

**Convention on Corporate Response to Climate Change**  
8 - 10 June 2007, S M Convention Centre, Palampur (HP) India

# Corporate Response to Climate Change

## Introduction

"Climate change is the edge of a new frontier. It is going to be the business of the businesses. It will shape the future of businesses as never before. Green rules are going to become the global benchmarks of corporate governance. Myth that combating climate change is expensive lies shattered. Hottest portfolios today are the ones focused on climate change solutions. Renewables provide the opportunity for the rural transformation of India as never before. For instance 600 million tonnes of agricultural waste of India, with appropriate

technology, can produce cellulosic ethanol equivalent to 80000 mega watts of power, 60 % of India's installed capacity and create 30 million new jobs." This was stated by Dr Madhav Mehra in his opening remarks at the first ever conference on climate change held on 8 June in pristine Palampur nestling under the mighty Dhauladhar range of Himalayas.

By looking at global and local problems and solutions – as well as specific technical and policy issues – the conference drew together a wide range of public and private sector



L to R: Narayani Ghosh, Asst Editor, TOI, Bhure Lal, Member, UPSC, Dr Madhav Mehra, Dr Ola Ullsten, former Prime Minister of Sweden, Prof. (Dr) V L Chopra, Member, Planning Commission, Dr S Z Qasim, former Member, Planning Commission, Lt Gen B S Dhalwal, Engineer in Chief, Indian Army

experts, to consider the opportunities for 'Combating Climate Change Through Market Driven Solutions'. The convention was covered widely in print and electronic media.

The theme was discussed and developed in a variety of different plenary, committee and workshop sessions. Lot of cutting edge discussions took place at the sidelines during the conference with eminent leaders and professionals from India and abroad and over 40 personnel from the Media.

### Special Session

The conference opened with a special session promoting Himachal as an Eco-Investors Destination. The speakers included Mr B B Butail, MLA and Political Advisor to the Chief Minister, Dr Madhav Mehra, Dr D S Rathore, Vice Chancellor, HP Agricultural University, Ajit Bhagia, Chairman, Municipal Council, Palampur, C P Verma, SDM, Palampur, K B Ralhan, Regional Director, WEF, HP. By identifying the opportunities for eco-tourism and eco-investment, conference delegates had their initial impressions confirmed, that the Himachal Pradesh region presents some exciting opportunities for investment & tourism.

### Opening Ceremony

Dr Ola Ullsten, former Prime Minister of Sweden, termed climate change as Himalayan Challenge. He said: "Man-made climate change is "unequivocal" and demands urgent action. The IPCC's warning is stark: temperatures are likely to rise by about 3°C by 2100, with a range of 2°C to 4.5°C. The latter would be close to the difference between the last ice age and today. To prevent levels rising further, emissions will need to be reduced to at least 50 per cent below what Sir Nicholas Stern called "business as usual!"

This challenge was the focus of a global convention held in Palampur from 8-10 June, 2007, hosted by the World Environment Foundation and the World Council for Corporate Governance. Palampur drew together business leaders, politicians, representatives of the NGO community and academics from around the world. The participants included Ola Ullsten, former Prime Minister of Sweden, Dr Olivier Giscard d'Estaing, founder and chairman, INSEAD, France, Dr S Z Qasim, former Member of Planning Commission, Michael Walsh, Vice President, Chicago Climate Exchange, Shri M V Rajasekharan, Minister of Planning, GOI, HE V S Kokje, Governor of Himachal Pradesh, Vidya Stokes, Power Minister of Himachal Pradesh, Prof. (Dr) V L Chopra, Member,



Ola Ullsten, former Prime Minister of Sweden, Dr Oliver Giscard d'Estaing, founder & Chairman INSEAD, France and Dr Madhav Mehra at the Golden Peacock Awards Presentation Ceremony

Planning Commission, Dr Madhav Mehra, President of World Council for Corporate Governance, Dr Jennifer Clapp, University of Waterloo, Canada, Neeta Hooda, UNFCCC, Bhure Lal, Member UPSC, Klaus Raudunsky, Austria, Martin Herrndorf GTZ, O P Vaish, Senior Advocate, President of International Rotary, Rev Dr Graham Wilson, Oxford, Paul J Simpson, COO, Carbon Disclosure Project, UK, Narayani Ganesh and Nitin Sethi from Times Of India, accredited representation of several national and international media. Tenzin of Central Tibet Administration, HK Sharma Chairman, Sutlej Jal Vidyut Nigam and heads of businesses such as Tata Motors, Tata Chemicals, HPCL, ONGC, GAIL, NPCL, Moser Beer, Heavy Water Board, Mahindara & Mahindra, ITC, Titan Industries, IOC, Jindal Steel, Grasim, Lt, Gen. B S Dhaliwal of Corps of Engineers of Indian Army.

Ola Ullsten, began by acknowledging the interesting examples of private sector led action on climate change given in the presentations for the 'Golden Peacock Environment Management Awards'. He then went on to note that in many cases the private sector is now taking the lead, especially with the failure of the current G8 negotiations. Because global warming underlies all human activities, it is essential that corporations act – in changing the traditional way of creating wealth.

Dr SZ Qasim, Chairman World Environment Foundation, provided details on how climate change will impact India, postulating that by 2020 Delhi will have no winter, a change accompanied by crop failure and consistent high temperatures over 35°C. Providing a background on the Kyoto Process, Dr



Narayani Ghosh, Asst Editor, Times of India, Bhure Lal, Member, UPSC, Dr Madhav Mehra

Qasim explained how it impacts India today, and the considerable impacts climate change will have in the future.

Prof (Dr) V L Chopra, Member Planning Commission, Government of India, stressed the importance of reflecting on the causes of global warming. By discussing regional and international disparities, Prof Chopra placed the issue of global climate change in a local context. With special consideration to China as a growing energy consumer (and polluter) Prof Chopra stressed the future risks of inaction of global climate change – emphasising that the ‘business as usual’ scenario is no longer tenable. This is where it is important to distinguish between ‘duty’ and ‘responsibility’. Bhure Lal, Member of the Union Public Service Commission, began with a quotation – showing how we tend to see development and nature as opposed issues – whereas we should begin to see them as linked issues. Climate change is an economic, political, social and moral issue. Thus, there is a need for a concerted action.

Narayani Ganesh, Senior Assistant Editor, Times of India, stressed the importance of caring for all sectors of society – noting that climate change, and other environmental problems, tend to adversely affect vulnerable groups in society. Ms Ganesh then stressed the importance of public debate and

the role of the media in promoting it. Lt Gen B S Dhaliwal, Engineer in Chief, Ministry of Defence, sounded a more cynical note – that climate change is unavoidable and that we need to ‘get used to it’. He then turned this idea around to discuss the difficulty that India will have in confronting climate change, describing the likely social and economic impacts of climate change and how this will impact on human security as well as national security concerns. The session closed with a very vibrant local Kangra tribal dance of ‘Gaddi’ tribe.

#### Saturday 09 June

On Saturday, 9th June, the conference recommenced with presentations by companies declared Finalists by the assessors of the Global Peacock Environment Management Award – 2007. After a series of initiatives and examples of good governance and environmental stewardship, presented by the finalists the jury retired to finalise the winners of the Golden Peacock Awards for 2007. Dr Ola Ullsten, Chairman of the Jury finally announced the names of the winners to the press.

The conference then split into three concurrent sessions to discuss ‘Climate Change – Moving from Rhetoric to



Execution'. Drawing on Indian and International experiences, across several sectors and including government and NGO responses, the conference focused on three aspects. The first working group, the Expert Panel on Legal and Statutory Measures to Combat Climate Change, included: O P Vaish, Senior Advocate, Vaish Associates; Bhure Lal, Member Union Public Service Commission, Government of India; Dr Usha Dar, Expert on Environment, European Union; Dr. Klaus Radunsky, Director Umweltbundesamt Spittelauer Lände, Vienna; Dr A N Saksena, DG, Golden Peacock Committee & former Advisor, Ministry of Petroleum; J C Khurana, Director General, International Academy of Law.

The key outcomes of this workgroup were:

- 1) There is a need for a mix of hard and soft legal / policy instruments.
- 2) Governments need to play a leading and an enabling role in promoting change.
- 3) It is important for the private sector to 'proactivate' for change.

The second working group dealt with the political and practical challenges of Pricing Natural Capital in the Balance Sheets – What gets measured gets done. Here experts went into details of pricing carbon, with special input from: Suram Suresh, Visteon India; Ahmed Fahmi, Programme Specialist, UNESCO; Dr Manu Kulkarni, National Commission on Population & Professor Emeritus, SIT, Tumkur.

The key outcomes of this workgroup were :



Dr Jennifer Clapp, CIGI chair on International Governance & Associate Professor, University of Waterloo, Canada and Dr Sanjay Acharya, IPH Deptt., Govt. of HP



Dr Klaus Radunsky, Director Umweltbundesamt Spittelauer Lände, Vienna addressing the convention

- 1) Natural resources, such as Water & Air, have tradiitonally been seen as 'free' goods.
- 2) A change is needed, to value these resources, but to ensure access for the poor.
- 3) Population pressures are increasing the demand on natural resources.

The third working group looked at the opportunities inherent when Building a Low Carbon Brand & Creating Shareholder Value. Leaders in Corporate Social Responsibility within India presented examples of how they have been able to create shareholder value, and improve business returns, by embracing a low-carbon approach. The panelists were: V S Mathur, Head of Environment, Tata Chemicals Ltd; Nain Singh, ED, NHPC; Dr P K Raghavan, BALCO, Vedanta Group; Mukul Kumar, Head Environment, Coca Cola India.

The key outcomes of this workgroup were:

- 1) Business brands are now the most valuable asset of many consumer companies
- 2) As consumers become more aware of climate issues, there are opportunities for companies to market based on a carbon-minimum brand.

At midday, the keynote session on Combating Climate Change Through Market Driven Solutions, was opened with two keynote addresses, by Dr Michael Walsh, Ex Vice President Research Chicago Climate Exchange and Paul Simpson, Chief Operating Officer, Carbon Disclosure Project, UK. In these speeches, the importance of creating market incentives backed up by legislation, was reinforced. Based on their international experiences, Michael Walsh and Paul Simpson applied the concept of a carbon market for India.



**Dr Ola Ullsten & Dr V L Chopra, Member, Planning Commission**

There then followed key-note address, by Nitin Sethi, Times of India, Delhi – on the topic of Making Business Sense of Climate Change. Leading the panel discussion, he stressed the importance of creating economic opportunities for companies through carbon pricing, without endangering the poorest aspects of society. Nitin Sethi then continued this theme, detailing how popular involvement is the basis of creating business opportunities for combating climate change.

The conference then split into working groups to analyse the topic Climate Change - Impact, Vulnerability Mitigation and Adaptation.

The first workshop, Radically Enhancing Resource Efficiency, included presentations from the following panelists: Martin Herrndorf, UNEP/Wuppertal Institute Collaborating Centre on Sustainable Consumption & Production, Germany. Dr K K Katoch, Director Extensive Education, CSKHPKV, Palampur; Prof. B L Kapur, Professor Training, CSKHPKV, Palampur; D K Gupta, Chief Engineer IPH, Himachal

In the second workshop, focused on Disaster Mitigation Strategies, a set of interesting cases from around India were detailed, including presentations from the experts: Dr K K Datta, Principal Scientist, NCAP, New Delhi; Dr D C Sharma, HPKV, Palampur; Dr S Syal, Jaypee University of IT, Solan.

The third working group turned its attention to the challenge of Turning to Renewables and investing in green issues. A selection of success stories, and future challenges, were presented by: Dr S S Bajaj & Dr Jitender Singh, NPCIL, Mumbai; Ashwini Kumar Goel, Managing Director, Hydro Power; Dr Manmohan Kalia, Dean, College of Basic Sciences, HKPV; Gopal Krishan, BPCL

The conference then turned its attention to the Clean Development Mechanism and Carbon Trading, questioning whether this is a potential Window of Opportunity.

In Workshop 9 A, Offsetting Carbon – Does It Really Help?, the three panellists led a critical discussion on the real and perceived benefits of carbon off-setting. The discussion was led by: I K Bhatt, NIT Hamirpur. In Workshop 9 B, on the Green House Gas Market – the discussion and questions were on specific questions on the possibility of an Indian Carbon Exchange. As a topic that was certainly considered worthy of further study, the specifics of a Climate Exchange and Carbon trading were discussed by special guests: Dr Michael Walsh, Executive Vice President, Chicago Climate Exchange, USA; Markus Wypior, Project Manager German Technical Cooperation; Puneet Singh, Siemens AG Power Transmission and Distribution: STRATEGY and Lt Gen (retd) JS Ahluwalia, CEO IOD.



**Front Row Left to Right : Dr S S Rathore, Vice Chancellor, HP Agricultural University, Dr Klaus Radunsky, Director Umweltbundesamt Spittelauer Lände, Vienna and Kavilash Chawla, Advisor, Nur Advisors, PLC, USA**

introduced by: Anil Grover, Bhilai Steel Plant; S K Sarkar, Eureka Forbes; Rajiv Bhatnagar, J K Tyres

The final panel session for the day was on Climate Change - The communication challenge. Again taking advantage of the large number and wide variety of conference delegates, the organizers arranged three parallel sessions. Session A, Socially Responsible Investment and Integrating Climate Risks was led by: Sanjay Vashisht, Centre for Global Agreements, Legislation and Trade, TERI; Dr S K Chouhan, Asst Professor, HPKV.

The second session, on the Role of Media and NGOs – Catalysing Change to Turn Rhetoric into Execution, included a number of eminent journalists from within India; Nitin Sethi, Senior Correspondent Env, Times of India, Delhi ; Narayani Ganesh, Senior Asst Editor, Times Group; Ms Naghma Firdaus, Times Foundation, Mumbai.

Workshop 9 C turned attention to the technical questions and challenges of running projects under the Clean Development Mechanism. In detailing the Development and Validation of CDM Projects – the panelists were: Neeta Hooda, United Nations Framework Convention for Climate Change, Bonn, Germany; & Pradeep Chaturvedi, Advisor FAO.

The third, very practical session was on Executing Change, where the eminent panellists Kishore Bhardwaj, GM Environment, Moser Baer; R M Gupta, General Manager, Ordnance Factory, presented their own experiences in executing and managing change.

The next set of concurrent sessions were on Climate Change and Agriculture. The first workshop on Climate Change – The Impact on Agri-business and Marine Culture, included inputs from: Dr Aneesh Kumar, CSK HPKV, Palampur; Dr D S Rathore, Vice Chancellor, H P Agricultural University; Dr Sanjay Acharya, IPH Deptt., Govt of HP.

The second workshop on The Food Miles Debate – The Trade Offs and Opportunities, the panel included foreign and locally invited experts: Dr Jennifer Clapp, CIGI Chair in International Governance & Associate Professor, University of Waterloo, Canada; Dr Caleb Wall, Director Localis, Italy; Pradeep Chaturvedi, Advisor FAO; Radhna Gupta, Food Science & Nutrition, HPAU.

The third workshop was very practical, providing excellent examples for delegates to learn from – on Strategies for Minimising Carbon Footprint. Examples were



**L to R : - Dr Oliver Giscard d'Estaing, Dr Madhav Mehra, Dr Ola Ullsten and Dr Michael Walsh, Vice President, Chicago Climate Exchange receiving Global Environment Leadership Award on Behalf of Richard L Sandor, Founder Chairman, Chicago Climate Exchange**

### Golden Peacock Awards & Gala Dinner

After a long day of learning, networking and sharing of ideas, the delegates retired to the Auditorium Hall, HP Agricultural University, Palampur, for the Golden Peacock Awards Presentation. These were presented by the Chief Guest : Shri M V Rajasekhran , Honb'le Minister of State for Planning and Dr Ola Ullsten, former Prime Minister of Sweden .

Kavita Dwibedi & her Odissi dance Troupe of international fame in a specially choreographed cultural programme, conveyed the awareness of Climate Change' through the new communication media of dance.

Shri M V Rajashekharan, Minister of State for Planning presented the most prestigious Golden Peacock Leadership Awards to the following:-

- A. Richard L Sandor, Founder Chairman of Chicago Climate Exchange. It was received by Dr Michael Walsh on his behalf.
- B. V Thuslidias, Chairman & Managing Director, Air India

It was followed by a special dinner.

### Sunday, 10th June

The conference re-commenced on Sunday, 10 June with a student essay competition presentation, by Ms Vibhuti



Kavita Dwibedi and her troupe choreographed the theme of Climate Change

Malhotra (Jodhpur), Ms Shreya Sangal (Gurgaon), Ankush Kumar (Palampur). The Jury for this was headed by Dr S Z Qasim. Ms Vibhuti Malhotra was adjudged as the best in this competition, while other two were also commended for their very high standard by the jury.



Dr Madhav Mehra with Shri M V Rajashekharan, Minister for Planning



**Neeta Hooda of United Nations Framework Convention for Climate Change, Bonn (Germany) with Dr Ola Ullsten**

A special session on Spirituality and Climate Change followed. Presenting the 'holistic' view of climate change and environmental concerns were several religious & spiritual leaders such as Shri Krishnan Priya Das of Hare Rama Hare Krishna Temple, London; Major J D Sharma, of Nirankari Mission & Tenzin Tsultrim, Central Tibetan Administration, Dharamshala. Shri Jauhari Lal, Secretary General, Petrotech presented a very holistic view on how spirituality can help to regenerate the environment.

### Climate Change – The Challenge Ahead

In the final plenary session, A Holistic Solution for the Ailing Planet, some of the eminent individuals involved in the conference came together to present a 'challenge' for delegates. Here conference attendees were encouraged to adopt a holistic approach to the challenge of climate change. Dr Madhav Mehra, President World Council for Corporate Governance, opened the session by explaining how the holistic approach – whether in quality management or in climate change and environment – is crucial to solving complex problems. Which is why a holistic PROACTIVATE approach would be the correct way forward.

Dr Olivier Giscard D'Estaing, Founder & Chairman INSEAD, France, noted that the current economic system is a tremendous creator of wealth and innovation. The negative affects of this are being tackled through Corporate Social Responsibility, but the new environmental challenges require new forms of responsibility – which are holistic in nature. Now that climate change is an accepted fact – it is time to act. V. Vizia Saradhi, HPCL, stressed how 'lucky' human are, to be gifted such a bountiful and beautiful environment in which to

live. This privilege of living in an environment, gives us great responsibilities – especially as business leaders – which we must live up to. The scope of Corporate Social Responsibility, now including the environment, is encouraging. H K Sharma, CMD, Satluj Jal Vidyut Nigam Ltd, noted that global warming is the 'burning' issue of our age – and that human activity, especially energy use, are to blame. As a company working in the hyrdo-electric industry, climate change is a key concern and the environment effects of their projects are of key concern. Local participation, environmental assessments, consultation and concern are all used by SJVN, and should also be followed by all others.

Naghma Firdaus, Times Foundation, provided a background on the Environment and Disaster Management, drawing on her personal background in capacity building and environmental awareness, showing the constructive role that the media can play in educating and informing the public. Noting that the environment and disasters are interlinked, Ms Firdaus contemplated the impact of climate change on disasters and risk. Mr M V Rajasekharan, Hon. Union Minister of State for Planning, chairing this session, took the opportunity to congratulate the organizers, especially Dr Mehra, for organising the conference. Mr Rajasekharan then added his appreciation and support for further activities of WEF in the future to help address climate change in a holistic manner.

### Golden Peacocks – Winners Forum

Recognising the importance of rewarding those companies that have taken a holistic approach to climate change, the winners of this years Golden Peacocks Awards for Occupational Health and Safety were given a forum in which to share their OHS initiatives and success stories. This winners forum involved short presentations from those companies that have proven themselves to be 'best in class'



**Dr Madhav Mehra, President, World Council for Corporate Governance, Vidya Stokes, Minister of Power HP and HE VS Kokje, Governor, Himachal Pradesh**



– an achievement recognised by the Golden Peacock award.

#### Presentations were made by

1. Kaiga Nuclear Power
2. NTPC Ltd
3. HPCL PO Terminal , Mangalore
4. IOGPT , ONGC , Mumbai
5. HVJ Compressor, GAIL
6. Ammunition Factory , Pune
7. 509 , Army Base Workshop
8. Heavy Water Plant, Tuticorin
9. HCC , Bandra Kurla Complex
10. Hindalco Ind
11. DCM Shriram
12. Sandoz Pvt
13. Grasim White Cement
14. Visteon Automotive
15. Tata Motors
16. Mahindra and Mahindra , Farm Equipment
17. ITC , Keddopore
18. Reliance Refinery, Jamanagar
19. Moserbaer
20. Chanderiya Lead Zinc Smelter , HZL
21. Rallis India , Turbhe factory, Mumbai
22. Titan Industries
23. Mahindra and Mahindra , Automobile
24. Kent RO Systems
25. IOCL , R & D ,Faridabad
26. Jindal Steel and Power
27. Corps of Engg , Indian Army
28. Asia Carbon Exchange

#### Climate Change – The Road Ahead

In the final valedictory session of the day, Dr Caleb Wall presented a Summary of the convention & Recommendations/ Outcomes. This was followed by Mrs Vidya Stokes, Hon. Power Minister, Himachal Pradesh, who provided a motivational end to the conference by reminding delegates of their personal obligation to PROACTIVATE. Dr. Rev. Graham Wilson, Management Consultant, Oxford UK, informed the conference of his plans to write a book based on the proceedings of this event.

V S Kokje, Governor of Himachal Pradesh, was gracious to promise all support and encouragement for the continued work of WEF and IOD – specially noting their contribution to the region. He then presented the Golden Peacock Environment Management Awards to the 15 winners in different sectors.

The convention was concluded by Dr Madhav Mehra, President, WCFCG & WEF (UK). He provided an holistic



From row Left to Right - Dr D S Rathore, Brij Behari Butail, MLA & Advisor to CM of HP, Dr Oliver Giscard d'Estaing and Dr S Z Qasim

overview of the work of WEF and how it relates to the work of WCFCG and the IOD.

Dr Mehra highlighted that "The conference had a very large cross section of participants covering various regions of the world. This had a transforming impact during the Convention on the business, policy makers and legislators, ministers and local community. Some very practical suggestions were given relevant to developing economies for instance to the governor and the power minister of Himachal Pradesh at the concluding session. "Myth that combating climate change is expensive lies shattered. Innovative business responses to climate change not only result in mitigation of green house gases and trigger new adaptation techniques but also transform the fortunes of both the businesses and rural areas. The surge of green and clean technologies like solar, wind and biofuels can transform villages and other have-not regions of the world. For instance India's agriculture which engages 65% of its population and contributes less than 5th of its GDP can be completely transformed by ligno-cellulosic conversion of its 600 million tonnes of agricultural waste ie residue that cannot be used for crop or fodder and is eventually burnt. With appropriate technology it can produce cellulosic ethanol equivalent to 80000 mega watts of power. This will empower the farmer in a way no amount of subsidy can. First commercial scale cellulosic ethanol plant based on forest waste will be commissioned in US next year. Developed nations should finance technology for ligno cellulosic conversion.

Climate change responses to be effective have to be holistic calling for a 180 degree shift in our growth model. Our strategies must encompass reduction of both human and carbon footprint. Our current acquisitional growth models

based on obsessive and envious consumerism leading to emotional, social and psychological disorders needs to be moved to "experiential" growth model where wealth is created by enhancing "experiences" over "commodities".

In his closing remarks Dr Mehra thanked the eminent dignitaries who had come from all over the world to participate in this convention in such a remote part of the world. He said "I whole heartedly commend your determination to come all the way but no conference, seminar, report, proceedings can make the slightest impact on climate change unless we become the change ourselves and change life styles. We need to move from an acquisitional growth model characterised by obsessive and envious consumerism leading to emotional, social and psychological disorders to "experiential" growth model where wealth is created by enhancing "experiences" over "commodities" thus uncluttering the planet.

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Conference Banquet with Shri M V Rajashekarhan, Minister for Planning

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Recipients of Golden Peacock Awards with Vidya Stokes, Minister of Power, HP, HE VS Kokje, Governor, Himachal Pradesh, Dr Madhav Mehra, President, World Council for Corporate Governance on the 10th June 2007 at Palampur