

**3<sup>rd</sup> Global Conference on Social Responsibility  
15 -17 February, 2008, Vilamoura (Portugal)**

**A Global Model of Sustainable Growth & Well Being**

**Summary, Conclusions and Recommendations**

**Introduction**

Third Global Conference on Social Responsibility organized by the World Council for Corporate Governance was held in Vilamoura, Portugal from 15-17 February 2008. Business leaders, economists, climate change experts and policy makers from across the globe deliberated growth models to combat climate change and alleviate poverty. They recognized that climate change is the greatest challenge of our times, a catastrophic threat to humanity. For businesses it is both their foremost social responsibility and also the biggest business opportunity. The prestigious Golden Peacock Awards for CSR and combating climate change were also presented.

What concerned the participants most is the terrible irony of climate change. Billions living in South who have never switched on an electric light face the worst consequences. Its overriding impact on sharpening inequalities makes it a worse threat than terrorism. In an interconnected world inequalities make poverty insidious and breeding ground for terrorists.

Hence the theme of this conference – Combating Climate Change and Alleviating Poverty. Climate change needs to be looked not in isolation but as part of an holistic strategy designed to price natural capital, radically increase in resource efficiency, opt for non-consumptive, experiential, conservationist model of growth instead of the current acquisitional model that fuels excessive consumerism and harms the planet with the proliferation of unneeded products. Climate change has to be viewed as opportunity to transform the business as usual. For this the business has to be placed at the heart of the climate change agenda because it possesses the power of technology and innovation to make products and services that can create new wealth for business, empower the poor and usher a low carbon economy.

Climate security is a global challenge needing cohesive coordinated efforts nationally and internationally to make life style changes and calls for actions at multi-dimensional level - world trade, transfer of technologies from the developed world to emerging economies, financing of low carbon initiatives, energy efficiency, conservation, renewable energy application and carbon offset leading to sustainability and global well being.

Corporations worldwide have already homed on to the climate change agenda and used it successfully as a competitive differentiator and driver of wealth. There is an urgent need to verify claims of carbon offsetting as well as diffusion and dissemination of innovative examples and much closer contact between government and corporations at all levels for an effective and holistic action.

**Conclusions and Recommendations**

1. Response to climate change has to be multidimensional and holistic with business placed at the centre of change agenda. There is need to adoption, diffusion and dissemination of Innovative Business practices:
  - a) To turn Climate Change into an opportunity for creation of wealth and social change by innovating products and services that reduce both the carbon footprint and overall eco-footprint by radically enhancing the productivity of natural material;
  - b) Using technology to empower the power and create an equitable world;
  - c) Developing a holistic model of growth for ensuring sustainability of human well being
2. There is need to price natural capital and factor it in all commercial calculations as well as company balance sheets and asset valuations in stock market.
3. **Sustainability and emission reporting**
  - a. to be made mandatory under GRI Reporting system.
  - b. Verification, authentication and sharing of GHG emission data locally, regionally & globally.
  - c. Companies to encourage reporting of emissions by their supply chain.
4. **An urgent need for:**
  - a. Accelerated leap frogging of technologies globally
  - b. Accelerated development of technology and its transfer and dissemination to developing countries, especially material efficient technologies that reduce intensity in usage of material, carbon sequestration technology, desalinization technology, conversion of agricultural waste to ethanol, thin cell solar technology, precision farming , organic zero-waste and closed loop models of production and consumption and green technology for enhancing productivity of natural capital.
  - c. Sharing of success stories
5. **Global model of governance for sustainable growth & well-being**

UN to develop a global model of governance for sustainable human well-being in partnership with business and NGOs and make it functioning at all levels
6. **Financial Aspect:**
  - a. Modify present Accounting Model to factor environmental and social costs
  - b. Adopt Market driven strategies for taxing carbon emissions.
  - c. Sharing burden of responsibility for mitigation of climate change to be equitable, according to respective development level of the nations.
  - d. Adaptation fund Board set up under UN to be operational at the earliest.
7. **Statutory regulation and policy instruments**
  - a. Compulsory reporting, labelling and verification of carbon emissions
  - b. Making energy audits compulsory

- c. Taxing usage of natural capital and subsidizing initiatives that combat climate change and social inclusion
- d. Afforestation and protection of biodiversity

## 8. **Afforestation and reforestation**

Incentives and government regulation to promote afforestation / reforestation for climate change mitigation and stricter enforcement of regulation to cut down forest cover.

## 9. **In Agriculture sector**, ensure:

- a. Organic farming
- b. Precision farming
- c. Farmers provided with high yielding varieties that do not burden the land, and minimal use of chemical fertilizers
- d. Drip irrigation and switching of crops
- e. Development and diffusion of technology to cope with higher temperatures and growing salinity of water

## 10. **Energy Security to:**

- a. Ensure development of economic renewable energy sources such as solar, hydro-power, wind, tidal, biofuel from agricultural waste and hydrogen cell technology by subsidizing R&D.
- b. Enhance and calibrate pollutant energy prices in a graded manner to control usage and provide incentive for low energy appliances and lighting.

## 11. **Carbon Markets need:**

- a. To ensure financial gain from emission reduction for the corporates and mobilizing of finances through venture capital windows in CDM system
- b. Government role in setting regulatory standards, and supporting low carbon research and development.
- c. Global acceptance of a CDM protocol for replacing Kyoto Protocol after 2012.

## 12. **Changes in Life Style by:**

- a. Moving from acquisitional to experiential model of growth, focus on "doing" rather than "having";
- b. Opting for minimalist, dematerialized growth.
- c. Partner with media and fashion industry to usher a dematerialized minimalist low carbon model of growth
- d. Plan land use to ensure eco-effective building design and provide financial incentives to minimize use of energy and natural resources.
- e. Encouraging telecommuting and subsidizing broad band
- f. Working day to coincide with sunrise and sunset to make greatest use of sunlight

13 Effectively manage Climate Change effect on surface water availability, ground water recharge, salt water intrusion especially into inland water bodies close to the coast.

14. **Transportation policies** to:

- a. Discourage personal transport through taxation
- b. Reduce energy consumption for transportation by encouraging usage of rail and inner waterways
- c. Stagger office timing to minimize rush hour traffic

15. **International health programmes** to contain health impacts of climate change such as sickness, mortality, morbidity and increase in vector-borne diseases.

16. The World Council for Corporate Governance to introduce Global Awards for Combating Climate Change and encourage benchmarking for reducing Carbon Foot Print to usher a low carbon economy.

17. **Adoption of PROACTIVATE – A Holistic Model**

a. PROACTIVATE is a multi – agenda Growth model for corporate governance that puts climate change, poverty alleviation and social inclusion at the heart of business agenda in a holistic manner. A business model that drives the social agenda, focusing on service rather than sale.

b. The conference recommends adoption of 'PROACTIVATE', an acronym standing for: -

**P** – Pricing natural capital and factoring it in balance sheets and asset pricing

**R** – Radically increasing energy efficiency by accelerated use of technology

**O** – Opting for dematerialised, non-acquisitional model of growth that radically reduces the material intensity

**A** – Adopting zero waste, closed systems for all future development works

**C** – Capturing/sequestering CO<sub>2</sub> through afforestation & burying it underground

**T** – Turning to renewables and subsidising technologies that empower rural and arid areas

**I** – Innovating and disseminating business models that hire out services instead of selling products

**V** – Vigorously pursue market mechanisms: carbon trading, raising pollutant energy prices and replacing income tax with eco tax

**A** – Activate women and children to drive change from the school level

**T** – Train and educate communities globally to eco-innovate

**E** – Execution and not sensationalisation to be the focal point of effort

18. The model will be discussed, debated , refined and improved at the forthcoming 9<sup>th</sup> World Congress on Environment Management at Palampur (India) from 30 May –1 June 2008.

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