

# DOING BUSINESS: WHILE PROTECTING THE GLOBAL COMMONS

ENCORE



CELEBRATING BUSINESS SUSTAINABILITY

VOLUME 8 ■ ISSUE 3 ■ OCTOBER–DECEMBER 2011

**teri** | BCS  
Business Council for  
Sustainable Development



Rio+20: Business expectations

Responsible banking for sustainable outcomes

TERI NASSCOM report: sustainable tomorrow harnessing ICT potential

# CONTENTS

## Editorial

•

## Feature

Rio+20: Business Expectations

•

## Point of View

Responsible Banking: Best Practices for Sustainable Outcomes

The sustainability challenge: an opportunity for corporates

The imperatives of environment and development: perspectives and expectations from the Rio 2012 Conference

•

## Partners in Change

TERI-BCSD and NASSCOM launches a report on "Sustainable Tomorrow: Harnessing ICT Potential"

•

## In Focus

2nd India Energy Efficiency Forum organized by TERI-BCSD and Johnson Control

•

## On the Move

TERI-BCSD organizes 1st Sectoral Awareness and Capacity Building Programme on "Promoting Business Sustainability: Gaining a Competitive Edge"

Training and Capacity Building Workshop on Sustainability

•

## Resources

Publications  
International Initiatives  
Internet resources  
Media clips  
Calendar of events

## Editorial Board

Dr R K Pachauri, Director-General, TERI and President, TERI-BCSD  
Ms Annapurna Vancheswaran, Director, Sustainable Development Outreach, TERI  
Mr Marcel Engel, Managing Director, Regional Network, WBCSD

Editor: Ms Pooja Kumar

## TERI-BCSD Team

Ms Annapurna Vancheswaran  
Mr Pratik Ghosh  
Mr Arupendra Nath Mullick  
Mr Bhuvan Verma  
Ms Pooja Kumar  
Ms Priya Dagar  
Mr Sanchit Chawla  
Ms C P Sreeja

## TERI Press Team

Ms Roshni Sengupta  
Ms N Deepa  
Mr Rajiv Sharma  
Mr Vijay Kumar

## TERI-BCSD

[bcsd@teri.res.in](mailto:bcsd@teri.res.in) • [www.teriin.org/bcsd](http://www.teriin.org/bcsd) • [www.teriin.org](http://www.teriin.org)

TERI-BCSD (TERI-Business Council for Sustainable Development) - initiated by TERI - is a regional network partner of the WBCSD (World Business Council of Sustainable Development), Geneva ([www.wbcd.org](http://www.wbcd.org)). It provides an independent and credible platform for corporate leaders to address issues related to sustainable development and to promote leadership in environmental management, social responsibility, and economic performance. Membership is open to organizations.

1	ACC Ltd	56	Intel Technology India Pvt. Ltd
2	Airport Authority of India (AAI)	57	Ispat Industries Ltd
3	Akzo Nobel Group Companies in India	58	ITC Ltd Paperboards & Specialty Papers Division
4	AlcateI-Lucent	59	Jain Irrigation Systems Ltd
5	Alcoa India Pvt. Ltd	60	Jaypee Cements Ltd
6	Apollo Tyres Ltd	61	Johnson Controls India Pvt. Ltd
7	ArcelorMittal India Ltd	62	JSW Steel Ltd
8	Areva T&D India Ltd	63	KPIT Cummins Infosystems Ltd
9	Ashok Leyland Ltd	64	Lafarge India Pvt. Ltd
10	Bajaj Eco Tec Products Ltd	65	Mahanadi Coalfields Ltd
11	Ballarpur Industries Ltd	66	Mahindra & Mahindra Ltd
12	BASF India Ltd	67	Mithunram Properties Ltd
13	Bayer Group of Companies in India	68	National Aviation Company of India Ltd (Air India)
14	BG Exploration and Production India Ltd	69	Nokia India Pvt. Ltd
15	Bharat Heavy Electricals Ltd	70	Nokia Siemens Networks Pvt. Ltd
16	Bharat Petroleum Corporation Ltd	71	NTPC Ltd
17	Bharti Airtel Ltd	72	Numaligarh Refinery Ltd
18	Bosch India Ltd	73	Oil and Natural Gas Corporation Ltd
19	BP India Services Pvt. Ltd	74	OIL India Ltd
20	BT India Pvt. Ltd	75	Peninsula Land Ltd (Ashok Piramal Group)
21	Cairn Energy India Pvt. Ltd	76	PepsiCo India Holdings Pvt. Ltd
22	Chambal Fertilizers and Chemicals Ltd	77	Petronet LNG Ltd
23	Chennai Petroleum Corporation Ltd	78	Philips Electronics India Ltd
24	Cisco Development India Pvt. Ltd	79	Power Grid Corporation of India Ltd
25	CLP Power India Pvt. Ltd	80	Power Trading Corporation of India Ltd
26	CMC Ltd	81	Rabo Bank Ltd
27	Coca-Cola India Inc.	82	Rallis India Ltd
28	Container Corporation of India Ltd (CONCOR)	83	RBS Home Appliances Pvt. Ltd
29	Continental Construction Ltd	84	Reliance Industries Ltd
30	Danfoss Industries Pvt. Ltd	85	Reliance Infrastructure Ltd
31	Dassault Systèmes India	86	Ricoh India Ltd
32	DCM Shriram Consolidated Ltd	87	SAP India Pvt. Ltd
33	DNV - DET Norske Veritas AS	88	Seshasayee Paper and Boards Ltd
34	Dr Reddy's Laboratories Ltd	89	Shell India Pvt. Ltd
35	Eaton Technologies Pvt. Ltd	90	Shree Cement Ltd
36	EG Gas Ltd	91	SREI Infrastructure Finance Ltd
37	El Dupont India Pvt. Ltd	92	Steel Authority of India Ltd
38	Forbes and Company Ltd	93	Sterilite Industries India Ltd (Vedanta Group)
39	GAIL (India) Ltd	94	Suez Environnement
40	GMR Group (Delhi International Airport (P) Ltd)	95	SUN Group
41	HCL Infosystems Ltd	96	Suzlon Energy Ltd
42	Hindalco Industries Ltd	97	TATA Chemicals Ltd
43	Hindustan Construction Co. Ltd	98	TATA Motors Ltd
44	Hindustan Petroleum Corporation Ltd	99	TATA Quality Management Services
45	Hindustan Unilever Ltd	100	TATA Steel Ltd
46	Hindustan Zinc Ltd	101	TATA Teleservices Ltd
47	Hitachi India Trading Pvt. Ltd	102	The Andhra Pradesh Paper Mills Ltd
48	Huntsman International (India) P Ltd	103	The Hong Kong and Shanghai Banking Corporation Ltd (HSBC Ltd)
49	IL&FS (Ecosmart) Ltd	104	The Kerala Minerals and Metals Ltd
50	Indian Farmers Fertilisers Co-operative Ltd	105	The Royal Bank of Scotland NV
51	Indian Metals and Ferro Alloys Ltd	106	The TATA Power Company Ltd
52	Indian Oil Corporation Ltd	107	Toyota Kirloskar Motor Pvt. Ltd
53	Infosys Technologies Ltd	108	United Technologies Corporation, India
54	Infrastructure Development Finance Co. Ltd (IDFC)	109	Usha Martin Industries Ltd
55	Ingersoll-Rand (India) Ltd	110	Yes Bank Ltd
		111	Zuari Cement Ltd

**Disclaimer:** The views expressed in this newsmagazine are those of the author and do not necessarily reflect the views of TERI or its affiliated organizations

# Editorial

*The difference between what we do and what we are capable of doing would suffice to solve most of the world's problems.*

— Mahatma Gandhi

With the increasing relevance and urgency of global environmental, social, and economic challenges in view, the pursuit of sustainability has become the vanguard for companies regardless of their size or location. Further, with the growing understanding on how sustainability issues affect the bottom-line, corporate leaders have begun to explore beyond the traditional business and financial factors. The current corporate “dual view” of sustainability includes risk management and opportunities particularly focused on green growth and poverty alleviation, thus, strengthening the business case for sustainability.

Ecologist Garrett Hardin observed about four decades back that depleting “a shared limited resource” or “commons” is not in anyone’s long-term interest and his Commons Theory is repeatedly referred to support the notion of sustainable development that interconnects economic growth and environmental protection.

Businesses are perceived to be the most influential institutions in the world today. Yet, they often do not enjoy the respect and trust of the diverse stakeholder communities that make up the larger universe of businesses as a whole. Oddly, it is the goods and services that the private sector generates that touches the lives of every living being on Earth, and hence, businesses are the most relevant mediums to address the issue of sustainable development and support its implementation. Rightly, thus, the United Nations has recurrently stated the key role of the private sector in helping achieve the goals of sustainable development, in particular poverty eradication.

It was in the United Nations Conference on Environment and Development (UNCED) in Rio in 1992 that the business sector began to consciously and constructively

align itself with governments, civil society, and consumers in seeking solutions to the major challenges facing humanity that include energy, water, food, environment, poverty, disease, and universal education. Rio de Janeiro in June 2012 will again witness the convergence of world leaders to mark the twentieth anniversary of the UNCED (Rio+20). The conference aims to assess the progress thus far, secure renewed political commitment for sustainable development, and address new and emerging challenges. Business Action for Sustainable Development (BASD)—a comprehensive network of business organizations, as the voice of business in Rio+20 will identify where business can play a constructive role in the development and delivery of a sustainable future and demonstrate the existing initiatives and partnerships to promote sustainable development.

The interdependence of businesses in today’s globalized environment has resulted in the development and adoption of a wide range of tools and applications by governments and business associations that measure environmental, social, and governance impacts—a value-added business case construct for sustainability. The TERI Business Council for Sustainable Development (TERI-BCSD) is one such independent and credible platform that helps guide the Indian corporate diaspora to develop a vision of a sustainable company, translate that vision into a management action plan, and turn sustainability into a competitive advantage. Presently, the network has over 100 corporate members across India representing a varied section of Indian industry.

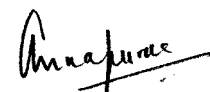
In 2011, TERI-BCSD, steered by its member CEOs registered some noteworthy milestones that encompassed three broad themes. These were a) alignment with the Government of India’s nodal ministry concerned with corporate issues, the Ministry of Corporate Affairs (MoCA); b) TERI’s own Green Rating exercise for Integrated Habitat Assessment (GRIHA), and c) a joint report with NASSCOM, the country’s premier Information Technology body. Along



with the MoCA, TERI-BCSD formulated and launched the National Voluntary Guidelines with a basic framework on Social, Environmental, and Economic Responsibilities of Business—the first national guidelines on responsible business developed by any country. The guidelines cover nine key principles as guidelines for responsible and sustainable business practices. These are unique as they are applicable to all businesses, irrespective of size or sector. TERI GRIHA, the national rating system for the environmental performance of a building provides an integrated approach to the designing of green and energy-efficient buildings in the Indian context. It is gratifying to note that the GRIHA norm has become a forum of action among the BCSD members. Similarly, the ICT report with NASSCOM titled “Sustainable Tomorrow: Harnessing ICT Potential” helps refocus attention on important aspects relating to reducing India’s energy requirements through adoption of sustainable technology practices by the business community.

Going forward, the Business Council’s challenge will be the promotion of the efficient use of the vital common resource—water—across the Indian corporate sector.

This issue of EnCore to be tabled at the World CEO Sustainability Summit, curtain raiser to the DSDS, with the overarching theme “Doing Business, while protecting the Global Commons” has special contributions from Mr Brice Lalonde, Secretary General, Rio+20 Conference, Dr Prodipto Ghosh and Dr R K Pachauri. The trilogy of features in this issue would be of great value to the large audience gathered at the Summit, business and industry researchers, as well as policy-makers.



Annapurna Vancheswaran  
Director, Sustainable  
Development Outreach, TERI

## FEATURE

# Rio+20: Business Expectations

## Doing Business: While Protecting the Global Commons

R K Pachauri and Maggie Lin

### Introduction

The historic United Nations Conference on Environment and Development (UNCED), also known as the “Rio Summit”, proved to be a landmark event. However, there are many critical global challenges which need to be addressed- particularly, poverty eradication and environmental degradation. The primary goal of the Summit was to come to an understanding and agreement about developments concerning socio-economic progress while averting environmental degradation. The 1992 momentous meeting in Rio de Janeiro is being followed up with the Rio+20 event in 2012, providing an opportunity to define the contours of a “green economy”. It also aims to consider whether the existing institutional framework can adequately address issues affecting human well-being in the 21<sup>st</sup> century. Refining the objectives of the forthcoming Conference is vital for the fate of the world as its population will cross 7 billion at the time of the Summit. It is necessary to lay the foundation for a global partnership between developing and industrialized countries based on mutual needs and common interests to ensure a healthy future for Mother Earth.

### Background

The Rio Summit in 1992 was supreme for a UN conference in both size and scope of

its concerns. This Summit examined the relation between human rights, population, social development, gender issues, human settlements, and the need for environmentally sustainable development, which has since influenced all subsequent conferences. The Rio process drew an audience of hundreds of thousands from around the world, including 2,400 representatives of NGOs, delegates from 108 governments, and an overwhelming presence of media.

In order to prevent destruction of irreplaceable natural resources and pollution of the planet, UNCED sought to help governments rethink their policy of economic development. The Summit’s message reflects the complexity of our current problems: poverty and excessive consumption by affluent population lead to detrimental stress on the environment. UNCED called for governments to ensure that international and national plans, policies, and economic decisions fully take into account any environmental impact so as to make *eco-efficiency* the guiding principle for business and governments alike. The following are the underlying issues that were addressed at the Earth Summit<sup>1</sup>:

- *Patterns of production and consumption*: particularly the production of toxic components such as lead in gasoline or poisonous waste

to be scrutinized by the UN and governments; patterns of excessive consumption which contribute to the rich-poor disparity.

- *Alternative sources of energy*: replacement of the use of fossil fuels which are linked to global climate change.
- *New reliance on public transportation systems*: emphasis on reducing vehicle emissions, congestion in cities and other health problems caused by polluted air and smog.
- *Scarcity of water*: need for greater awareness and concern over the issue.

### The Earth Summit Agreements

Agreements that aim to achieve sustainable development worldwide were adopted following the process of planning, education, and negotiations among all Member States of the United Nations.

**Agenda 21** specifies detailed proposals for action in social and economic areas, such as combating poverty, changing patterns of production and consumption, and addresses demographic dynamics for conserving and managing the natural resources necessary for habitat to survive. The path to sustainability requires global participation by all stakeholders and major groups like women, trade unions, farmers, children and youth, indigenous peoples,

<sup>1</sup> <http://www.un.org/geninfo/bp/enviro.htm>



the scientific community, local authorities, business, industry and NGOs.

### The Rio Declaration on Environment and Development

supports Agenda 21 with a series of principles that define the rights and responsibilities of states. The principles are<sup>2</sup>:

- Human beings are the focal point of concern for sustainable development;
- Scientific uncertainty should not delay efforts to prevent environmental degradation where there are serious and irreversible damages;
- States do not have a right to cause damage to the environment of other states;
- Eradicating poverty and reducing economic disparities in standards of living is indispensable for sustainable development;
- Full participation of the major groups defined in Agenda 21 is essential; and
- Developed countries acknowledge their responsibility in the international pursuit of sustainable development due to the societal pressures on environment and the technologies and financial resources they command.

**The Statement of Forest Principles** is not a legally binding statement, but it is the first global consensus reached on the sustainable management of forests worldwide. Some of the provisions are:

- All countries, particularly developed countries, should make an effort to “green the world” through reforestation and forest conservation; and

- States have a right to develop forests according to their socio-economic needs, so long as they keep with national sustainability policies.

The UN also endeavors to negotiate an international legal agreement on desertification; prevent depletion of certain fish stocks; devise a program of action for sustainable development of small island developing states; and ensure proper implementation of the Rio agreements.

Moreover, two legally binding Conventions namely the United Nations Framework Convention on Climate Change (UNFCCC) and the United Nations Convention on Biological Diversity were opened for signature at the Summit. The aim was to prevent global climate change and conserve biodiversity.

### Post the Earth Summit

The UN was given the key role of implementing programs of action agreed upon during the 1992 Summit. Since then, it has facilitated many negotiations to incorporate concepts of sustainable development into relevant policies and programs. Further, three bodies within the UN were created to ensure proper implementation of Agenda 21 worldwide: the UN Commission on Sustainable Development (UNCSD), the Inter-agency Committee on Sustainable Development, and the High-level Advisory Board on Sustainable Development. The UNCSD spearheads the development of a set of internationally accepted standards for sustainable development, which will allow governments to formulate

policies for sustainability and also to regulate their impacts.

As reported by the UN in 1997, around 100 governments established national sustainable development councils or similar coordinating bodies, and more than 2,000 municipal and town governments formulated a local Agenda 21 by mid-1996. Many countries are seeking legislative approval for sustainable development plans, and the level of NGO involvement remains high.

### Progress since the Earth Summit

The success of the Earth Summit can be measured by the local, national, and international implementation of its agreements. Making the necessary changes internationally is not simple; rather it is a multi-phased process, which occurs at different rates in different parts of the world. It also requires the expenditure of funds now to circumvent larger financial and environmental costs in the future. Thus, the coordination it takes to implement the standpoints presented at the Earth Summit requires involvement of different sectors of the global community.

Consumption and production patterns are among the underlying issues addressed at the Summit. An analysis presented by the Organization for Economic Co-operation and Development (OECD) reveals that from 1990 to 2004, the total final energy consumption by the transport sector as a whole, and by major transport modes (air, road, rail), increased by 534.5 Mtoe. More specifically, the consumption of road fuels worldwide increased from 1,119.3 Mtoe in 1990 to 1,569.0 Mtoe in 2004.<sup>3</sup>

<sup>2</sup> <http://www.un.org/geninfo/bp/envirp2.html>

<sup>3</sup> The table can be found in the Transport section, titled “Environment: Transport”

Energy consumption by the transport sector is problematic because of the sector's high dependence on oil. This contributes air pollutant emissions that have detrimental effects on human health and the environment. Therefore, emphasis needs to be placed on new public transportation systems that will decrease reliance on oil, and reduce congestion in cities and vehicle emissions causing health problems associated with polluted air.

One example of efforts to reduce energy consumption is the European Union acting on its goal of reducing carbon emissions. The EU has announced that it will give airlines 85% of their carbon emission permits for free in 2012 under a new benchmarking scheme. The aim is to cap emissions at below the average level for the years 2004-2006.<sup>4</sup> The EU executive estimates that this will save 72 million tonnes of CO<sub>2</sub> per year by 2020. The aim of the announcement is to drive airline operators to make aircrafts and operating procedures more environmental-friendly, and reduce its greenhouse gas emissions. The aviation industry being brought into the Emissions Trade Scheme (ETS) is a leap forward to tackle issues of global emissions.

Further, a look at household consumption expenditure within the last ten years shows that spending has increased from \$19.7 trillion in 2003 to \$25.4 trillion in 2009<sup>5</sup>. There are still many negative incentives that

continue to encourage people to be wasteful consumers. With the world population reaching 7 billion, 20% of people continue to consume 80% of the resources, causing substantial stress on the environment.

### Development Aid and Sustainable Development

According to the OECD, between 1992 and 1995, levels of official development assistance (ODA) fell from \$60.8 billion to \$59.2 billion despite a call at Rio for donor countries to more than double their official assistance. In other words, ODA declined from an average 0.34% of donor country gross national product (GNP) in 1992 to 0.27% in 1995. The UN target, affirmed at Rio is 0.7% of GNP. Countries need to become increasingly aware of the growing demand to accelerate the rate of ODA, if they are to achieve the aid target.<sup>6</sup>

Since the Summit in 1992, levels of funding channeled towards many developing countries as direct private investment has increased. These private flows amounted to \$6.6 billion in 2002 and reached \$222.8 billion in 2009, according to the OECD.<sup>7</sup> In the face of potential challenges to finance sustainable development, efforts need to ensure that the activities supported by the private funds are environmentally sustainable.

### From a Business Perspective

The UN General Assembly established the UNCSD under

the Economic and Social Council (ECOSOC) to support and encourage the actions of governments, business, industry, and other non-government groups in bringing about social and economic changes for sustainable development. Developmental issues that need to be effectively addressed are categorized as follows:

- Critical elements of sustainability: trade and environment, patterns of production and consumption, combating poverty, demographic dynamics.
- Financial resources and mechanisms.
- Education, science, transfer of environmentally sound technologies, technical cooperation and capacity-building.
- Decision-making.
- Activities of the major groups, such as business and labour.

Achieving sustainable development worldwide depends largely on changing patterns of production and consumption – what we produce, how it is produced and how much we consume – particularly in the developed countries. UNCSD is working with the World Trade Organization (WTO), the UN Conference on Trade and Development, and the United Nations Environment Program (UNEP) to ensure that trade, environment, and sustainable development issues are mutually reinforcing.

<sup>4</sup> <http://www.euractiv.com/climate-environment/eu-hits-top-10-airlines-historic-carbon-benchmarks-news-507930>

<sup>5</sup> See the table on "Household spending at current US dollars" [http://www.oecd-ilibrary.org/economics/household-spending-at-current-us-dollars-2011\\_2074384x-2011-table8](http://www.oecd-ilibrary.org/economics/household-spending-at-current-us-dollars-2011_2074384x-2011-table8)

<sup>6</sup> See the table on "ODA 2009," which shows the most recent publication of statistical analysis in 2009 on ODA. OECD (2009), "Development aid: Net official development assistance (ODA)", Development: Key Tables from OECD, No. 1. doi: 10.1787/20743866-2009-table1

<sup>7</sup> See the table on "Foreign Direct Investment Flow" from 1992-2009 <http://stats.oecd.org/qwids/#?x=1&y=6&f=2:1,3:51,5:3,7:1,4:64&q=2:1+3:51+5:3+7:1+4:3,64+1:2,3,4,5,6,7,8,9,10,11,12,13,14,61,15,16,17,18,19,20,21,22,23,24,G2+6:2002,2003,2004,2005,2006,2007,2008,2009>

## The Earth Summit in relation to Business and Industry

A report published in 2002, ten years after the Rio Summit, by the United Nations Environment Programme (UNEP) titled “Industry as a Partner for Sustainable Development” documents the industry’s progress and future challenges in implementing Agenda 21. This report provides recommendations for sustainable business practices, and builds on a multi-stakeholder process facilitated by the UNEP.

Businesses in industry have to be economically sustainable if they are to contribute to sustainable development. Sustainability depends on local conditions and contexts, and can only be achieved if local environmental and social needs are met. In our interdependent world, business contribution to sustainable development must consider global as well as local economic, environmental, and social aspects.

UNEP’s assessment in 2002 presents numerous efforts developed by industry to reduce their environmental footprint and address other sustainability challenges in some 22 sectors.<sup>8</sup> Yet, there is a widening gap between the efforts made and the deterioration of the environment. The world is presently confronted with worrying global trends related to biodiversity, air pollution, land degradation, chemical emissions and wastes, freshwater and the regional seas – as revealed in the *Global Environmental Outlook 2002* published by UNEP.

There are two primary reasons for this widening gap:

- In most industry sectors, only a small percentage of companies actively strive for sustainability. Issues of dissimilar practices are found across borders of different socio-political, cultural, and economic contexts. What works in one country may not be applicable in another. There are limits to voluntary action and industry self-regulation, which highlights the crucial role of governments in spurring technological innovation. This will ensure that negligent companies do not benefit at the expense of those investing in eco-friendly practices. Moreover, government and media should cooperate to raise public awareness given that public and consumer pressures play a vital role in providing market incentives needed to push corporate sectors toward sustainability.
- The rebound effect is causing improvements in industry sectors to be overtaken by economic growth and increasing demand for goods and services. Future projected growth in industry sectors will further widen this gap. In this context, private and public sectors need to join hands in the development of innovative financing schemes, technology cooperation, education, and capacity building.

Businesses around the world should combine business and fiscal choices with the protection of global concerns and needs. The goal is to help build an international framework of rules and established practices in which institutions can develop

new responsibilities and fresh opportunities for both economic and environmental concerns. It is imperative that businesses going forward follow examples of proactive companies and associations in shifting from obstructionist modes to more cooperative partnerships that will meet environmental and sustainable goals.

Recently, the European Commission unveiled a road map to transform Europe’s economy to become resource-efficient by 2050. It also identifies economic sectors that consume the most resources, namely food, buildings, and transportation. The combined effects of these sectors account for 70-80% of all environmental impacts.<sup>9</sup> The Commission envisions competitiveness and growth based on using fewer resources in production and consumption of goods, and creating business and job opportunities from activities such as recycling, product design, materials substitution and eco-engineering. Governments are encouraged to shift taxation away from labour towards pollution and resources, and to provide incentives to push consumers towards resource-efficient products.

### The Road to Rio

Rio+20’s two themes – green economy in the context of sustainable development and poverty eradication, and the institutional framework for sustainable development – offer unique opportunities to address these challenges. In order to develop strong economic partnerships that will lead to

<sup>8</sup> For the full report on global economic importance of reporting industry sectors, refer to “Industry as a Partner for Sustainable Development,” (Pg 21-25), UNEP, <http://www.unep.fr/shared/publications/pdf/WEBx0128xPA-IndustryAssesEN.pdf>

<sup>9</sup> International Institute for Sustainable Development. <http://uncsd.iisd.org/news/european-commission-unveils-roadmap-for-resource-efficiency/>

environmental sustainability, business has to be a part of the solution.

At the outset, the right regulatory and market conditions, including removal of environmentally harmful subsidies and use of fiscal incentives, must be put into place to enable the transition towards an inclusive green economy. Significant improvement of private sector engagement, as well as involvement of all relevant stakeholders, is critical for increasing investments. To ensure economic growth, a positive economic element within a framework that addresses the management of natural capital

and the efficient use of resources is absolutely requisite.

It is of absolute importance to ensure that Rio+20 will meet the global challenges discussed in the original Summit. As the global community works together for a green economy, let our words be matched by our deeds.

#### References

##### OECD Statistics Library

<http://www.oecd-ilibrary.org/statistics;jsessionid=35x542ek6cp4n.epsilon>  
[http://www.oecd.org/document/0,3746,en\\_2649\\_201185\\_46462759\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/0,3746,en_2649_201185_46462759_1_1_1_1,00.html)  
<http://stats.oecd.org/index.aspx?queryid=557>

#### UNEP Assessment: 10 years after Rio

<http://www.unep.fr/shared/publications/pdf/WEBx0128xPA-IndustryAssesEN.pdf>

#### United Nations Department of Public Information

<http://www.un.org/ecosocdev/geninfo/sustdev/5years.htm>

#### United Nations Environment Programme

<http://www.unep.org/>



**Are You GRIHA Compliant?**  
**TRAINING & AWARENESS PROGRAMME ON**  
**Promoting Business Sustainability: Gaining a Competitive Edge**  
 To know more, email: [bcsd@teri.res.in](mailto:bcsd@teri.res.in)

An Initiative By | Championed By | In Association with

Look out for forthcoming programmes in your city

Hyderabad                      Kolkata



## POINT OF VIEW

# Responsible Banking: Best Practices for Sustainable Outcomes

Dr Rana Kapoor, Founder, Managing Director & CEO, YES BANK

The banking sector plays a central role in an economy influencing economic outcomes as it intermediates financial flows from depositors, channeling them primarily towards businesses, most of which have significant social and environmental effects. As financial intermediaries, banks can have far-reaching effects in persuading and assisting businesses to manage their externalities by factoring in triple-bottom-line impacts to avoid long-term risks from social and environmental imbalances. They can also use their position of indirect influence to direct flow of funds towards nurturing socially and environmentally beneficial businesses, thereby acting as enablers of change. To this end, I believe Sustainable Banking represents a **confluence of good governance, effective risk management and proactive social and environmental intervention** that protects the global commons while ensuring long-term sustainability of business.

Sustainability is pivotal to the development of emerging market economies and it is now recognised as an important driver across all sectors. Indian banks are alive to the undercurrents of sustainable banking, and are increasingly seeking viable opportunities that promote sustainable development. Demand from shareholders, lower risks, better returns, higher operational efficiency, and client/customer interface, along with reputational and

branding value are increasingly driving banks to institutionalize sustainability considerations into their management practices. Creating long-term value requires banks and financial institutions to manage social and environmental aspects alongside economic risks through strategic approaches that strengthen the overall portfolio quality.

While the transition towards sustainability provides the banking sector with new opportunities to develop innovative products and services, it also calls for actions towards greater accountability through social and environmental responsibility. This paradigm shift is driven not just by increasing regulation and civil society demands, but also a gradual recognition of the **business case for sustainability** i.e. adopting sustainability principles helps in mitigating risks and paves the way for expanding in new untapped markets.

In India, the government too has gradually shifted from a subsidy-driven to a commercially-driven approach, under the aegis of the National Action Plan on Climate Change, to address sustainability issues and encourage participation of the private sector. Increasingly, the government has adopted the role of a facilitator in providing interest and fiscal incentives, as well as providing specific policy support for soft loans, innovative financing packages and reduced duties and taxes. Private players, especially financial intuitions, need to actively partner the government on such platforms

to fully leverage the potential of this strategic shift. Indeed, just as Indian banks have demonstrated their ability to overcome crisis in the recent economic downturn by employing innovative strategies to enhance their top lines, they must continue to remain responsive to sustainability concerns by integrating environmental, social and governance (ESG) parameters into decision-making, leveraging incentives provided by the government.

### Mainstreaming Sustainability

Banks have moved from a passive approach, viewing the management of environmental and social risks as an added cost, toward a progressive path that seeks opportunity from sustainable growth. This entails not only pursuing financial growth, but by being selective and investing in business that are socially and environmentally responsible. Banks must attempt to address the entire value chain of sustainable finance in India, engendering value capture, addition and creation for not just generating sustainable profits but to do so from a position of collaborative engagement and understanding.

Indeed, this thought finds resonance in our work at YES Bank where our homegrown sustainability strategy i.e. **Responsible Banking**, a key differentiator, is aimed at developing **innovative business solutions for tackling social and environmental challenges**. In implementing this overarching strategy, the bank strives to include wider

economic, environmental and social aspects by supporting new emerging businesses that not only promote financial growth, but also enhance social and environmental impact. To this end, we have instituted specialized verticals such as, Agri-business and Rural Banking, Microfinance Institutions Group, Inclusive and Social Banking, Sustainable Investment Bank and Socially Responsible Investing that are equipped with domain experts to create new market opportunities. These units continually work in close association with other parts of the bank creating an effective network of sustainable business solutions to address developmental concerns.

To further embed the triple-bottom-line ethos within our day-to-day operations, we have institutionalized an **Environmental and Social Policy (ESP)**, based on international best practices, that underscores all our credit decisions. The ESP is a crucial part of the credit risk appraisal process wherein due diligence is done to ensure that we do not support businesses that are engaged in illegal, unethical or environmentally unsustainable practices.

### Internalizing Sustainability

In 2009, Jairam Ramesh, then Minister of Environment and Forests, announced at the Copenhagen Summit that India would voluntarily reduce its carbon intensity by 20% to 25% by 2020. To meet this target, industry must proactively manage and reduce its carbon emissions.

Even though banks do not have a significant carbon

footprint, there is a scope to adopt *greener* practices that simultaneously contribute to the ethos of sustainability and reduce operational costs. Given that internally the most significant impact within a bank would be in energy use, paper consumption, and business travel, a critical measure would be instituting a carbon accounting system, a methodology to inventory and audit greenhouse gas (GHG) emissions, to improve environmental performance and reduce resource consumption. This entails adopting processes and policies that not only ensure accurate assessment of social and environmental risks, in addition to financial risks, associated with the bank's assets, but also encourage proactive investments in new 'sustainable' business opportunities. Implementing a Social and Environmental Management System (SEMS), as we have done, that assesses environmental and social risks and opportunities arising from business activities, helps in managing a bank's exposure to them, while improving efficiency and effectiveness.

In fact, YES Bank has instituted an Environmental Management Committee comprising the top management to govern the rationalization of resource consumption. The bank seeks to reduce waste and minimize its carbon footprint with the help of targeted programmes like 'War on Waste' and '5S'. This brings together different verticals for developing innovative ways for improving operational efficiency. This is a strategic approach, with defined objectives, formal policies, action plans, allocated resources,

trained and expert staff. Its aim is to ultimately enable the incorporation of sustainability within the DNA of the bank.

### Creating Collaborative Frameworks for Development

Being a growth engine, the financial sector needs to proactively work at restructuring existing models through innovative financial products in order to sustain, maintain and restore a safe and secure natural environment. In doing so, it is imperative for financial institutions to work with all stakeholders – investors, regulators, governments, academia, peers, corporates and civil society to create such products and services thereby acting as a benchmark for other sectors.

YES Bank recognizes that as a financial institution and emerging corporate, we need to be involved (and are involved) in the sustainable space along its entire value chain – in green and renewable technologies, in Bottom-of-the-Pyramid (BOP) markets, in our dealings with our diverse client base, investors, regulators and employees. Our pursuit of sustainability, thus, stems neither from a special interest perspective nor from principles of charity but rather from recognition of the fact that most development challenges require a true collaboration between all stakeholders to implement scalable, efficient and commercially viable solutions that deliver sustainable development beyond just economic growth.

## The sustainability challenge: an opportunity for corporates

Dr Prodipto Ghosh, Distinguished Fellow, TERI

The expression “sustainable development” is often employed as short-hand for “environmental conservation”. In actual fact, of course, the term was intended to enhance earlier conceptions of “development” as comprising economic growth and social development. Accordingly, India’s National Environment Policy, 2006, defines “sustainable development” as: “*First, that human beings should be able to enjoy a decent quality of life; second, that humanity should become capable of respecting the finiteness of the biosphere; and third, that neither the aspiration for the good life, nor the recognition of biophysical limits should preclude the search for greater justice in the world*”. The first addresses the economic dimension, the second, the environmental sustainability concern, and the third, the over-riding imperative of justice – across generations, nations, regions, societal classes, and communities.

The challenges of environmental protection must therefore be sought in the broader context of economic growth and social justice. In the latter space, poverty eradication and gainful employment would be the paramount considerations.

Clearly, as one considers this broad compass, the entire domain of industrial, agricultural, physical and social infrastructure, services, and habitations, all of which provide legitimate avenues for corporate participation, comes into focus. However, ensuring that these investments adhere to the triad of sustainable development

objectives is non-trivial and challenging. Let us consider some concrete examples:

**Urban Development:** In conventional approaches, a city would comprise separate spaces for housing, commercial activity, industries, shopping, social infrastructure, and green spaces. Moreover, there would be sharp segregation in housing development between different social classes. The result would be intolerable burden on the transportation system, resulting in proliferation of private cars and 2-wheelers, in turn, resulting in severe air pollution. There would be rings of slums on public lands occupied without authorization by the poor encircling the housing of the better-off – the poor providing various domestic services to others, with the resulting squalor, and unhygienic environment. And finally, since conventionally built housing and commercial buildings would not harvest rainwater nor recycle wastewater, nor be built with sufficient insulation, nor have mandatory energy efficiency standards, nor compost their waste, there would be water shortages, power brown-outs, garbage in the streets, packs of feral animals, and loss of public space, to the detriment of all dwellers.

Regulatory changes, together with necessary fiscal reforms, may, however, ensure that future urban growth is more sensitive to environmental protection, as well as of the well-being of the poor. In turn, they would open up a vast new market – for clean mass transportation, newer building

materials, energy efficient appliances, water conservation and composting equipment, and so on.

**Power:** The transformation of the power sector from one based largely on fossil fuels such as coal, to one increasingly based on cleaner energy technologies, in particular renewables, is considered as a dominant strategy for addressing both climate change as well as local environmental degradation associated with fossil fuels use. Unfortunately, at this time, excluding nuclear energy, none of the other clean energy options operate with the same reliability, or are cost-competitive with, fossil fuel based sources. This fact limits their scalability. It is tragic, but true, that renewable energy technologies have not approached anything like the potential of mobile telephones or home computers. Unfortunately also, that despite massive investments over several decades, some 400 million people in India still do not have electricity in their homes.

The key to this dilemma is, of course, to stimulate innovation through R&D to improve reliability and reduce costs, and through scaling up, to further reduce costs. Moreover, reliability would be improved by interconnecting regional and even international grids – if, for example, Tamil Nadu is experiencing a cloudy day, then the loss of solar power may be taken up by a sun drenched Rajasthan.

How to realize this? Once again policy and regulatory initiatives, and focused public

investments may provide the necessary signals to the corporate sector to respond positively. Accordingly, the renewable energy mandates (targets) and issue of tradeable renewable energy certificates (RECs), with gradual scaling up of the former each year, is an example of such an approach. Further, renewables may be deployed on small the scales at even household levels, thus making each home both a user and generator of power. This would be enabled by targeted public investments in smart grids, the micro grids comprising elements of larger state and regional grids, and the whole interconnected to a national or even international grid.

**Sanitation:** According to the Human Development Report, 2011<sup>1</sup> some 11.9% of India's population do not have access to clean drinking water, and 48.2% do not have improved sanitation. These stark figures do not adequately convey the massive deprivations involved – the impacts on health, loss of wages and schooling, and enhancement of poverty from medical expenses. This is also a clear example of the interconnectedness of the sustainable development challenges of environmental protection, poverty eradication, and economic growth.

Hitherto, the approach in India has been to rely exclusively on direct fiscal provision and public interventions to provide

these services. Recently, however, several models of non-governmental provision, so far by non-profits and local communities, have emerged. The essential components are: collection of user fees, revenue streams from excreta (as manure and source of biogas), and decentralized management of the necessary infrastructures. Thus Sulabh International, a NGO has successfully replicated such a model for provision of sanitation, albeit so far in mainly urban areas, with full financial viability. Also, several wards in Mumbai have implemented a community based version of the model.

However, possibilities for scaled, profit making certainly exist, and can be realized through entrepreneurship. In the Soweto township outside Johannesburg in South Africa, private firms provide sanitary latrines to individual households, removing the excreta at fixed intervals, for a monthly fee. It is difficult to see that such models cannot, be realized in India, at least now that 80% of villages are connected by all-weather roads. Each individual project may be of small scale, catering to a few hundreds of people, but the aggregate exceeds 500 million persons.

#### **Urban Water Supply:**

Corporate governance approaches may help address India's chronic deficiencies in urban infrastructure. Thus the Jamshedpur Utilities and Services Company (JUSCO)

is an example of an integrated urban water system under a corporate management model. This subsidiary of Tata Steel, JUSCO became operational in 2004 with the transfer of 1,375 employees from Tata Steel's Town Division, and has evolved into a integrated utilities provider in a range of areas, including rain water harvesting, wastewater resue, construction, municipal solid waste management, power, and integrated facility management.

This case illustrates to other utilities attempting to reach better service delivery standards. It offers encouraging insights for replication in governance, operations, and technology or management practices to provide equitable, affordable services in a commercially and environmentally sustainable manner.

These examples are intended to illustrate the diversity of opportunities that exist. Some require governmental regulatory support, and even fiscal provision. Some others may be realized in parallel with governmental efforts, but are in no way dependant on government support. The common theme running through these models is the harmonizing of economic opportunity with environmental protection and poverty eradication.

\* UNDP New York, 2011, p 144



## The imperatives of environment and development: perspectives and expectations from the Rio 2012 Conference

Mr Brice Lalonde, Secretary General, Rio+20 Conference

More than 50,000 people are expected to participate next June in Brazil in the United Nations Rio+20 conference. Rio+20 will not only be a summit, but also a major gathering of mayors, business CEOs, think tanks, trade-unions, and NGOs, all expecting to contribute to a milestone in the implementation of sustainable development. The United Nations General Assembly's resolution creating the Rio+20 conference, decided that two themes would be at the centre of the meeting, one being institutions for sustainable development, the other—green economy for sustainable development and poverty eradication.

Greening the economy is not very different from the content of most of the reports and conferences that have been taking place under different names in the last forty years—after the famous Limits to Growth publication, from the Spaceship Earth economy of the seventies to the sustainable development Agenda 21 of the 1992 Rio conference. The main difference between 1972 and 2012 is that the idea has grown from being shared only in small circles to becoming today the view of the majority—green economy is the economy of the future. But, there are still questions about the best way to get into it as fast, equitably, and cheaply as possible.

Green economy has made considerable progress in both theory and practice. Ecological economics are the fastest growing disciplines in the field of economic sciences, outstripping the old neoclassic models. A number of scholars are working now on valuing ecosystems, accounting

for natural capital, changing discount rates, understanding thermodynamics, and so on. The time of scarce labour and unlimited natural resources has come to an end and we need new economic guiding principles. Economists are moving to set the fundamentals. They talk of changing the tax system to minimize the use of natural resources, setting aside provisions for compensating possible environmental damage, measuring footprints of processes and products, using full cost accounting, recycling materials, injecting information into markets, and they are assessing the cost, the social impact, and the trade consequences of such a shift in society's activities.

On the ground, on a more pragmatic note, different sectors of the economies are showing changes. This is visible in the field of energy where the quest for efficiency has become a priority and where the share of renewables in the energy sources mix is continuously growing, activating a flow of innovations in technology. The building industry is also experiencing a major change. Combined with a better urban planning in which presence of nature, high density housing, and public transport systems are features of modern cities, more and more green buildings and green neighbourhoods are appearing on our urban landscapes. Transport is another sector where a new generation of vehicles is replacing inefficient and wasteful machines. But, it does not only concern airplanes and cars, it is also about lifestyles and behaviour. Look at the irresistible conquest of cities by the bicycle. Undoubtedly, the consumer is now asking for

greener products and services. It is especially true in food and tourism. People are keen to eat food produced in an ecologically sound way, and better from a farmer or a brand they can trust. The United Nations Environment Programme, in a recent report on the green economy, has listed 10 areas where investments representing 2% of the global GDP would quick-start the needed transition: energy, buildings, water, forestry, fisheries, manufacturing, waste, tourism, and transport. Most of these sectors now have their champions for sustainable development who are enjoying growing shares of their markets, using certification and reporting schemes, and influencing an increasing number of suppliers, clients, and competitors. National and local governments are engaging in sustainable development strategies, setting goals, revising codes, and tightening standards. The European Union, for instance, has recently adopted a "Road Map to a Resource Efficient Europe".

Not that all the problems faced by humankind are close to be solved nevertheless. Eliminating poverty requires more efforts from companies and governments. The bottom of the pyramid business models, the contribution of information technologies, universal access to energy services, transport infrastructure, availability of microcredit, existence of social safety nets, education and capacity building, empowerment of women are the necessary travelling companions of greener economies. As poorest parts of populations depend much more heavily than the others on healthy and fertile ecosystems, greener economies should contribute to combat poverty more efficiently.

Green economies have common features, but in practice each country has its own green economy because the people, the culture, the nature, the resources, the political priorities are different from one country to another. Each country decides on its policies, goals, and tools, to green its economy. One can think nevertheless of the same sort of check list that companies are asked to tick for reporting on their sustainable development commitments: energy, water, land use, and so on. Actually, the 1992 Agenda 21 is still quite a relevant check list. The question becomes a little trickier when you come to common goods.

The definition of common goods is typically a mixed political and scientific one. Our planet is a common good. Obviously humankind also shares the atmosphere, the geostationary orbit, the wavelengths range, and most of the oceans. Biodiversity as a main support of the biosphere is a common good, but countries claim property over genetic resources found on their land. The continental shelf is now appropriated by countries, for exploitation as much as for protection since technology allows drilling or building windmills in high seas. Finally, the fundamental biogeochemical cycles of the global ecosystem should be considered as common goods—carbon, nitrogen, phosphorus—but some of the consequences of disturbances in these cycles appear locally and have prevented these cycles from being perceived as global. The same with freshwater, if we think of the importance of snow at the top of the mountains from where most rivers flow. Some metals or minerals are so crucial that an utopist could ask for a fair share between nations, but we are far away from it. Human population

as a whole is our last common resource, with its demographic trends, but is fragmented in 194 different people that shadow the global view. Getting into more political grounds, one could argue that science is a common good, or literature and art, or economic and financial stability, but these legitimate considerations collide with multiple national interests. So, let's concentrate on environmental common goods.

Under pressure from the scientists, the international community is faced with the obligation of managing these common goods before they are damaged, provoking a new "Tragedy of the Commons". This title refers to a famous piece published in the magazine *Science* in 1968 describing how overgrazing depletes a common pasture when too much livestock is feeding on it and using this example as a metaphor for modern plundering of forests or fisheries. Each rancher believes it is in his interest to send more animals to the land while, in the long term, the land is destroyed to the detriment of all. This story seems familiar to climate change negotiators who witness increasing consumption of fossil fuels sending always more greenhouse gases into the atmosphere. Multilateralism has not yet got to the point of creating mechanisms to avoid passing tipping points and to share the discipline or the burden between all nations. For the time being, efforts from governments and stakeholders are voluntary. They will probably become required in the future, though most international law still escapes any control or sanction. But, nothing is for ever: the trend towards more international regulation is steady.

Besides, we are informed nowadays by science and everybody is presumed to know the facts.

In many parts of the world, public opinion is aware of the issues and expects governments and businesses to act. Modern information technologies have considerably strengthened the influence of civil society organizations. Unscrupulous grabbers of unfair advantage today will become liable tomorrow. Moreover, as seen before, the transition to greener economies is moving the competitiveness landscape, the management of common goods being one of its main benchmarks. As soon as a new process or product is invented that reduces the footprint of a sector, standards are issued in line with the new point of reference. The winners of the next economic competition cycle will be those who anticipate the transition, follow sustainable development strategies, invest in resource-efficient technologies, and adopt ethical positions.

I believe the double imperative of development and environment will bring nations on a path of closer cooperation. The principle of subsidiarity establishes that each problem should be solved at the relevant level, the closest possible to the people. But, there are questions dealing with nations that need to be addressed in international forums and, more and more today, global issues of planetary dimension. These are in a way supranational, if the use of such a politically incorrect word is allowed. And, I believe, the international community, with the engagement of all its actors, must invent the tools to cope with these planetary issues.

Perhaps this is the sense of these slow-paced conferences, building Rio 2012 on the legacy of Stockholm 1972 and Rio 1992: and if planet Earth was one country?

## PARTNERS IN CHANGE

### TERI-BCSD and NASSCOM launches a report on “Sustainable Tomorrow: Harnessing ICT Potential”



**T**ERI-(BCSD) Business Council for Sustainable Development and NASSCOM (National Association of Software and Services Companies) launched a report titled, ‘Sustainable Tomorrow: Harnessing ICT Potential’ on 22nd December 2011. The report is an attempt to bring together the entire ecosystem of users and providers of IT applications and services that can help meet the goals of climate change and environment sustainability. The report emphasizes on the role played by ICT in reducing India’s energy requirements by encouraging practices that promote a healthier environment

without impeding the economic growth. The report recognises the potential of ICT sector and largely focuses on cost effective product enhancement and not necessarily driving energy efficiency.

The report is result of a research project jointly undertaken by TERI-BCSD and NASSCOM with help of its member companies in identifying IT solutions that can play a game changing role in reducing carbon footprint and defining new opportunities.

This initiative attempts to engage with key state and central government departments and present the barriers vis-à-vis current practices. The scope

of work is not limited to GHG emission abatement, but also encompasses pragmatic steps to reduce the footprint of the ICT sector and accelerate adoption of green practices; and perspectives of other industry sectors on large scale use of ICT services and infrastructure for both mitigation and adaptation to climate change. Speaking on the initiative Dr R K Pachauri, Director-General, TERI said, “The rapid growth of the ICT sector in India makes it imperative that future activities in this field fully meet the objectives of sustainability and social responsibility.”

Applauding the report, Mr Sachin Pilot, MoS,

Communications and Information Technology said, “Our ministry compliments NASSCOM and TERI for taking this initiative towards enabling India’s immediate action on sustainable development. I have no doubt in my mind that ICT can play a transformational role by partnering with both Government and Enterprises in India to go Green. I also urge the ICT industry members and research organizations like TERI to take the lead in making India an Innovation hub for Green Technologies and practices.”

Speaking on the occasion, Mr Som Mittal, President, NASSCOM, said, “As India moves towards becoming a knowledge-based society, ICT solutions can aid development in different ways. In the last decade, ICT has helped India improve its efficiency and contributed to better governance, thereby, changing India’s image globally. The IT Industry is playing a transformational role in the way businesses, customers and citizens are serviced, and also leading the way in establishing a new paradigm for Knowledge and Services led economy.”

He further added, “There is immense scope for IT Industry and its members to enable

customers across verticals to harness Green Technologies and Practices, and create new models for a low-carbon, energy efficient economy. We, at NASSCOM believe that it is the confluence of Information Technology, Communication Technology, Automation and Digital Technology is clearly way forward to enable environment.”

A multi-case consultative approach has been adopted to develop the report. Researchers from relevant research divisions in TERI and select members from ICT companies were engaged as subject matter experts to develop the report.

ICT plays a transformational role by enabling firms across sectors to measure, control and maintain and efficiently run (Green) business and significantly contribute towards reduced carbon footprint.

The Indian IT-BPO sector is actively participating in the ‘Green’ movement, increasingly focusing on issues such as energy conservation and on utilising IT to reduce the carbon footprint, enhance efficiency and business capabilities, improve productivity and preserve the environment. This imperative is also reflected in customers demanding more environment friendly products,

and solutions to help them to setup Green Data Centres and drive energy efficiency in their facilities and core processes. Besides consciously creating more energy efficient products and services for customers, IT-BPO organisations in India are also working hard to establish Green Practices within their own organizations.

Green practices adopted by IT-BPO organizations for greater sustainability are on three pillars:

- Facility Management includes Green Buildings, Energy Efficient Cooling, Water Management, Efficient Lightings, Bio-Diversity, Renewable/Non-conventional sources of energy
- IT Infrastructure Management includes Energy Efficient PCs, Green Data Centre, Virtual Meetings, Cloud/Grid Computing, e-Waste Disposal
- Processes & Practices includes Energy Audits, Sustainability Reporting, Carbon Disclosure, Employee Awareness & promoting shared or public transport options

## CONTRIBUTIONS INVITED

EnCoRE invites contributions from TERI-BCSD India members on themes related to sustainable development in the form of

- News
- Announcements
- Articles
- Technical notes
- Case studies
- Suggestions

For details on advertising in and contributing to EnCoRE, please contact: Mr Bhuvan Verma  
Tel. +91 11 2468 2100 or 4150 4900 • Fax +91 11 2468 2144 or 2468 2145  
E-mail: [bcسد@teri.res.in](mailto:bcسد@teri.res.in)



## In Focus

### 2nd India Energy Efficiency Forum organized by TERI-BCSD and Johnson Control



**T**ERI-BCSD (Business Council for Sustainable Development) recognizing energy as the key driver of economic growth organized the 2nd India Energy Efficiency Forum themed “Time to Get Smarter”, along with Johnson Controls. Building on the first Forum in 2010, where the TERI Business Council along with Johnson Controls helped move efficiency to the top of corporate agenda, This year’s intention was to capitalize on the momentum behind energy efficiency and to help ensure that the policies, business models, technologies, manufacturing processes and communications drive energy efficiency in an intelligent way. This year, in the light of recent developments i.e. PAT (Perform Achieve Trade) mechanism under NMEEE (National Mission on Enhanced Energy Efficiency) and the well-established ECBC (Energy Conservation Building Code) and Star Labeling TERI-BCSD and JCI proposed to undertake a dual pronged approach to address:

- Energy efficiency in buildings

- Energy efficiency in energy intensive large industries

Over 100 leaders from the public and private sector, heads of multi / bi-lateral organizations and senior government representatives from across the country attended the forum, which was also co-partnered by the Bureau of Energy Efficiency (BEE), The World Environment Centre (WEC), and media partner Everything About Green Buildings.

Speaking at the 2nd India Energy Efficiency Forum 2011 senior colleagues from Bureau of Energy Efficiency, Ministry of Steel, National Productivity Council, Lafarge, ACC Ltd, Dalkia Energy Services Ltd, Schneider Electric India Pvt., Danfoss, PTC India Limited, World Bank, IFC, GIZ and USDOE engaged the participant delegates with their experiences in the field of Energy Efficiency. The event was supported by Bureau of Energy Efficiency, World Environment Centre and media partner Everything About Green Buildings. The high profile event was attended by over 150

delegates from TERI-BCSD India member companies, senior officials from the government, business and civil society who discussed and identified barriers to energy efficient practices and highlighted opportunities for energy efficiency in India.

Speaking on the importance of achieving energy efficiency as a priority agenda, Mr Arun Seth in his inaugural address said, “Across the globe, energy efficiency is moving up the political agenda as legislators and the stakeholder community have begun to realize the potential of energy efficiency to reduce carbon emissions, increase energy security, and create jobs. Energy markets, meanwhile, are transforming and integrating energy efficiency as a valuable resource alongside traditional energy sources. The need today is behavioral change, affordable energy practices and intelligent usage of IT and Telecom systems to make energy efficiency practices smarter and analytical.”

Dr Prodipto Ghosh, while setting the theme for the forum, and detailing the PAT (Perform Achieve Trade) mechanism under NMEEE (National Mission on Enhanced Energy Efficiency), said, “India faces an enormous challenge of development growth and poverty eradication. 475 million people in India don’t have access to electricity, and without access to modern and smarter energy, the aspirations to lift the poorest of the poor, and the economy will be futile. It is important that we achieve energy efficiency soon as India is galloping towards becoming the biggest economy’s in the

future. Today this forum, is to a large extent going to focus on, not simply on wide ranging discussions on energy efficiency, but also on the PAT mechanism, and the well-established ECBC and star labeling mechanism available to the corporates today, so that they too play a key role in driving global and national efforts to combat climate change.”

In his address, Mr Pramoda Karkal said, “Johnson Controls India has been conducting these forums for the last several years in US, UK, and China, and we are extremely happy to be conducting the second Energy Efficiency forum with TERI-BCSD India once again. One of our missions is to provide solutions based on a planned approach to manage sustainable economic growth by increasing the energy generation with the right energy mix and, the Energy Efficiency Indicator (EEI) survey findings by JCI show that Indian business leaders are increasingly aware of the need for energy management and its impact on the environment as well as reducing operating costs.”

In India, energy efficiency is increasingly seen as a viable option that is cost competitive, supplemental and environmentally sound. However, an integrated and coordinated approach for technological improvements, policy measures and institutional development is essential to improve energy efficiency in various sectors of the economy. The first step towards building this approach is to understand the concept, identify the issues and challenges involved and thereafter arrive at solutions.

In an attempt to promote energy efficiency in the residential and commercial areas, the 2nd IEEF encouraged discussions and deliberations on issues related to corporate

practices on energy management, performance contracting, energy efficiency indicators standards and labeling. Sustainable Habitats - trends in commercial buildings, serious gaming scenario potential for energy efficiency were also discussed. Further, tackling the agenda of energy efficiency in energy intensive large industries, the forum also addressed issues emerging out of PAT, innovative financing bridges, energy efficiency barriers, technology options to achieve ‘Reduction Targets’, Eco Innovation, ECerts and Energy Efficiency promoting schemes. During the Event JCI also highlighted the global Energy Efficiency Indicator (EEI) survey stating that building owners and operators throughout India continue to place higher importance on energy management in comparison to their peers in other major countries. 450 building owners and operators in India participated in 3rd survey conducted by Johnson Controls India which included a majority of TERI Business Council member companies. Key findings from the survey include:

- 88 percent of Indian respondents consider energy management very or extremely important – an increase of three percent over last year.
- For the second consecutive year, India’s level of concern for energy management was higher than in other parts of the world – 84 percent in China, 66 percent in the U.S. and 61 percent in Europe.
- More than half of the respondents (53 percent) indicated they plan to pursue green building certification either for new construction or existing buildings over the next year, while the number of respondents with at least one certified green building

increased 12 percent from the 2010 survey.

- The survey also showed that over the past year 65 percent of Indian respondents made improvements in lighting efficiency and 60 percent made heating, ventilation and air conditioning and/or control improvements. Other efficiency steps included on-site renewable energy (44 percent) and energy supply and demand management (40 percent). Large organizations (44 percent) were twice as likely as smaller companies (21 percent) to have adopted renewable technologies in the past year.
- Despite the expressed high interest in increasing efficiency, 26 percent of survey respondents from the institutional sector (government, hospitals and schools) cited lack of funding to pay for improvements as a crucial barrier to pursuing their goals.
- In the commercial and industrial sectors, the top barrier cited was a lack of awareness about the technologies and services available for increasing energy efficiency.
- Best practices for driving implementation included setting a reduction goal, frequent analysis of energy data, the addition of internal and external resources, and use of external financing.
- About 46 percent of respondents expect the country’s National Action Plan for Climate Change to influence their organization’s energy-efficiency investment decisions.
- Three in four (76 percent) respondents expect national-level policy within two years mandating energy efficiency or carbon reductions.

## ON THE MOVE

# TERI-BCSD organizes 1st Sectoral Awareness and Capacity Building Programme on “Promoting Business Sustainability: Gaining a Competitive Edge”

**P**romoting Sustainable Habitat as a key element of corporate portfolio on business sustainability, TERI-BCSD India has initiated a series of Awareness and Capacity Building Programme on Business Sustainability with a special focus on GRIHA. The first two-day workshop held at TERI University, New Delhi during 22-23 November.

Mr Tantra Narayan Thakur, Chairman & Managing Director, PTC India Ltd while championing this training series, welcomed the participants and acknowledged the association with ADaRSH (Association for Development and Research of Sustainable Habitats). Mr Tantra Narayan Thakur stated “We must start now to progressively reduce energy and resources use in our new and existing buildings in order to reduce the environmental footprint of buildings on earth’s finite resources”. Senior colleagues from TERI, Ms Annapurna Vancheswaran, Director, Sustainable Development Outreach Division; Ms Mili Majumdar, Director-Sustainable Habitat, ADaRSH Division and Dr Ritu Mathur, Associate Director, Modelling & Economic Analysis Division also welcomed the participants at the workshop.

During the workshop, Ms Mili Majumdar, Director, Sustainable Habitat, ADaRSH Division highlighted the importance of

Green Buildings and GRIHA for Sustainable Development. Mr Apoorv Vij, Research Associate, ADaRSH, TERI, provided the participants an overview of features of GRIHA (the National Rating System for Green Building) and how GRIHA is helpful in achieving energy efficiency in buildings. The workshop also discussed the strategies being implemented in GRIHA compliant projects to achieve substantial environmental benefits and the industry experiences through implementing such strategies in the new and existing building sector.

Mr Deependra Prashad, Principal Architect, Deependra Prashad Architects & Planners (DPAP), Delhi and Mr Tanmay Tathagat, Advisor, Environmental Design Solutions shared examples, experiences and learning of GRIHA Compliant Projects with the audience. Mr Sriram N, GRIHA Trainer / IGBC AP and Design Engineer, Structural Glass Solutions, Saint-Gobain Glass India Ltd, discussed how glass can be used in achieving energy efficiency in the built environment.

The Workshop also comprised of a dedicated session by Dr Ritu Mathur highlighting the challenges and business opportunities of Climate Change and one-hour interactive session on - National

Voluntary Guidelines on Business Responsibility wherein Mr Shankar Venkateswaran, Director, SustainAbility and Ms Annapurna Vancheswaran, Director, Sustainable Development Outreach Division, TERI provided insights on the need for ‘business responsibility’ in the Indian context and how National Voluntary Guidelines can help in positioning the Indian corporate sector as a global leader in responsible business.

The workshop curriculum included classroom style lectures, panel discussion, field visit to TERI RETREAT (Resource Efficient TERI Retreat for Environmental Awareness and Training), Gual Pahari and live demonstration of TERI’s Smart Mini Grid (SMG) facility for a more hands-on experience of technologies enhancing operational sustainability.

The workshop was attended by industry colleagues entrusted with sustainability and running of facility & utility management at leading companies in India such as Asahi India Glass Ltd, BASF India Ltd, GMR Group (Delhi International Airport (P) Ltd), GMR Infrastructure Ltd, Indus Towers Ltd, Marg Ltd, ONGC Ltd, Oil India Ltd, Panasonic India Pvt Ltd and Jubilant Life Sciences Ltd.





## Training and Capacity Building Workshop on Sustainability



**R**eaffirming its commitment to promote sustainable development among corporates in India, TERI-BCSD facilitated the fourth 'Training and Capacity Building Workshop on Sustainability Reporting' on 16-17 September 2011 at TERI, New Delhi under the Framework Agreement between the Norwegian Ministry of Foreign Affairs (MFA) and The Energy and Resources Institute (TERI), for the 'Programme of Cooperation on Energy, Environment, and Climate Change'. The workshop was conducted by trainers Mr Santhosh Jayaram and Ms Sangeeta Mansur from DNV (Det Norske Veritas AS). DNV, a member company of TERI-BCSD and one of the leading assurance and certification bodies across the world

The workshop provided hands-on experience on sustainability reporting through case study based group exercises apart from enhancing learning on report preparation process. Participants were introduced to different standards and principles such as AA 1000 Assurance Standard, ISAE 3000, UNGC, with special

focus on Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (version 3.0 & 3.1). The workshop provided an understanding on the future trends in reporting sharing insights on emerging concepts such as Integrated Reporting, XBRL & Sustainability Reporting and Interactive Reporting. During the workshop, Mr. Deepak Jain (General Manager-Sustainability, Jubilant Life Sciences Ltd) shared Jubilant's experiences and journey in preparing its Sustainability Reporting with the participants.

The Workshop also comprised of a one-hour session - "Stakeholders' Perspective" wherein Ms Renu Vasanth Kumar (Head - Corporate Sustainability

& Marketing Services) provided insights on the need for reporting on Sustainability Performance from investors' point of view. Mr Manoj Arora (Additional Director, Directorate of Export Promotion and Former Director, IICA, MoCA) shared the government's perspectives on the imperatives of sustainability reporting as a step towards moving to a mandatory regime in order to drive the sustainability agenda among corporates in India. The programme concluded with Dr R K Pachauri (President, TERI-BCSD India and Director-General, TERI) sharing his views on sustainability and its economic implications.

About 28 middle & senior managerial level representatives from leading companies like ACC Ltd, Chambal Fertilizers & Chemicals Ltd, GAIL (India) Ltd, Hindustan Zinc Ltd, Holcim (Lanka) Ltd, HPCL Biofuels Ltd, India Glycols Ltd, Ingersoll Rand (I) Ltd, JSPL, Mahindra Satyam Foundation, Reliance Industries Ltd, Tata Motors, TQMS, Tata Steel, The Walt Disney Co. (I) Pvt. Ltd, Verde Consulting Pvt. Ltd and Vipul Shah & Associates participated in the workshop.





# RESOURCES

## Publications

### Adapting for a Green Economy: Companies, Communities and Climate Change

Putt del Pino, S; Metzger E, Prowitt, S. 2011, Washington, US. United Nations Global Compact, United Nations Environment Programme and Oxfam. 72p

Drawing on the results of a 2010 survey of corporate signatories to the United Nations Global Compact and the United Nations Environment Programme Caring for Climate initiative, as well as on existing literature, this report makes the business case for private sector adaptation to climate change in ways that build the resilience of vulnerable communities in developing countries. It then offers actions that companies and policymakers can pursue to catalyze and scale up private sector action for adaptation. It is ultimately the responsibility of the public sector to meet the critical climate change adaptation needs of the poor and vulnerable; thus private sector engagement cannot substitute the critically needed public investment and policies. However, private sector investment can serve as a pivotal part of a comprehensive governmental approach to addressing climate impacts. This report is a resource for companies with a national, regional or global reach that are interested in increasing their strategic focus on adaptation in developing countries where they have operations, supply chains, employees and current or potential customers.

### World on the Edge: How to Prevent Environmental and Economic Collapse

Brown, Lester. 2011 London, UK. Earthscan. 240p

The book looks at environmental threats to international stability and analyses the international cooperation required to stem environmental deterioration. The issues dealing with closing coal-fired power plants, saving Greenland ice sheets, avoiding sea level rise are some of the issues dealt in the book.

### Climate Change, Ecology and Systematics

Hodkinson, Trevor R; Jones, Michael B; Waldren, Stephen and Parnell, John A N. 2011 Cambridge, UK. Cambridge University Press. 544p

With contributions from 60 key researchers, this book examines the ongoing impact of climate change on the ecology and diversity of life on earth. It discusses the latest research within the fields of ecology and systematics, highlighting the increasing integration of their approaches and methods. Topics covered include the influence of climate change on evolutionary and ecological processes such as adaptation, migration, speciation and extinction, and the role of these processes in determining the diversity and biogeographic distribution of species and their populations. This book ultimately illustrates the necessity for global conservation actions to mitigate the effects of climate change in a world that is already

undergoing a biodiversity crisis of unprecedented scale.

### Deploying Renewables 2011: Best and Future Policy Practice

International Energy Agency. 2011 Paris, France. IEA. 186p.

The book reviews the success of policy implementation and development based on an analysis of market trends in the three renewable energy (RE) sectors - electricity, heat and transport. It also provides an in-depth analysis of the deployment impact and cost-effectiveness of current policies based on quantitative indicators.

### Carbon Coalitions: Business, Climate Politics and the Rise of Emissions Trading

Meckling, Jonas. 2011 Massachusetts, USA, the MIT Press. 250p

The author presents a comprehensive study on the rise of carbon trading and the role business played in making this policy instrument a central pillar of global climate governance. The book explains how a transnational coalition of firms and a few market-oriented environmental groups actively promoted international emissions trading as a compromise policy solution in a situation of political stalemate. The coalition sidelined not only environmental groups that favored taxation and command-and-control regulation but also business interests that rejected any emissions controls. Considering the sources of business influence, the author

emphasizes the importance of political opportunities (policy crises and norms), coalition resources (funding and legitimacy,) and political strategy (mobilizing state allies and multilevel advocacy).

### Energy, Sustainability and the Environment: Technology, Incentives, Behavior

Sioshansi F (Ed). 2011  
Oxford, UK: Butterworth-Heinemann (Elsevier), 598p.

The complexity of carbon reduction and economic sustainability is significantly complicated by competing aspects of socio-economic practices as well as legislative, regulatory, and scientific requirements and protocols. An easy to read and understand guide, the author, along with an international group of contributors, moves through the maze of carbon reduction methods and technologies, providing steps and insights to meet carbon reduction requirements and maintaining the health and welfare of the firm. The book's three part treatment is based on a clear and rigorous

exposition of a wide range of options to reduce the carbon footprint. It also provides insights into challenge of sustainability, technological solutions and case studies. There was a widespread recognition among environmental engineers and energy economists of the importance of carbon reduction while sustaining the firm's economic growth. The only book to bring together both subjects into one easy to understand reference, carbon reduction and economic sustainability not only clearly explains which option has the lowest energy/carbon footprint but also which would better suit the business in question. This includes carbon reduction for residential, transport, industrial and public sectors.

### Global Report on Human Settlements 2011: Cities and Climate Change

United Nations Human Settlements Programme. 2011  
United Nations. 304p

The book examines the links between urbanization and climate change, the potentially

devastating effects of climate change on urban populations and the policy responses and practices that are emerging in urban areas. Over half of the world's population now lives in urban settlements, and the convergence of urbanization and climate change threatens to have an unprecedented impact on economies, quality of life, and social stability. Alongside these threats, however, is an equally compelling set of opportunities. The concentration of people, industries and infrastructure, as well as social and cultural activities, acts as a crucible of innovation - developing ways to reduce greenhouse gas emissions, improve coping mechanisms and reduce vulnerability to climate change impacts. This report shows how cities can improve the way they operate in order to respond to climate change and provides practical strategies for strengthening their role as part of the solution.



## International Initiatives

### Division for Sustainable Development, United Nations Department of Economic and Social Affairs

The Division for Sustainable Development (DSD) is an authoritative source of expertise within the United Nations system on sustainable development providing leadership. It promotes sustainable development as the substantive secretariat to the UN Commission on Sustainable Development (CSD) and through technical cooperation and capacity building at international, regional and national levels. The division facilitates intergovernmental negotiations, consensus-building and decision-making through the provision of substantive support to the work of the CSD and other related bodies. It provides technical assistance, expert advice and capacity building to support developing countries and countries with economies in transition, in their efforts to achieve sustainable development. The objectives of the division are:

- Integration of the social, economic and environmental dimensions of sustainable development in policy-making at international, regional and national levels;
- Wide-spread adoption of an integrated, cross-sectoral and broadly participatory approach to sustainable development;
- Measurable progress in the implementation of the goals and targets of the Johannesburg Plan of Implementation.

The United Nations Department of Economic and Social Affairs also hosts the secretariat of

the forthcoming Rio +20, United Nations Conference on Sustainable Development.

<http://www.un.org/esa/dsd/index.shtml>  
<http://www.uncsd2012.org/rio20/>

### Business Action for Sustainable Development 2012

Business Action for Sustainable Development 2012 is a coalition of leading international business groups who are committed to sustainable development.

To coordinate the business contribution at Rio+20, the World Business Council for Sustainable Development, the International Chamber of Commerce, and the Global Compact have formed the inclusive coalition. This coalition will ensure that business is recognized as a solutions provider in the sustainability space and remains fully engaged in the Rio+20 process. BASD 2012 aims to represent the constructive business voice in the United Nations RIO+20 process by:

- Coordinating the business input to the formal RIO+20 process;
- Representing business and industry sectors at the UNDESA/DSD Major Groups Programme which is aimed at enhancing Major Group participation in the UNCSO process;
- Demonstrating (a) progress made since the original conference in Rio and, (b) that business is committed to providing market-based solutions and practices that are essential for the creation of a sustainable world;
- Organising an event during the conference for business to deliver key messages to the participants and to showcase business' progress since Rio

1992, for example holding a partnership fair demonstrating how business is working with stakeholders to progress on sustainable development issues;

- Coordinating with other organisations (including UN agencies such as UNEP and UNEPFI) present in Rio.

<http://basd2012.org/>

### United Nations Global Compact

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. By doing so, business, as a primary driver of globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere. The Global Compact pursues two complementary objectives:

- Mainstream the ten principles in business activities around the world
- Catalyze actions in support of broader UN goals, including the Millennium Development Goals (MDGs)

With these objectives in mind, the Global Compact has shaped an initiative that provides collaborative solutions to the most fundamental challenges facing both business and society. The initiative seeks to combine the best properties of the UN, such as moral authority and convening power, with the private sector's solution-finding strengths, and the expertise and capacities of a range of

key stakeholders. The Global Compact is global and local; private and public; voluntary yet accountable.

The United Nations Global Compact will organize the Rio+20 Corporate Sustainability Forum: Innovation & Collaboration for the Future We

Want in Rio de Janeiro – held in cooperation with the Rio+20 Secretariat, the UN System and the Global Compact Local Network Brazil. The objective of the week-long forum is to strengthen the business contribution towards sustainable development globally – seeking

to bring greater scale and quality to implementation of corporate sustainability practices, innovation and collaboration.

*<http://www.unglobalcompact.org>*

## Internet resources

### **Business Council for Sustainable Energy**

<http://www.bcse.org/>

The Business Council for Sustainable Energy was created to advocate policies to promote the economic, environmental and security goals in natural gas, energy efficiency, electric utility and renewable energy industries. The website provides information on efficient, economic and environmentally sound technologies, such as fuel cells, solar power, cogeneration, wind power and natural gas combined-cycle systems. It also hosts information on financing, projects reports, consultancy, publications and related links.

### **CRiSTAL: Community-based Risk Screening Tool – Adaptation and Livelihoods**

<http://www.iisd.org/cristaltool/>

The Community-based Risk Screening Tool – Adaptation and Livelihoods (CRiSTAL) is designed to help project planners and managers integrate climate change adaptation and risk reduction into community-level projects. Community-level development projects can play a critical role in helping people

adapt to the impacts of climate change through activities that, inter alia, restore ecosystems, strengthen local capacities for risk management and diversify livelihoods. CRiSTAL helps project planners and managers to exploit this potential and minimize mal-adaptation without concrete understanding of how projects influence climate-related vulnerability and adaptive capacity.

### **Renewable Energy Database**

<http://www.re-database.com/>

The Renewable Energy Database facilitates the global transfer of information about the latest developments in the area of renewable energy. By presenting companies and organizations dealing with sustainable development, it helps to stimulate networking between actors active in the same area. This facilitates the exchange of information and cooperation on projects dealing with green energy.

### **Reegle**

<http://www.reegle.info/>

The website presents clean energy information for

countries, including statistics on energy, electricity and emissions; overview of related policies and regulations; and catalogue of key stakeholders. It also includes directory of more than 1700 clean energy stakeholders; catalogue of relevant key actors and stakeholders; and map search of energy statistics and potentials.

### **Water Innovation Centre**

<http://www.iisd.org/wic/>

Water Innovation Centre (WIC) is a global knowledge hub for water management. Located at International Institute for Sustainable Development, the Centre's primary focus is the systematic evaluation of water management measures, costs and benefits. The Centre's integrated water management policy and practice innovations are designed to be relevant worldwide. The Centre's research areas focus on ecosystem services, governance and management, wetlands, technology, ecohealth, community outreach and education.



## Media clips

### New Mining Bill wants coal Cos. to share 26% profits with locals

30 September 2011, *The Hindu Business Line*

A new Mining Bill stipulating that miners share benefits with project affected people was cleared by the Union Cabinet on Friday. The proposed Mines and Minerals (Regulation and Development) Bill, 2011, when implemented, would impose an additional burden of around Rs 10,000 crore annually on the mineral industry.

Coal companies will have to share 26 per cent of their net profits with the project affected people. Miners of other major minerals such as iron ore and bauxite have to shell out an amount equal to the royalty paid to the States.

The Bill will have a special provision for mining of small mineral deposits in clusters, where co-operatives can apply. It stipulates levy of cess — 10 per cent by the State Government and 2.5 per cent by the Centre on the total royalty paid — for setting up Mineral Funds at national and State levels for capacity creation.

### Legal heat on profitable firms likely over CSR gap

October 16, 2011 *Hindustan Times*

Profitable companies that do not spend 2% or more of their profits on corporate social responsibility (CSR) activities would be required to explain the reasons for not being able to do so, even though the government has not decided to make it mandatory for them to spend on philanthropic programmes.

“We have not mandated companies to spend 2% or any

particular amount on CSR but we expect all companies are expected to spend a reasonable amount on such activities and if they fail to do so, they would have to give valid reasons,” M Veerappa Moily, corporate affairs minister, told *Hindustan Times*.

The government was earlier toying with the idea of mandating companies to spend 2% of their net profit on CSR. Several companies such as Bharti Airtel, Hindustan Unilever Ltd, ITC Group and the State Bank of India have taken up CSR programmes are part of their business models.

Corporate India may also have to present elaborate and separate audit reports for their CSR programmes and environment-linked activities to ensure greater transparency and disclosure. The Institute of Chartered Accountants of India (ICAI) is chalking out a framework for reporting norms on CSR.

At present, companies are only required to make a mention of their CSR activities and the quantum of money that is being directed towards it. There is no separate audit for CSR.

The move comes in the wake of widespread corruption and surging black money.

### Manufacturing policy makes eco, water audits mandatory

October 27, 2011 *The Hindu Business Line*

The recently approved National Manufacturing Policy has stringent norms to ensure ‘green manufacturing’. These include mandatory environmental and water audit for all industrial and institutional units in the National Investment and Manufacturing Zones (NIMZs).

According to the policy, establishment of NIMZs is a key instrument to catalyse the growth of manufacturing. The policy has also made activities such as wastewater treatment and rain water harvesting compulsory for all industrial and institutional units in the NIMZs.

There is also rebate on water cess to industries setting up wastewater recycling facilities. It has also promised an incentive of Rs 2 lakh for all green buildings (more than 2,000 sq. m. built up area) in the NIMZ including industrial/ institutional/ commercial/ residential which obtain green rating under the Indian Green Building Council (IGBC/LEED) or GRIHA systems.

### National Bio Energy Mission soon: Farooq Abdullah

29 November 2011, *The Hindu Business Line*

A National Bio Energy Mission is being developed to push sustainable development of the renewable energy sector, Mr Farooq Abdullah, Union Minister for New and Renewable Energy (MNRE), said here on Tuesday. He was addressing the Bio Energy summit organized by Confederation of Indian Industries (CII).

“Grid parity among States is not equal and connectivity to remote locations is a major issue. The Ministry wants industry to bring innovative new technologies that would empower rural areas,” he said.

### India, China doing more for climate cause: UNEP report

December 06, 2011 *Hindustan Times*

Voluntary climate mitigation action of the emerging economies

such as India will lead to higher reduction in global warming causing carbon emissions as compared to emission cut pledges of the rich nations.

Voluntary climate mitigation action of the emerging economies such as India will lead to higher reduction in global warming causing carbon emissions as compared to emission cut pledges of the rich nations.

A United Nations Environment Programme (UNEP) report released on Tuesday saying that developing country's voluntary actions will have more impact on emission reduction in business to usual scenario would help developing nations in opposing emission cuts in new climate treaty.

"Brazil will achieve the most among emerging economies. India and China will also do well," said Achim Steiner, UNEP's top official told HT after releasing the report. Brazil in 2009 had announced voluntary emission reduction of 38-42% by 2020 whereas India has decided to reduce energy intensity (per unit of GDP) by 20-25% by 2020.

### All major ports will now have to shell out 5% towards CSR

*December 8, 2011 The Financial Express*

The government has decided to bring the port sector on a par with other public sector enterprises who assign a certain portion of profits for social development. All major ports will now have to shell out up to 5% of their net surplus towards development of adjoining areas through discharge of what is commonly known as corporate social responsibility. The new rule, which will take effect from the current financial year, is

part of the guidelines issued by shipping ministry for mandatory CSR by major ports that are controlled by the Centre.

CSR will be one of the main performance indicators for major ports and may impact their annual appraisal. Latest data from shipping ministry show that major ports witnessed around 30% increase in average pre-berthing time and 4% rise in average turnaround time during April-September 2011 against same period last year.

A letter written by the ministry to chairmen of all major ports stated that the ministry will monitor the CSR performance of ports and an external independent agency will be appointed for continuous evaluation of projects taken up under the initiative. The ports have to spend on CSR activities based on their net surplus. For ports that earn a net surplus of less than Rs 100 crore in the previous year has to spend 3-5% of that amount. If a port earns a surplus of Rs 100 crore but less than Rs 500 crore, CSR expenditure will be 2-3%. In case the surplus is Rs 500 crore or more, the applicable rate will be 0.5-2%. Loss making ports will have to undertake activities that don't involve monetary outgo.

### India gets its way as UN climate summit ends in Durban

*13 December 2011, Economic Times*

An impassioned speech by Environment Minister Jayanthi Natarajan capped the finale of the UN climate summit that ended here early Sunday with a Durban Package, after she warned that India "will never be intimidated by any threat or pressure". Natarajan's speech ensured that India's main concern - the inclusion of the concept of equity in the fight

against climate change - became part of the package.

According to the Durban Package, countries have agreed to work towards a new regime that ensures all countries take legal emissions cuts. The countries also committed to a second term of Kyoto Protocol - the existing regime.

Natarajan ensured there was a third option -- "an agreed outcome with legal force" apart from protocol or a legal instrument.

The plenary session of the UN Framework Convention on Climate Change summit came to a halt following row between Natarajan and European Union (EU) Climate Commissioner Connie Hedegaard after objection over agreements reached behind closed doors. The conference ended a day and a half behind schedule because of intense negotiations over contentious issues.

### India has commissioned 186 MW solar projects

*13 December 2011, Economic Times*

India has so far commissioned solar projects with capacity of about 186 megawatt, of which 40 MW worth of off-grid projects were commissioned in 2011, a senior government official said on Tuesday.

Tarun Kapoor, joint secretary, ministry of new and renewable energy, told reporters on the sidelines of Inter Solar conference in Mumbai.

India plans to build an initial capacity of 1 GW of solar power by 2013, enough to power close to 1 million homes. It would then add 3-10 GW by 2017, and hopes to grow that to 20 GW by 2022.

Coal currently accounts for 55 percent of India's power generation capacity of 182,344 MW.

## Fossil fuel-dependent India should tone up energy efficiency: PM

December 14, 2011 *The Hindu*

Calling for adoption of super critical and ultra-super critical technologies for power generation, Prime Minister Manmohan Singh said India should improve the energy consumption pattern in order to achieve the 12th Plan (2012-17) growth target of nine per cent.

“Since we are largely dependent on fossil fuels, any improvement in the energy efficiency of our thermal power generation plants will help reduce energy intensity of our GDP. To this end, we must

encourage increased use of super critical and ultra-super critical technologies for power generation.” Increased use of public transport in our cities, shift in freight movement from road to rail, use of new technologies like an Integrated Gasification Combined Cycle and energy efficient use of gas plants should be encouraged.

Dr Singh was speaking at the National Energy Conservation day function organized by the Power Ministry here.

As India imported a large component of commercial energy, “it is of vital importance that we redouble our efforts both to increase domestic supply of energy and to reduce the energy intensity of our GDP,” he said.

India, which is facing acute power shortage, has an installed capacity of over 1,80,000 MW.

The National Solar Mission aims to generate 20,000 MW by 2020. “Successful implementation of the National Mission on Enhanced Energy Efficiency... would lead to an annual fuel saving of about 23 million tonnes oil equivalent — in coal, gas and petroleum products,” the Prime Minister said.

Power Minister Sushil Kumar Shinde said government would soon launch a programme to accelerate use of appliances such as fans and tubelights which were 50 per cent more energy-efficient.

## Calendar of events

- Berlin  
21–25 February 2012  
**Solar Energy 2012**  
ProFair GmbH, Porschestra. 13, 31135 Hildesheim  
Tel. +49 5121 2062626  
Fax +49 5121 206260  
E-mail [messen@messen-profair.de](mailto:messen@messen-profair.de)  
Website: [www.messen-profair.de/Solarenergy/index.html](http://www.messen-profair.de/Solarenergy/index.html)
- London, United Kingdom  
28–29 February 2012  
**2nd Offshore Wind Supply Chain Conference**  
Teodora Tadorova, Event Director  
Tel. +44 (0)20 7375 7572 • E-mail [teodora@windenergyupdate.com](mailto:teodora@windenergyupdate.com)  
Website: <http://www.windenergyupdate.com/offshore-supply-chain/>
- Wels, Austria  
29 February – 02 March 2012  
**World Sustainable Energy Days 2012**  
Conference Secretariat, O.O. Energiesparverband, Landstraße 45, A-4020 Linz, Austria  
Tel. +43-732-7720-14380 • E-mail [office@esv.or.at](mailto:office@esv.or.at)  
Fax +43-732-7720-14383 • Website: [www.esv.or.at](http://www.esv.or.at)
- AlAin, United Arab Emirates  
4–7 March 2012  
**The 2nd International Conference on Renewable Energy: Generation and Applications**  
Conference Secretariat, Dr. Abbas Fardoun, Chair, Technical Program Committee, United Arab Emirates University, P.O.Box 15551, Al-Ain, United Arab Emirates  
Tel. 00971-3-7133608 • E-mail [afardoun@uaeu.ac.ae](mailto:afardoun@uaeu.ac.ae)  
Website: <http://www.engg.uaeu.ac.ae/icrega12/>
- University of Twente, The Netherlands  
19 March–20 April 2012  
**Formulating Proposals for CDM Projects**  
Ms Barbera van Dalm, CSTM-Twente Centre for Studies of Technology and Sustainable Development  
University of Twente, P.O. Box 217, 7500 AE Enschede, The Netherlands  
Tel. +31 53 489 4377 • E-mail [cstm-courses@mb.utwente.nl](mailto:cstm-courses@mb.utwente.nl)  
Fax +31 53 489 4850 • Website: <http://www.utwente.nl/cstm/contact/>
- Ancona, Italy  
7–9 May, 2012  
**7th International Conference on Urban Regeneration and Sustainability: Sustainable City 2012**  
Wessex Institute of Technology, Ashurst Lodge, Ashurst, Southampton SO40 7AA, UK  
Tel. +44 (0)238 029 3223 • E-mail [wit@wessex.ac.uk](mailto:wit@wessex.ac.uk)  
Fax :+44 (0)238 029 2853  
Website: <http://www.wessex.ac.uk/12-conferences/sustainable-city-2012.html>
- Colorado, USA  
13–17 May 2012  
**World Renewable Energy Forum (WREF 2012)**  
World Renewable Energy Congress, c/o Prof. A. Sayigh, P.O.Box 362, Brighton, BN2 1YH, United Kingdom  
Tel. +44 (0)1273 625643 • E-mail [asayigh@wrenuk.co.uk](mailto:asayigh@wrenuk.co.uk)  
Website: [www.wrenuk.co.uk](http://www.wrenuk.co.uk)
- Brazil  
20-22 June 2012  
**Rio +20, United Nations Conference on Sustainable Development**  
UNCSD Secretariat  
2 UN Plaza, Room DC2-2220  
New York, NY 10017, USA  
Email: [uncsd2012@un.org](mailto:uncsd2012@un.org)  
Website: <http://www.uncsd2012.org/rio20/index.php?menu=14>