

**Date** : 1 November, 2010  
**Time** : 14:10 to 16.30 Hrs  
**Workshop** : 5  
**Title** : Business and CSR in a Green Economy  
**Session** : 1  
**Coordinators:** Dr. Gopichandran and Praveen Prakash  
**Moderators** : Alide and Cristina Moreno  
**Rapporteurs** : N . Ramjee , Shekar K



### **Setting the tone**

Dr. Gopichandran welcomed the gathering and set the tone for deliberations. He informed that the speakers were handpicked to be in synchrony with the Earth Charter objectives. He clarified the objectives of the workshop and the deliverables expected from the speakers.

He listed them as follows:

- Provide a kind of insight that EC can take up and act on.
- Constraints faced by industries in developing
- How is it that the industries could position the good work and get them to become a part of the mainstream
- What is it that the industries expect EC to handhold and wish for the knowledge transfer.

Alide and Cristina Moreno took to floor and moderated the deliberations.

Alide initiated the discussion with a small animation show-casing EC's role in industries and development.

**Speaker: Lewis Akenji, Policy Research Consultant Institute for Global Environmental Strategies (IGES)**

**Topic : The Imperative for Responsible Business in Green Economy**

He initiated the discussions through the presentation. He said the Business (especially brand owners) has both the highest effect on the environment and the highest influence in the value chain; and to achieve a meaningful scale of sustainability, there must be international collaboration in greening business.

He pointed out that there is an increasing deficit of trust on the business practices and indicated the increasing emphasis on transparent and honest practices as against financial returns. He highlighted the point that there should not be any social dichotomy created by business processes.

Rising poverty vs Rising consumer class; Increasing population vs decreasing food resources; Increasing pollution vs decreasing sinks; Increasing production vs decreasing natural resources

He showed the trend analysis of the Footprint and Biocapacity per person in few countries especially India, China, Korea and Philippines. He compared the increasing consumption pattern to the increase in GDP and stressed the fact that GDPs are not true indicators of development. He warned the Damocles' sword hanging over the earth from collapsing through this overshoot.

He used plastic industry as an example and showed the typical process flow and underlined the fact that these do not show power and influence and often puts consumer close to waste! He also touched upon the transboundary movements of pollutants, downstream flow of pollutants in international rivers, food miles between producing to exporting countries, ecological rucksack and embodied emissions.

He suggested a policy toolbox which emphasized the role of education in making informed choices. He suggested EC should take note of the following action points:

- Create an integrated sustainability strategy
- Carry out a life cycle assessment
- Set yourself progressive targets: ambitious, concrete and firm
- Redesign core products and practices
- Activate your value chain; set minimum acceptable standards
- Conduct periodic value chain-wide audits
- Write honest annual (non-financial) sustainability reports
- Don't hide the problem – sharing is caring!

He concluded with a note of Corporate Social Responsibility moving ahead towards Corporate Social Accountability and become responsible businesses.

**Speaker : Aditi Haldar, Director GTZ**

**Topic : Business and Green Economy: Trends and Perspectives.**

She started the presentation with a charade on the corporate clout over the global economy and cited the following to strengthen her statements:

- 44 of the top 100 economic entities are companies.
- Walmart revenues exceeded the GDP of 174 countries
- Rapidly Developing Economies are growing very fast to change the map of economic entities

- Most influential to influence and shape the world in which we operate

“We Live in an Age of Interdependence”, Threats Must Be Managed Collectively” ~ Mr. Kofi Annan, UN Secretary-General. She quoted said that businesses can no longer be seen as a problem creator! She drew-forth the different levels of corporate actions, from market development to strategic impact. Going through developing solutions, creating employment and value chains across all levels, strengthening trade and investment and setting business standards.

To achieve the above objectives the corporations must efficiently manage the “Five Capitals”

1. Natural Capital
2. Social Capital
3. Human Capital
4. Manufactured Capital
5. Financial Capital

This concept is very helpful in understanding how every company is deeply involved with all capitals, and that is really the efficient use thereof that is a good way of assessing whether a company is successful, as this is an objective way of evaluating whether all business opportunities are used in a way that makes the company survive in the long-term.

She explained the concept of accountability in the context of business and current discussions and highlighted the roles of leadership and their responsibility towards the consequences. In this context it is important to understand what constitutes the private interest the role of entrepreneurial vision and strategy. She explained this with the example of increasing role of markets and the consumers. In market-driven economy where businesses gets paid for doing good and gets punished for doing bad.

She cited the following aspects as successful models in the country.

- Promote enlightened self-interest
- Promote market-driven well-behavior
- Voluntary agreements are better than laws and regulations
- Strategic philanthropy is better than cheque book philanthropy
- Philanthropy, as well as responsible behavior in the core of business, must go beyond legal compliance and can not compensate for incompliance – neither public, nor private

She remarked that the challenge lies in developing the business case for most of the desired behaviour! She mentioned the following efforts as works towards developing indicators useful to guide businesses towards ethical development pathways.

- UNGC Principles
- Earth Charter
- ISO 26000
- GRI Guidelines

She opined that the annual Sustainability Index Report developed by businesses are like a map under development, that shares details about the companies’ strengths & weaknesses. She highlighted how GRI is getting into prominence and being taken-up seriously by the corporates in emerging economies signifying a changing paradigm in the way the businesses operate! She took the example of Brazil, South Africa and Mexico are increasingly adapting this practice into their annual report.

Swedish Government was the first country to require GRI sustainability reports from state-owned companies in 2007. This was followed by the Netherlands and many others since then.

She concluded that Global Reporting Initiative practiced by GTZ is one practical tool that can be used by one and all.

**Speaker : Dr. Omkar Jani of Gujarat Energy Research and Management Institute (GERMI)**

**Topic : Business Opportunities & Barriers to Mainstream Alternative Energy**

He initiated his talk with an underlying rationale with which businesses operate to convert barriers into opportunities with the sole intention of maximising its profits.

He explained Going Green implies, practicing energy efficiency, using renewable energy. He pointed out examples how business are looking into energy efficiency & renewable energy to support their business.

He brought to record that ¼ population (~1.5 bn) utilize ¾ resources (~90,000 TWh), which with current rate of development even if 10 bn population were to get developed, the world will consume a whopping, 600,000 TWh. Along with this he also pointed out how the various conventional energy sources came into being from the firewood how the world is moving towards renewable energy and the immense potential that lies in solar power.

Taking the example of Solar Energy markets he explained the drivers of development viz.,

- Policy, Business & Innovation
- Private investments
- Expanded markets
- Manufacturing, scale-up, R&D
- Cost-reduction

As case examples to stress his above point he mentioned how as policy inventions in Germany: Feed-In Tariff, Japan: Net-Metering, and USA: Renewable Purchase Obligation have made a difference. He also cited the examples coming out of India, the Jawaharlal Nehru National Solar Mission and from the local Gujarat State's Solar Power Policy, 2009 and the Photovoltaic Rooftop Programme being implemented in Gandhinagar.

He highlighted how the various barriers could be converted into opportunities and the role played by aforementioned five drivers.

He made the following suggestive measure which could help General Businesses turn green:

- Migrate to LED lighting for mainstream lighting.
- Utilize ESCO models.

For energy intensive industries: he suggested:

- Employ alternate energy sources and captive power plants and seek help of relevant policies.

For financial institutions he suggested:

- Fund regular activities by stressing on Renewable Obligations.
- Fund mainstream renewable pilots.

To conclude he emphasised on solar energy as long term solution for sustainability!

**Speaker : Mr. Prasad Menon, Managing Director, TATA Power**

**Topic :**

He said 30-50 years ago, the industries were not sensitive about their impacts on society where they were established. However, today industries do not act in vacuum. Business, government, society and consumers are acting together to develop meaningful production processes.

The increasing role of sustainability reports and the accountability it brings to achieve, maintain and go beyond the committed and reported measures. Today industries are better equipped towards cleaner production processes. Some industries in these stand out as champions leading others to follow.

He brought to ground the realities in using renewable energy and realising energy efficiency targets. The barriers cited include the cost, availability, lack of institutional mechanisms and support systems from the government.

He drew the attention towards unequal existing within a same economy and compared the states of Gujarat and Maharashtra (Mumbai) with Bihar and Orissa. He also emphasised how mineral rich states are deprived of their basic energy needs and the role decentralised energy can play in these areas.

He cited the initiative of TATA Telecom setting up small decentralised energy station to generate power for their Telecom Tower operations and also contributing to the local community with the extra power capacity added to it.

**Speaker : Mr. Mukund Gorakshkar, head CSR, JSW Foundation**

**Topic :**

He brought to focus the disparity between GDP and gross happiness index. He gave an example of several successful initiatives at the local levels being lost with the lack of people's support to recognize the achievements.

Mr. Rudd Lubbers concluded the session highlighting the possibilities with the alternative energies and how unbiased opinions can play a significant role in achieving the objectives discussed by the various speakers. He gave the example of glass house heat generators in Holland, generates 1000s of MW power and his experiences in Shanghai, China where people were not even aware of such initiatives. He underlined the role of communication and sharing of experiences towards making a better tomorrow.