Indian business leaders face mounting pressure: regulatory requirements are tightening, sustainability expectations are rising, and traditional growth models are encountering societal and environmental limits. Yet these same pressures reveal opportunities embedded throughout the Indian economy. Business growth targets affluent segments, while millions of low-income customers remain excluded. Population growth strains resources and the environment, while demand for eco-friendly products continues to grow. Societal challenges widen inequities, leaving customer needs unmet. These gaps—unmet needs in underserved markets, constrained suppliers limiting growth, resource scarcity driving costs, workforce challenges reducing productivity—represent spaces where addressing societal challenges creates competitive advantage. This is where business growth and societal progress naturally align, i.e., where Shared Value can be created.

The three practices in this paper provide a roadmap. Vision reveals where societal barriers are limiting your business. Articulation builds the business case that secures resources and commitment. Collaboration aligns stakeholders to capture value spanning organizational boundaries. Leaders who consistently employ these practices don't just respond to societal challenges—they transform them into sources of competitive advantage.

**Almost every Indian business has the opportunity to build a competitive advantage, while addressing the many challenges in society and the environment. The three practices offer the path forward.**

## Three questions for business leaders to start unlocking Shared Value opportunities

Answering these three questions can help you find Shared Value opportunities in your business.

1. **Which societal challenges are materially constraining your core business priorities, and what competitive advantage could you realize by addressing them?** Creating a causal chain between these issues helps articulate and quantify the opportunity.
2. **Who in your organization already sees these connections but cannot act on them, and what organizational barriers prevent action?** The insights you need may already exist in your teams.
3. **Which partner or stakeholder could create the most value for you if you helped address their needs?** Working together unlocks opportunities you cannot capture on your own.

# IV. Annexures

---

## Acknowledgements

We would like to thank Nadir Godrej, Burjis Godrej, Pakzan Dastoor, Omar Momin, and Khushali Samriya from The Godrej Group; and Ankit Todi and Advait Padaval from The Mahindra Group for graciously contributing their expertise, examples, and insights to help shape this resource. Nikhil Bumb, Dane Smith, and Alicia Dunn from FSG reviewed this document and provided valuable input.

## Recommended reading

“**Creating Shared Value**”, Michael E. Porter and Mark R. Kramer (2011). Introduces the concept of Shared Value as a new way for businesses to gain a competitive advantage. This guide helps build the **vision** to see these opportunities. [Link](#).

“**Measuring Shared Value**”, FSG (2012). Shares a framework for companies to rigorously track the connection between social and business results. This guide helps leaders **articulate** the opportunity. [Link](#).

“**The Ecosystem of Shared Value**”, Mark R. Kramer and Marc W. Pfitzer (2015). Expands on the concept of Shared Value and introduces Collective Action. This guide helps leaders **collaborate** to capture the opportunity. [Link](#).

## Endnotes

1. Interview with Nadir Godrej, Managing Director, Godrej Industries
2. <https://teriin.org/files/Decarbonisation-Roadmap-for-the-Indian-Cement-Sector.pdf>
3. <https://www.jswcement.in/eco-friendly-cement-company>
4. <https://www.jsw.in/news/green-cement-for-a-sustainable-tomorrow-jsw-cements-innovation-journey/>
5. <https://www.jswcement.in/pdf/MUFG%20Bank%20-%20JSW%20Cement%20SLL%20Press%20Release.pdf>
6. [https://www.business-standard.com/companies/news/jsw-cement-raises-rs-400-cr-via-sustainability-linked-loan-from-bnp-paribas-123061200275\\_1.html](https://www.business-standard.com/companies/news/jsw-cement-raises-rs-400-cr-via-sustainability-linked-loan-from-bnp-paribas-123061200275_1.html)
7. <https://thedailybrief.zerodha.com/p/can-jsw-craft-a-slag-to-riches-story>
8. [https://www.mahindra.com/sites/default/files/2025-12/250917\\_Acclerating\\_sustainable\\_practices\\_within\\_the\\_tyre\\_value\\_chain\\_vS.pdf](https://www.mahindra.com/sites/default/files/2025-12/250917_Acclerating_sustainable_practices_within_the_tyre_value_chain_vS.pdf)
9. Interview with Ankit Todi, Chief Sustainability Officer, Mahindra Group

## ABOUT FSG

FSG is a global nonprofit consulting firm that partners with foundations and corporations to create equitable systems change. Through customized consulting services, innovative thought leadership, and learning communities, we're working to create a world where everyone can live up to their full potential.

Learn more at [www.fsg.org](http://www.fsg.org).

## CONTACT US

To provide feedback on this report, navigate tough conversations within your organization, or to design Shared Value Initiatives, contact:

### **Abhishek Khanna**

Director, FSG

[abhishek.khanna@fsg.org](mailto:abhishek.khanna@fsg.org)

### **Shiv Seth**

Senior Consultant, FSG

[shiv.seth@fsg.org](mailto:shiv.seth@fsg.org)

## PHOTO CREDIT

Cover: iStock



This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License. To view a copy of this license, visit <https://creativecommons.org/licenses/by-nc-nd/4.0/>