

ENCORE

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Sustainability reporting: challenges and opportunities in India Inc.



India and sustainability reporting: theory and application
An exclusive note by Ernst Ligteringen, GRI

Indian Industries gear towards sustainability reporting initiatives
Inspiring cases from Corporate India

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Coordinator, TERI-BCSD India

- ▶ **Annapurna Vancheswaran**
Associate Director, Sustainable Development Outreach, TERI
<avanche@teri.res.in>

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Editor

- ▶ **Sulagna Choudhuri**
Research Associate, TERI-BCSD India
<sulagnac@teri.res.in>

Associate Editors

- ▶ **N Deepa**, Associate Fellow, TERI
- ▶ **Subrat Kumar Sahu**
Information Analyst, TERI

TERI-BCSD India

bcsd@teri.res.in • www.teri.res.in/core •

www.teriin.org • www.wbcds.org

TERI-BCSD (TERI-Business Council for Sustainable Development) India - initiated by TERI - is a regional network partner of the WBCSD (World Business Council of Sustainable Development), Geneva. 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. The following are its current members.

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Editorial



R K Pachauri
 Director-General
 TERI

The issue of sustainability in economic decision-making has come to the fore recently on account of a global explosion of interest in the subject and, with a very high level of curiosity on the part of the corporate sector. Traditionally, corporate performance is judged by a simple quantity or measure that is generally transparent. When it comes to evaluating the performance of business organizations towards socially relevant goals, companies use sustainability reporting as an important practice. This issue of *Encore*, therefore, is devoting its entire space to this particular subject. The extent of commitment that different companies have to the concept of sustainability and its

relevance to the future of humanity, comes from major corporations that have a stake in doing and appearing to do the right thing.

Given the rate at which the economy is growing and, the huge potential that exists for the typical Indian corporation to become an important part of the globalized economy, Indian industry is also beginning to wake up to the concept and content of sustainability reporting. The biggest benefit from faithfully practising such an approach does, of course, lie in businesses becoming a stakeholder in protecting the earth. But sustainability reporting also creates transparency and therefore greater exposure to those aspects of a company's functioning that contribute to its bottom line.

The issue of climate change has been highlighted in all its dimensions by the recently released reports of the (IPCC) Intergovernmental Panel on Climate Change and is seen as the result of deviation from a sustainable path of development. The impacts of climate change would further exacerbate current inequities, particularly for the poorest regions of the world. The corporate sector has to be an important part of solutions that society must devise urgently. It is hoped that this issue of *Encore* would be a small but important step in creating a resolve to implement sustainability reporting across the Indian corporate sector as a practice and, sustainable development as an important goal.



POINT OF VIEW

In this issue, this section captures the macro perspective on the challenges and opportunities related to sustainability reporting practices.

India and sustainability reporting: theory and application

Ernst Ligteringen, Chief Executive, Global Reporting Initiative¹

What was once considered an unnecessary garnish for companies that could indulge in image polishing by integrating sustainability issues into their publicity agendas has now become an essential factor for businesses to remain competitive in their markets. Sustainability reporting, synonymous with terms such as 'triple bottom line' and corporate responsibility reporting, has become particularly essential to the competitiveness of companies in emerging markets. So – make no mistake – sustainability reporting goes far beyond the concept of corporate responsibility and into the realm of competitive advantage. A sustainability report is an internal management tool that allows for, among other things, increased comparability, brand and reputation enhancement, and differentiation in the marketplace.

In the context of the potential risks associated with environmental factors, such as pollution and climate change, stakeholders and investors are expressing a need for greater transparency and social and environmental accountability from companies. A consequence of this is that emerging markets are coming under mounting pressure to follow safe and ethical environment and labour

standards. According to the GRI (Global Reporting Initiative) Board member and Managing Director of TATA Industries, Mr Kishor A Chaukar, 'Foreign investors need assurance that Indian companies adhere to the same standards as their counterparts or clients in North America or Europe.'



India, as an emerging market leader, is subject to these pressures and has had a significant role in the advancement of sustainability reporting in both theory and application. In suit with its rapid economic growth and emerging dominance in the global market, and in response to pressure from foreign investors, India has become home to a growing number of companies using the GRI Sustainability Reporting Guidelines, including TATA, Jubilant Organosys, ITC, Dr Reddy's Laboratories, and Reliance, just to name a few. Leading Indian businesses and other stakeholders have even had an influential role in shaping the

GRI Sustainability Reporting Guidelines by participating in and hosting various GRI multi-stakeholder working groups. In short, sustainability reporting is fast becoming an essential element in management and a mark of competitiveness among globally oriented Indian companies.

A company's competitiveness is defined by the way it deals with the opportunities it is presented with and risks and pressures it is confronted with. In India, it is not only foreign pressure that counts; there are also market pressures originating from within India itself. In the end, all ranges of companies affected to different degrees by internal and external – domestic and foreign – pressures share the drive for competitiveness.

As for the external pressures, the business case for sustainability reporting is becoming increasingly clear for businesses in emerging markets that depend on foreign investment or form part of international supply chains. Pressures on businesses in India on a domestic level include, among others, the relationship between India's need for energy in view of its rapid industrial growth and its compliance with international treaties regulating carbon emissions. In addition, certain social and human rights questions related to equality,

¹A collaborating centre of the United Nations Environment Programme, the GRI (Global Reporting Initiative) is the steward of the most widely used reporting framework for performance on human rights, labour, environmental, anti-corruption, and other corporate citizenship issues. Its reporting framework is largely seen as the global *de facto* standard in sustainability reporting.

intellectual property rights, and child labour feature as main domestic issues to deal with. These are the kind of issues about which stakeholders like foreign investors and civil-society leaders are demanding to be better informed.

Parallel to and arguably predating the recent push for sustainability reporting, Indian corporate philanthropy in India has developed over the years not only into a time-honoured national tradition but also into a unique model of a kind of corporate responsibility in and of itself. What is then the role of sustainability reporting in a society already recognized for its own blend of corporate responsibility?

According to Ms Aditi Haldar of the Confederation of Indian

Industry, the role of sustainability reporting in India is becoming increasingly recognized as an internal management tool used to advancing companies' transparency and general market competitiveness as opposed to a replacement for corporate philanthropy. The leading Indian companies that are making sustainability reports are seeing that not only does sustainability reporting give them a competitive advantage when it comes to attracting foreign investors but that it also contributes to the improvement of internal management systems. Indian corporate philanthropy and sustainability reporting have distinct roles in the company context and are most likely to co-exist, side by side, in the future.

It is to be expected that as Indian companies see industry leaders produce sustainability reports, they will follow suit to protect their position and gain a competitive edge. To create a common knowledge base on sustainability reporting processes for companies, organizations, consultants, and report-users, the GRI has recently launched a process for the development of GRI-certified training programmes to be offered by selected partners around the world, adapting it to local contexts. GRI partnerships have and are being formed with training organizations in the United States, Brazil, and India in 2007, with expansion to other countries planned soon.

Ensuring 'right to information' through sustainability reporting

Viraf M Mehta, Chief Executive, Partners in Change¹

Sustainability reports by companies might go by various names, but I am pleased that there is increasing consensus on accepting the reporting framework of the GRI (Global Reporting Initiative) as the way ahead. This is supported by the necessity of a 'communication on progress' for companies—there are now in excess of 3000 companies that have endorsed the 10 Principles of the UN Global Compact. In India, it remains to be seen the extent to which the provisions of the Right to Information Act, within its scope and limitations, can be a positive driver for promoting disclosure of



companies' social and environmental impacts. For readers who are interested in acquainting

themselves with how leading companies are performing with regards to sustainability reporting, I would recommend the report, *Tomorrow's Value: The Global Reporters 2006 Survey of Corporate Sustainability Reporting* by SustainAbility, United Nations Environment Programme, and Standard & Poor's. The following are a few key findings most relevant to the Indian context.

- 1 An increasing number of leading companies are shifting the focus of their sustainability reporting from a risk-focused approach towards 'a more progressive and entrepreneurial

¹ With its head office in New Delhi, Partners in Change has successfully promoted corporate social responsibility by working closely with a variety of stakeholders, at national and international levels, and is also associated with the Global Reporting Initiative to take the initiative forward among Indian companies.

approach that seeks to identify opportunities for strategic innovation and market building’.

- 2 There is a significant increase in the proportion of companies reporting the integration of sustainability issues into their core decision-making processes.
- 3 Financial markets, including SRI (socially responsible investment), and mainstream investors are increasingly becoming prime drivers for and active users of companies’ sustainability reports.

Significantly, the report also highlights the failure of a majority of corporate sustainability reports to ‘sufficiently discuss and link their sustainability initiatives with the wider influence exercised either directly or through lobbying and trade organizations.’

Indian companies have – and, in several cases, for well over a decade – been publishing separate reports, which highlight their workplace and societal and environmental achievements; but these early reporting initiatives were driven more by reputation and risk management and much less as a process of learning on how to integrate core sustainability issues into their core decision-making. It also stresses the necessity of the governing body to play an active role in the sustainability reporting process. In this context, it is noteworthy to mention that many leading companies from the OECD (Organisation for Economic Co-operation and Development) countries have established formal stakeholder panels to more widely guide and advise on their CSR (corporate social responsibility) strategies and plans.

In a country such as ours, where many stakeholders, particularly the more vulnerable and marginalized, have little or no access to information from companies on issues that impact them, it will be necessary to ensure that the sustainability reporting process provides a mechanism that strengthens a company’s relationship with its diverse stakeholders, and provides the public with a credible and assured account of their sustainability-related impacts and actions. And, in the interest of promoting improved governance through mechanisms of accountability, transparency, and disclosure, let us remind ourselves that every citizen has a ‘right’ to information, whilst continuing to debate the extent of and mechanisms of disclosure by companies of their social and environmental impacts, across their value chains.



CEO Forum 2008

Sustainable development and climate change: the business outlook

Curtain raiser to
Delhi Sustainable Development Summit 2008

Venue: Hyatt Regency, New Delhi
Date: 6 February 2008; Timing: 3:00 p.m. – 9:00 p.m.

Business in the times of changing climate is not going to be easy. Join the congregation of top CEOs and executives from the Indian and global companies, as they discuss the impacts of climate change on their businesses. The roundtable discussions will focus on

- sector-specific risks,
- hindrances and opportunities offered for newer businesses and adaptation, and
- stakeholder partnerships.

For further details, contact:
Mr Kanishk Negi, Research Associate, TERI-BCSD India
E-mail: knegi@teri.res.in
Tel: 011-24682100

FEATURE

The transparency revolution

Judy Kuszewski¹, Director, Client Services, SustainAbility

India's new-found confidence as a global business centre is leading many companies to engage at ever-higher levels with their international partners and peers. The practice of sustainability reporting has emerged as standard among leading businesses internationally. So, it is no surprise that India is waking up to the challenges and benefits of this increasingly sophisticated practice.

With the success of a business come expectations—shareholders want to be assured that companies they invest in will succeed in the future; neighbours want to be assured that their towns are safe and derive a good benefit from association with the company; NGOs want to understand how the company's strategy deals with issues such as climate change; employees want to be assured that their company represents best practices. All of these stakeholders have their own needs for information, but they all add up to a complete picture of the modern company—intelligent, strategic, connected, and responsible.

The good news is that the practice of sustainability reporting is now very widespread among the largest multinational companies (for example, well over 90% of the

biggest companies listed on the UK stock exchange are regular sustainability reporters), so there is a large and growing body of evidence as to what works, and how to get the most out of reporting with the least pain. We have discovered some tried-and-tested truths about what separates good sustainability reporting from the not-so-good ones.

1. Identify your issues

Identifying pertinent issues is in many ways the most difficult – but the most important – aspect of good sustainability reporting. Companies have developed sophisticated tools to evaluate the 'materiality' of their issues, so that they can focus on the most important ones. There is no sense reporting in great detail about your company's use of paper if paper is not one of your top issues—it is rather better to save your energy for the issues that really make a difference, both to your stakeholders and to your strategy.

2. Follow the leaders

Sustainability reporting is a complex business, but there are standards and guidelines available to inform almost every aspect of it. Chief among these is the Sustainability Reporting Guidelines issued by the GRI (Global Reporting Initiative), an

Amsterdam-based international organization dedicated to raising the prevalence and quality of sustainability reporting. The GRI has issued guidelines and tools relevant for all sorts of companies, and has a strong international presence, which means that the GRI has something to offer to nearly every business.

3. Seek feedback

Never underestimate the sophistication of your readers; they can and will be keen to understand the complexities of your business, and often see sustainability reporting as the best window into the mind of your company. Invite their comments in any way you can – formally or informally – regularly or more opportunistically. Your stakeholders will help you understand how your company's issues, strategy, and performance are viewed externally much better than you will be able to see for yourself.

These thoughts are only the beginning; we encourage businesses to delve deeper and learn more about international best practices, and how they can benefit from getting started themselves. To know more, they may have a look at our internationally renowned research on sustainability reporting at www.sustainability.com/tomorrows-value.

¹Judy Kuszewski is the co-author of the *Global Reporters 2004 Survey of Corporate Sustainability Reporting*. She also spent three years directing the Global Reporting Initiative when it was first conceived and launched as the CERES (Coalition for Environmentally Responsible Economies) project.

FOCUS

The TATA group have initiated the sustainability reporting system but have mixed experiences in terms of the impact and challenges they faced while reporting. TERI-BCSD India sought their views through a questionnaire, which are presented here.

Indian industries gear towards sustainability reporting initiatives

TATA Steel

Mr B Muthuraman, Managing Director, shares his views on his company's reporting system.

What encouraged your company to take up reporting?

TATA Steel has always believed that a clear CSR (corporate social responsibility) strategy, sound ethics, and transparency are critical to business. These yield trust. In an era of global trade, businesses are increasingly being held accountable as corporate citizens. This is because the increase in business growth has not yielded the prosperity that was expected while, in some cases, it has even threatened it. Therefore, businesses have to be transparent about their operations, beyond the mandatory financial reporting, to build trust and the right to work in existing and new geographies.

What was the process that was followed to bring about the sustainability report?

TATA Steel has always invited scrutiny of the social and environment impact of its operations through social audits, much before reporting was the norm. Since 2000, the company has used the GRI (Global Reporting Initiative) guidelines for voluntary

disclosure, to provide information that is consistent and comparable across



organizations, sectors, and time. The guidelines are dynamic and have consistently evolved to represent stakeholders' concerns. The G3 guidelines have rationalized the task of reporting even further by asking organizations to report only on issues relevant to them.

The current process of reporting allows the company to follow an accepted and responsive international architecture, which forward-

thinking companies could leverage for growth.

How important is it for you to communicate about your activities to the stakeholders?

Sustainability reporting is really the end-product of a process. In a multi-stakeholder environment, where diverse views must be represented, companies must first engage with stakeholders, understand their concerns, allocate manpower and resources to address these concerns, and then, through reporting, place in the public domain information on the actions taken to address these concerns, along with short-term and long-term plans and targets.

What are the key lessons learnt in the process of reporting?

Reporting allows an organization to demonstrate a clear purpose, especially with regard to how its utilization of common resources – land, air, water, and minerals – from our ecosystem will benefit all those stakeholders who share these resources. The expected benefits or values that organizations can derive are

many, including opportunities that lead to greater competitive ability and of course the licence to operate.

What advice do you have for companies that would like to prepare their sustainability reports?

I urge all organizations that do not report to take the first step

by preparing a simple, fact-based document on their social and environmental performance. It is not aptitude but attitude towards reporting that is necessary.

I would also like to remind those who believe that reporting is neither necessary nor applicable to them, that trust and credibility are as vital to the

organization as its financial health. Both must be earned, both require responsible practices and accountability, and, therefore, sustainability reports are essential.

TATA Motors

Mr Ravi Kant, Managing Director, shares the company's experience with sustainability reporting.

What encouraged your company to take up reporting?

TATA Motors believes that, for sustainable growth, its strategy and implementation should be synchronous with societal, environmental, and economic well-being of the society at large. TATA Motors recognizes the value of reporting on sustainability issues using the GRI guidelines and has prepared four GRI reports till date, the last being for 2005/06, which is based on the recently launched G3 guidelines. The company plans to make its GRI report public in the subsequent years.

What was the process that was followed to bring about the sustainability report?

The sustainability report is compiled by a pan-organization team drawn from environment, finance, secretarial, human resources, corporate communications, sales, and marketing departments. The reporting guidelines have enabled the

departments to capture data in a user-friendly format, making sustainability issues for the company more clear. All the indicators are discussed with different departments, and



then the information is collated. A core team has been formed at the corporate office, which acts as a depository for all data from various locations and offices of the company.

How important is it to communicate about your activities to the stakeholders?

For TATA Motors, the reporting process ensures that environmental, social, and

economic concerns at the local and global levels, that affect the company as well, are embedded in the company's management objectives, targets, and governance. A multi-stakeholder engagement process is, therefore, used even in our company for integrating CSR into the core business of the company and all developmental projects are designed and implemented with the full participation of the community members.

What are the key lessons and challenges that have been learnt during the process of reporting?

Reporting under the GRI guidelines has helped in identifying gaps that existed in either the method of capturing data or even, at times, in the design of certain interventions. Therefore, as the company moves towards more comprehensive reporting, covering core as well as additional indicators, improvements are being made in various processes alongside.

The key challenge in sustainability reporting lies perhaps in extending the scope

of the report to include all country operations as well as the subsidiaries and the channel partners, given that TATA Motors has operations in over 24 countries, 30 subsidiaries, and a wide base of vendors and dealers.

What advice do you have for companies that would like to prepare their sustainability reports?

Looking back at our own experience, we can confidently

state that, for any company embarking upon the journey towards preparing sustainability report, it is a must that its senior management be strongly committed to it. Once the decision-makers gauge the value in measuring and reporting what is done, it would be possible to present a balanced and complete picture of the company's current performance and identify future needs. At the same time, it is equally important that a two-way

communication be well established between the company and all its stakeholders. That will ensure that feedback provided is regularly incorporated and transparency is maintained, so that the stakeholders are aware of the company's processes and initiatives.

Energy Efficiency in Buildings India Forum 2007



31 October 2007,

The Le Meridian, New Delhi



World Business Council for Sustainable Development

In association with World Business Council for Sustainable Development, Geneva

Theme: EEB - A National Competitive Advantage

Fifty percent the global energy demand is due to buildings, which is expected to grow by an additional 45 percent by 2025. In this scenario introduction of energy efficient building design concept has become critical for achieving the collective objectives of energy security and environmental protection, to ensure economic and social development.

TERI-BCSD (Business Council for Sustainable Development) in association with WBCSD is organising an international forum comprising of plenary and breakaway technical sessions to focus on developing plans for energy efficient buildings in India and upgrading the skill of local building practitioners (architects, engineers, builders and others) to implement those plans and designs effectively. Sharing best international experiences will be a special feature in the discussions.

Broad Plenary Session Themes:

- Energy Efficient Pathways in the Building Sector: Policy & Regulations
- EEB – Making a Business Sense

Breakaway Technical Session Themes:

- Mainstreaming Green Buildings – Smart Policies & Best Practices
- Market Mechanisms, Incentives and Financing in existing and new buildings
- Holistic Approach to Efficient Planning of Large Developments

Invitation to Attend!

For more information & registration details, contact:

Ms Sonya Fernandes
Research Associate, TERI-BCSD India, TERI, New Delhi
Email: sonya@teri.res.in
Tel: +91 11 2468 2100

PARTNERS IN CHANGE

Bioremediation for treating drill cuttings

Petroleum is a major source of energy, providing over 50% of the energy used all over the world. During extraction of crude oil, rotary drilling of mud is introduced to continuously remove drill cuttings. Nearly all mud contains some of the additives included in the 'list of notified chemicals.' These materials come up the well to the drilling floor in a slurry with drill cuttings (rock fragments), crude oil, gas, natural gas liquids, produced water, traces of heavy metals, and other organic substances. This leads to contamination at the surface and has an adverse impact on the environment and ecology. Some of the major impacts of this are loss of soil fertility; effect on terrestrial, aquatic, and marine ecosystem; toxic effect on exposure to humans and other higher life forms; and others. However, these impacts can be greatly reduced by incorporating careful

containment and storage procedures, applying restoration and remediation techniques and thereafter practising safe disposal techniques after reducing the toxic components to non-hazardous methods.

Bioremediation is a process that uses naturally occurring microorganisms to transform harmful substances in the drill cuttings to non-toxic compounds. In the process, microorganisms biologically degrade hydrocarbon-contaminated drill cuttings into non-toxic residues. The objective of biological treatment is to accelerate the natural decomposition process either by indigenous bacterial flora by controlling oxygen, temperature, moisture, and nutrient parameters or by augmenting specialized bacterial strains.

Extensive research at TERI has resulted in the development of an easy and cost-effective bioremediation process.



Providing great significance to bioremediation in the worldwide effort to tackle oil spills and oily sludge, TERI has developed 'oilzapper', a consortium of bacteria that degrade crude oil / drill cutting / oily sludge, deriving from various bacterial cultures existing in the natural environment.

TERI had initiated a research and feasibility study of treating hazardous drill cuttings by the oilzapper technology. Prior to carrying out the actual field trials, a preliminary laboratory microcosm study was carried out at TERI, New Delhi. Based on these results, about 34 tonnes of drill cuttings was undertaken for bioremediation at a pit of about 100-m² area at Cairn Energy Pty Ltd, Barmer, Rajasthan. The drill cuttings undertaken for bioremediation contained 9.81% (98 100 PPM [parts per million]) TPH (total petroleum hydrocarbon). The TPH was decreased below the permissible limit (0.89%, 8900 PPM) after 120 days indicating 90.92% biodegradation by oilzapper.

Selected heavy metals were analysed from the drill-cutting (mixed with soil) samples collected from the



bioremediation site at the beginning and end of the bioremediation process. It was found that the concentration of heavy metals was within the permissible limits. In the next phase, the process will be scaled

up for around 400 tonnes of drill cuttings and a techno-feasibility study will be carried out for the use of the bio-remediated drill cuttings for green belt development.

For further details, please contact
 Dr Priyangshu M Sarma
 Fellow
 Environmental and Industrial
 Biotechnology Division
 TERI, New Delhi
 priyanms@teri.res.in



New members at TERI-BCSD India: Alcoa India Pvt. Ltd



Alcoa: a sustainable leader

Alcoa adheres to its 2020 Strategic Framework for Sustainability and world-class environment, health, and safety standards. Alcoa has made significant progress against many of the goals, such as meeting the 25% reduction in greenhouse gases seven years before the 2010 deadline and achieving 50% reduction in land-filled waste before the 2007 goal.

In China, Alcoa is involved in creating a conservation plan for the country's freshwater

needs and accelerating community education efforts on the value of ecosystems. In addition, the Alcoa Foundation provided a three-year grant to the WRI (World Resources Institute) for programmes focused on sustainable solutions on reversing harmful global environmental trends—global climate change, sustainable mobility, and enterprise and community development.

In India, the Alcoa Foundation sponsored a project on strengthening business skills

of first generation rural women entrepreneurs.

Alcoa will continue its endeavour in supporting programmes and initiating changes in line with the company's global 'sustainability' vision.

Nodal person for TERI-BCSD India:

Mr Vipul Rastogi
 Director-India Liaison Office
 7th Floor, Le Meridien
 Commercial Tower
 Raisina Road
 New Delhi 110 001



Contributions invited

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

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

All members are requested to send latest company annual reports; environment, corporate social responsibility, and sustainable development reports

For details on advertising and contributing in EnCoRE, please contact

The Editor, *EnCoRE*
 TERI, Darbari Seth Block
 IHC Complex, Lodhi Road
 New Delhi – 110 003, India

Tel. 2468 2100 or 4150 4900
Fax 2468 2144 or 2468 2145
 India +91 • Delhi (0) 11
E-mail core@teri.res.in, sulagnac@teri.res.in

ON THE MOVE

Sustainability reporting training workshop

The IFC (International Finance Corporation), SustainAbility (UK), and TERI brought together their experience and knowledge of the sustainability agenda to develop a two-day training workshop on sustainability reporting during 21–22 May 2007.

The objective of the workshop was to understand the evolving trend of sustainability reporting globally and to mainstream such practices in the Indian scenario.

The workshop brought together a diverse group of companies spread across different sectors like oil and gas, food and beverage, automobiles, chemicals, and even finance companies. Some of the companies that have already published sustainability reports as per the GRI (Global Reporting Initiative) guidelines are Dr Reddy's Labs, ITC Ltd, Jubilant Organosys, Ford India, TATA Steel, Reliance Industries Ltd, and TATA Motors. However, there are many others that are at various phases of reporting, such as conceptualizing, building the practices, or nearing completion.

At the end of the workshop, there was an increased interest and commitment among the participating companies to

take forward the process of bringing out their sustainability reports.

TERI–BCSD India would also take forward the initiative of sustainability reporting by organizing a handholding exercise with a member company in the preparation of their sustainability report.

(Some of the international initiatives and website information on sustainability reporting is given at the end of the newsletter.)

Sixth TERI Corporate Awards 2007

The Sixth TERI Corporate Awards Ceremony held on 23 May 2007 was honoured by the presence of the Finance Minister of India, Mr P Chidambaram, felicitating 10 Indian corporate organizations chosen from amongst over 120 applications. This year, besides the regular TERI Corporate Awards for Environmental Excellence and Social Responsibility, awards for business response to HIV/AIDS were also given away to corporate agencies. The HIV/AIDS awards are instituted by TERI in collaboration with the GTZ.

At the ceremony, the finance minister also released two TERI publications – *Citizens at work* and *Cleaner is cheaper* – each dealing with exemplary case studies of sound

environment managerial and social practices by organizations in India. He also mentioned that CSR, health, and environmental activities are a road to greater profitability and would create within organizations a productive workforce sensitive and proactive towards changes.

Since 2002, TERI has awarded several organizations for their initiatives in social and environmental practices and have encouraged the corporate sector towards such sustainable practices by constant follow-up and information dissemination.

The winners for 2007 were LANCO infratech Ltd, Arya Vaidya Sala, Satyam Computers Services Ltd, and Hindustan Zinc Ltd for carrying out outstanding work in CSR. UAL Bengal Ltd, Sona Koyo Steering Systems Ltd, Numaligarh Refineries Ltd, and Exide Industries Ltd got awarded for their environmental excellence, and ZMQ Software Systems and Reliance Industries Ltd for their response to HIV/AIDS.

The award is an ongoing endeavour and companies that have adopted such initiatives may apply to become a part of the TERI corporate awards. Visit our website <<http://www.teriin.org/awards>> for more information, and download the application form.

International initiatives

Global Reporting Initiative

The GRI (Global Reporting Initiative) is a multi-stakeholder network of experts worldwide who participate in GRI's working groups and governance bodies, use the GRI guidelines to report, access information in GRI-based reports, or contribute to develop the reporting framework in other ways, both formally and informally. The GRI vision is that reporting on economic, environmental, and social performance by all organizations should be a routine activity and is as important as financial reporting. The GRI network accomplishes this vision by developing, continuously improving, and building capacity around the use of a Sustainability Reporting Framework, the core of which are the Sustainability Reporting Guidelines. Other components in the reporting framework are 'sector supplements' and 'protocols'. This reporting guidance – in the form of principles and indicators – is provided as a free public good. The Sustainability Reporting Guidelines include

- reporting principles,
- reporting guidance, and
- standard disclosures (including performance indicators).

To ensure the highest degree of technical quality, credibility, and relevance, the GRI reporting framework is developed and continuously upgraded through intensive

multi-stakeholder engagement that involves reporting organizations and information seekers.

<<http://www.globalreporting.org/Home>>

Sustainability Reporting Toolkit

This Sustainability Reporting Toolkit was developed in response to an industry-identified need to have more information and guidance on practices related to corporate sustainability reporting. The aim of the toolkit is to help Canadian businesses that are not currently reporting this kind of information as also to experienced sustainability reporters.

The objectives of the toolkit are

- to respond to the needs for improved sustainability reporting identified by Canadian business,
- to provide simple guidance on how and what to report,
- to increase the number of Canadian reporters who disclose sustainability information, and
- to encourage compatibility with international reporting efforts.

Stratos Inc., an Ottawa-based consultancy, developed the content of this toolkit in consultation with Environment Canada, the Department of Foreign Affairs and International Trade, and Industry Canada.

<<http://www.sustainabilityreporting.ca>>

OneReport: the sustainability reporting network

OneReport is a web-based sustainability reporting solution by SRI (Sustainability Reporting Initiative) World Group, Inc., that enables companies to

- centralize all reporting functions,
- reduce the cost of reporting, and
- deliver timely and accurate data.

OneReport is a reporting system that consolidates data requests from leading research and rating agencies within the GRI framework. It enables the 'reporting administrator' – person responsible for sustainability reporting in a company – to take control and oversee all aspects of the reporting process.

The United Nations Global Compact and the SRI World Group have developed a web-based tool that simplifies the process of preparing and publishing a CoP (communication on progress)—the annual reporting requirement for Global Compact participants. The OneReport CoP publisher is based on recommendations from a multi-stakeholder process organized by the Global Compact and is available to participants for free. The 'enhanced CoP publisher' is also available for companies that have more advanced web-publishing needs.

<<http://www.one-report.com>>

Learn from the Leaders

'Learn from the Leaders: best practice in sustainability reporting' is a joint venture between Flag and SustainAbility. Learn from the Leaders is a comprehensive online database designed to help sustainability practitioners access the finest examples of sustainability reporting from around the world. The database is a powerful tool for driving continuous improvement in sustainability reporting and strategy, and aids to

- compare organizations' reporting with competitors and peers,
- understand common targets and emerging trends by sector,
- appreciate how others identify and manage material issues,
- decide how to adapt an organization's narrative and design, and
- assess approaches to assurance and verification.

The 'global reporters methodology', designed to

benchmark the quality of sustainability reporting, is the primary index to the database. For each criterion within the methodology, Learn from the Leaders provides an overview of current trends and best practices, supplemented by examples from sustainability reports. The examples include an analysis of what sets leading reporters ahead of the rest.

<http://reporting.sustainability.com>

RESOURCES

Publications

Policy Directions to 2050: a business contribution to the dialogues on cooperative action

WBCSD. 2007
 Geneva: World Business Council for Sustainable Development. 52pp.
 Price: \$ 15.00

The publication asserts that the only way to combat climate change is through decisive, concerted, and sustained actions between governments, businesses, and consumers. It identifies policy options to sustain economic growth while transforming the ways we access, produce, and

consume energy. Presented as an illustrative road map from which routes must be chosen, the publication explores policy ideas and concepts for the transition to a low greenhouse gas economy. It calls for the development and deployment of leading-edge technologies through partnerships and incentives and an approach to mitigate long-term market risk and deliver secure benefits for large-scale, low-carbon, new technology projects. *Policy Directions to 2050* explores and introduces ideas for a new international framework and addresses key policy issues within power generation, industry and manufacturing, mobility, buildings, and consumer choices.

A Three-Pronged Approach to Corporate Climate Strategy

BSR. 2006
 San Francisco, USA: Business for Social Responsibility. 44pp.

The book presents a brief background on business reactions to climate change, and lays out a simple spectrum of actions towards carbon neutrality, including efficiency, offsets, and renewables. These actions offer managers greater choice in defining climate strategies. Climate-change-focused corporate actions have potential upsides, in the form of new products and new markets, as well as risks, such as those associated with large-scale

renewable energy investments. The publication offers examples of which companies in which industry are working towards limiting risk and liability, positioning for first mover advantage, and expanding their market share in the years ahead.

The State of Responsible Competitiveness 2007: making sustainability count in global markets

Accountability. 2007
London, UK: Accountability. 156pp.

The publication is essentially a progress report on countries' efforts in advancing competitiveness based on responsible business practices. It provides a unique health check

on responsible globalization. The report also identifies major opportunities in more responsible markets in climate change, gender, human rights, and anti-corruption. Taken together, these markets will be worth at least \$5 trillion by 2050. Smart businesses, climate-friendly cities, sunrise sectors, and responsible countries can win massive market shares in the global markets of tomorrow. Others will fail to coordinate their strategies and lose out.

Beyond Monitoring: a new vision for supply chain management

BSR. 2007
San Francisco, USA: Business for Social Responsibility. 20pp.

The publication presents a four-part approach designed to

address the root causes of sustainability challenges found in global supply chains. *Beyond Monitoring* encourages companies to remake strategies, re-deploy resources, and consider new partnerships to materially improve the well-being of workers and communities. The approach advocated in this publication integrates labour and environmental considerations more decisively into companies' procurement efforts. It also seeks to re-emphasize the roles of two often-overlooked constituencies – workers and governments – who should more prominently be at the centre of sustainable supply-chain management.

Internet resources

Learning for Sustainability

<<http://learningforsustainability.net>>

Learning for Sustainability aims to provide a practical resource for proponents of multi-stakeholder learning processes. The site structure highlights a number of activity areas or strands that are prerequisites for social learning, and points to how these strands are woven together in practice. These strands include networking, dialogue, adaptive management, knowledge management, and evaluation. A short introduction to each

section outlines the nature of the resource links provided, and provides pointers to other topic areas, which are closely related in use. The website hosts the IntSci (Integrated Science for sustainability) discussion network.

The international corporate sustainability reporting site

<<http://www.enviroreporting.com>>

The website is dedicated to corporate sustainability, CSR (corporate social responsibility), and environmental reporting. It also hosts news and an award gallery. The resource library includes guidelines, tools, articles, and reports. The site hosts the portal for environmental, social, CSR,

and sustainability reports of multinational companies, <www.sustainability-reports.com>. The reports can be browsed by sector, country, or alphabet.

Carbonfreezone

<<http://www.carbonfreezone.com>>

Carbonfreezone is an online portal for CDM (clean development mechanism) project developers to meet CDM project investors and CER (carbon emission certified) buyers. It is a common information-sharing platform for various parties involved in CDM-project-related activities. It showcases projects as well as invites expressions of interest from

various buyers. Project stakeholders can upload project-specific documents and data providing details and impacts of the project. Project developers looking for project investors for trading and sponsorship can search for registered investors, getting them directly interested in their projects.

The Sustainability Report

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

The Sustainability Reporting Program is an independent,

non-partisan, not-for-profit organization. It draws on expertise from government, industry, the non-government sector, and the academia, but does not 'represent' any sector or interest group. It produces the online Sustainability Report to help users see critical sustainability issues and trends that affect our health, wealth, and happiness and that of future generations. The goal is to help people make more informed choices. Key elements of the report

include information about major sustainability issues and the driving forces of change; policies, business practices, and personal actions affecting sustainability; commitments made towards sustainability; stories and statements illustrating the trends; background analysis and commentary by experts; and progress in measuring sustainability.



In the news

Emerging corporate leaders

According to reports by *The Times of India* (14 August 2007), TERI-BCSD India member companies TATA Motors, TATA Steel, and Hindustan Unilever Ltd have emerged as leading corporate leaders in a study carried on Corporate Reputation Index out by the global consulting firm, TNS. All three companies jointly bagged the second position, with TATA Steel also declared as the first in the stakeholder choice category.

A total of 70 leading companies across various sectors were selected for the Corporate Reputation Index in the last quarter of the previous fiscal year. The index was a reflection of opinions from financial community and senior and middle business managers in the industry. It also represented views of senior bureaucrats, academics, company stakeholders, and media personalities.

Heartiest congratulations to the winning companies!

New arrivals at TERI library

Labatt S and White R R. 2007
New Jersey, USA: John Wiley
and Sons. 268pp.

Carbon Finance: the financial implications of climate change

The book describes the climate change debate and the carbon market that is developing. It takes a close look at the entire energy chain and its relationship to today's value chain. Climate change is becoming an important factor for many financial-sector participants. The authors illustrate how challenges and opportunities will arise within the carbon market for banking, insurance, and investment activities as well as for the regulated and energy sector of the economy.

Luo Y. 2007
Massachusetts, USA:
Blackwell Publishing. 276pp.

Global Dimensions of Corporate Governance

The book delineates corporate governance systems in international business and addresses various governance and accountability issues facing MNCs (multinational corporations). The book provides researchers, practitioners, and students with analytical frameworks, a practical guide, and case examples on how to develop a global corporate governance system for MNCs. Corporate governance in MNCs is not just a larger version of that in regular companies; it is instead influenced by the big players' unique strategies, structures, and environment. This volume in the Blackwell Global Dimensions series helps to translate these relationships and illuminate the related intricacies.

Lee H L and Lee C Y (eds). 2007
New York, USA: Springer.
465pp.

Building Supply Chain Economics in Emerging Economies

The book enables practitioners to gain insights on the developments, challenges, and opportunities when operating supply chains in emerging economies. Innovative approaches are outlined and illustrated with examples of real-world experiences by progressive companies and thought leaders. The book is organized in three key sections. 'Global Supply Chain: general strategies and framework' develops the overall framework in managing global supply chains and developing strategies. 'Supply Chain Management in Emerging Economies: challenges and opportunities' describes the challenges and opportunities in supply-chain management of emerging economies – the infrastructure constraints, the logistics inefficiencies, and limitations in service operations – and discusses how to create opportunities in such adverse conditions. 'Building Supply Chain Excellence: innovations and success cases' is devoted to a number of industrial cases highlighting innovative approaches to gain excellence, and share insights and lessons from such experiences.

Robbins P T. 2007
London, UK: Earthscan
Publications Ltd. 198pp

Greening the Corporation: management strategy and the environmental challenge

Corporate responses to environmental challenges are often held directly or indirectly responsible for significant worldwide environmental destruction. Corporations are beginning to respond to environmental and social concerns and are taking these into account. The author examines traditional and social-environmental corporate cultures, green management styles, social auditing, and environmental regulatory systems in North America, Europe, and Asia. The author develops a management model to resolve the dilemmas and to combine environmental and business objectives.

CALENDAR OF EVENTS

- Leuven, **Belgium**
 18–20 September 2007
The European Identity in Business and Social Ethics
 Centre for Economics and Ethics K U Leuven,
 Naamsestraat 69, 3000 Leuven, Belgium
Website: <<http://www.kuleuven.be/cee/index.php?LAN=E>>
- London, **UK**
 9–10 October 2007
Responsible Markets in Emerging Markets Summit
 Ethical Corporation, 7–9 Fashion St. London E1 6PX, UK
E-mail: conferences@ethicalcorp.com
Website: <<http://www.ethicalcorp.com/emergingmarkets/>>
- New York, **USA**
 26 October 2007
Future Technologies and Future Markets Worldwide 2015
 ACON AG, Science and Business Consulting, CH-8004 Zürich,
 Switzzlerland
E-mail: hkc22@bluewin.ch
Website: <<http://www.hkc22.com/marketstudy.html>>
- Amsterdam, **The Netherlands**
 29–30 October 2007
The Ethical Supply Chain Summit 2007
 Ethical Corporation, 7–9 Fashion St. London E1 6PX, UK
E-mail: conferences@ethicalcorp.com
Website: <<http://www.ethicalcorp.com/supplychain/>>
- London, **UK**
 13–14 November 2007
The Corporate Responsibility and Communications Conference
 Ethical Corporation, 7–9 Fashion St. London E1 6PX, UK
E-mail: conferences@ethicalcorp.com
Website: <<http://www.ethicalcorp.com/reporting/>>
- New Delhi, **India**
 7–9 February 2008
Delhi Sustainable Development Summit 2008: sustainable development and climate change
 The Summit Secretariat, TERI, Darbari Seth Block, IHC Complex, Lodhi Road, New Delhi – 110 003, India
Tel.: +91 11 24682100 / 41504900
Fax: +91 11 24682144 / 24682145
E-mail: dsds@teri.res.in • *Website:* <<http://www.teriin.org/dsds>>
- Honolulu, Hawaii, **USA**
 25–28 February 2008
Seventh International Symposium on Advanced Environmental Monitoring
 Young J Kim, Symposium Chair, Director, Advanced Environmental Monitoring Research Centre, Professor, Department of Environmental Science and Engineering, Gwangju Institute of Science and Technology, 1 Oyrong-dong, Buk-gu, Gwangju 500-712, Republic of Korea
Fax: +82 62 970 3404
E-mail: vjkim@gist.ac.kr
Website: <http://www.ademrc.gist.ac.kr/7th_sym>



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