



DSDS 2014: CURTAIN RAISER
**HIGH LEVEL
CORPORATE DIALOGUE**

“HOW WILL BUSINESSES LEAD
INDIA’S ENERGY, WATER AND
FOOD SECURITY?”

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FOREWORD

The High Level Corporate Dialogue on the theme '**How will Businesses Lead India's Energy, Water and Food Security?**' was held on February 5, 2014 as a curtain raiser to **Delhi Sustainable Development Summit 2014** held from February 6–8, 2014.

With this backdrop, the High Level Corporate Dialogue deliberated towards a Corporate Citizenship Blueprint which would plot the role of corporations towards corporate responsibility. The definition of corporate responsibility and its imperatives got re-instated for a unified perspective for today's corporations.

The dependence of businesses today on natural resources is ever increasing, pertaining to greater production capacities driven by rising demand of goods and services. Consumption practices are also on a high due to better incomes. This leads to greater use of land, water, fuel, and minerals to quench the global need for energy, water, and food. Businesses have taken due cognizance of their footprints caused by operations and have innovated measures to mitigate the adverse impact of their practices. They must not forget that businesses will sustain only if society and environment does. The energy–water–food nexus is an essential element of most value chains and thus deserve to be dealt with utmost consciousness. Corporate action towards Energy, Water, and Food Security was established along with due cognizance of Gaps and areas of potential.

Organizations were further stimulated to cope up with the changing paradigms to create social value within their areas of operation and competencies. The ambit of the CSR clause of the new Companies Act, 2013 engulfs close to 8,000 listed companies with a tentative CSR budget of INR 120 Billion (\$ 200 Million) in a country of 1.2 Billion. As we approach the last leg of the Millennium Development Goals (MDGs), there is an urgent need of a more concerted, collective, collaborative, and convergent action for all the stakeholders to meet the targets set around these eight Goals. The roles and strengths of various stakeholders are to be understood and ways have to be explored on how CSR can be leveraged to achieve the MDGs by partnering, collaborating, and strengthening the value chain to effectively reach the last mile on a sustainable basis.

A gradual shift from the traditional charity model to a more strategic CSR model that fits in with the long-term objectives of the company is expected in the coming times. A broad construct is therefore charted to guide the discussion at the Corporate Dialogue leading to the conception of a common framework for corporations in India and abroad.

The central theme aimed to initiate the discussions with respect to corporate responsibility towards food, water, and energy security along with a constructive adoption strategy for compliance to the Companies Bill. This is expected to pose a clear agenda to be taken further.

SPECIAL CEO LUNCHEON SESSION



The session took off with Dr R K Pachauri welcoming the dignitaries and highlighting that the energy issue is relevant not just to the society but also for business operations. He identified innovation, R&D, new technologies, and CSR as the key aspects of the discussion. He added that the corporate sector is endowed with a range of skills to benefit the society, and that businesses should work with governments to ensure enlightened policy-making and stakeholder partnership.

Mr Dev Sanyal, Executive Vice President and Group Chief of Staff, BP p.l.c. rephrased the 'Energy Dilemma' as the 'Energy Trilemma', referring to Energy Sufficiency, Security, and Sustainability. He opined that a pragmatic approach, following examples from other countries, is needed, and also endorsed gas as a transition fuel. He suggested four areas of action – creating the right above-ground conditions, enabling the right pricing, creating fuel, and supporting market needs. He also referred to subsidies as distortive.

Mr Arun Maira, Member, Planning Commission, emphasized the need for institutional, social, and governance reforms in India. **Mr Yvo de Boer**, Global Chairman, Climate Change and Sustainability Services, KPMG International & Former Executive Secretary, UNFCCC, further highlighted the importance of correct pricing and partnerships between investors, consumers, and policy-makers. He emphasized that the true value of a company should not only be its financial contribution to the stakeholders, but also its environmental impact.

The discussion ended with a question–answer session that raised concerns on energy pricing, better regulation, and consumer awareness.

INAUGURAL SESSION



The Inaugural session opened with Dr R K Pachauri claiming that there is need for greater engagement with the corporate sector which will only happen if business treats it as a part of its own agenda. Special addresses by **Ms Amina J Mohammed**, Special Advisor of the United Nations Secretary-General on Post-2015 Development Planning, **Mr Arun Maira**, Member, Planning Commission, and **Mr Vivek Rae**, Secretary, Ministry of Petroleum and Natural Gas, Government of India, furthered the deliberations to open discussions in the forthcoming sessions.

Ms Amina J Mohammed highlighted the achievements of the MDGs which have been well received globally, although there have been quite a few challenges and complexities for some countries to deliver as per the MDG goals. She quoted the positive example of China wherein a decrease in poverty has been observed. She claimed that the transformative agenda post-2015 should be based on multi-stakeholder dialogue and should be operationalized at the country-level.

Mr Arun Maira discussed the urgent need for better management of the global commons. He emphasized how “we are struggling with a top -down approach”, where long-term concerns go unattended. He felt it is now an emerging need to deliberate on corporate and civil society initiatives to address global problems. He strongly highlighted the need for addressing the challenge of managing the commons which requires innovation and synergy amongst different actors.

Mr Vivek Rae represented some views from the oil and gas sector by noting his sector’s controversial contributions on sustainability and development. His address focused on three issues. The first was oil and gas pricing, wherein he emphasized how getting prices right is

crucial, and policy signals from governments are key drivers. He further stressed the need for incentivizing oil and gas exploration and production. He further stressed that businesses are profit-oriented and should be left as such. He also discussed how clean fuel is linked to co-benefits of health, especially amongst women, noting that cleaner fuel and public health is an area where corporates could engage through CSR.

SESSION 1: CORPORATE ACTION TOWARDS ENERGY, WATER, AND FOOD SECURITY: CHALLENGES AND PROSPECTS



The session was chaired by **Mr Yvo de Boer**, Global Chairman, Climate Change and Sustainability Services, KPMG International & Former Executive Secretary, UNFCCC. This session saw a variety of opinions from a number of eminent speakers. It began with **Mr Philippe Joubert**, Managing Director, Energy and Climate, World Business Council for Sustainable Development and Executive Chair, Global Electricity Initiative, mentioning that our focus should be on the present as much as on the future since resilience is very important and needs to be built in immediately.

Dr Bindu N Lohani, Vice President, Knowledge Management and Sustainable Development, Asian Development Bank, pointed out that by 2015, 70 per cent people will be living in urban areas, most would be affluent middle class, and business would be able to meet most of their requirements. He also felt that the corporate sector needs to do more with respect to carbon capture and storage, and that the pricing structure for private players in urban water supply needs attention. **Mr Tadashi Maekawa**, President, Mayekawa Mfg Co. Ltd, further stated that their company has developed water saving technology and is working with TERI and JICA, and they are interested in transferring energy saving technology from Japan to India. **Mr Stephen Rumsey**, Chairman, Permian Global, also emphasized the development of a carbon credit market explained that conserving forests also helps in watershed protection that benefits the bottom strata of society and public owners of land.

Mr Tulsi Tanti, Chairman, Suzlon Group, mentioned the long-term energy sustainability goals and universal affordable energy access as a real possibility through coastal energy sources. The session concluded with Mr Yvo de Boer summarizing that people need to be actively employed to reduce forest degradation, and Payments for Environmental Services (PES) is required while measuring carbon usage/sequestration, both labour intensive activities.

SPECIAL ADDRESS: Mr Masamitsu Sakurai, Chief Advisor, Ricoh Group, Japan

Theme: How Japanese Businesses have Addressed Sustainable Development

Headquartered in Tokyo, Ricoh Group operates in about 200 countries, including India. Ricoh is a global technology company specializing in office imaging equipment, document management systems and IT services.

The world is now facing various challenges such as climate change; shortage of water, energy and food supply and it is to be taken in cognizance that the scope for businesses has to be restricted within the contours of the limited natural resources at hand. Keeping the climate in a stable condition is one of the most important challenges in order to secure a stable supply of the resources.

Mr. Sakurai further pointed out that back in 1998 Ricoh Group posed to the society of “Sustainable Environmental Management” to achieve both environmental conservation and financial profit generation at the same time. Since then, they have aggressively implemented this strategy, focusing on environmental technology innovation. Their sustainable management successfully promoted innovation, improved our productivity, enhancing own brand value, and resulting in high recognition from international societies.

They have posed the most important key to success as “Innovation”. In order to encourage innovation, it is important to set a challenging and meaningful mid-to- long term reduction target. Ricoh set a voluntary 2020 target to reduce life-cycle CO2 emission of their product life cycle to promote innovation.

Industry and business sectors of various countries are strongly expected to understand these critical challenges and must take a leadership role in tackling these challenges by enhancing mutual co-operation.

SESSION 2: CHANGING PARADIGMS OF CREATING SOCIAL VALUE FOR BUSINESSES



This session was chaired and moderated by **Mr Martin Wright**, Founding Editor, Green Futures and Director - India, Forum for the Future.

Mr Krishnan Dhawan, CEO, Shakti Sustainable Energy Foundation, enlightened the audience about the corporate scene in India where an increasing number of companies are working on sustainability, and focusing on energy consumption, water management, and the environment, and also mentioned companies that focus on CSR.

Ms Naina Lal Kidwai, Country Head, HSBC India & Director, HSBC Asia Pacific, discussed sustainability as the DNA of the system, articulating the need for creating an evaluation matrix to drive necessary action on the sustainability front. She also discussed trust deficit in India's policy actions, and touched upon the importance of green finance.

Mr Ravi Pandit, Chairman and Group CEO, KPIT Technologies Ltd, mentioned about conviction and action in creating social values. He drew on conclusions from his own business and actions, and spoke of outcomes ranging from reduced fuel consumption to the area of 'smart energy'. Mr Pandit lastly discussed the four levels of sustainable change: means of social awareness, policy planning in collaboration with stakeholders, a sustainable economic model, and the need for innovative, scalable, and cost-effective technologies.

Mr Assaad Razzouk, Group Chief Executive Officer, Sindicatum Sustainable Resources, focused on the issue of sustainability from a critical point of view and recalled Puma and Unilever as being the outliers in the business environment. He informed the gathering that 90 companies in the world are responsible for 2/3rd of all the man-made emissions; therefore, climate change issues must be looked at through a corporate lens. He said that change in

corporate behaviour cannot happen via government action or by citizens alone, but investors are capable of bringing about a change.

Rounding up the discussions, Mr Wright encapsulated all inputs from the panelists to provide a convergent solution framework as guidelines to corporations to cope up with the changing paradigms of creating social value.

SPECIAL PRESENTATION BY THE ENERGY FARM



The High Level Corporate Dialogue also hosted a special presentation by **Mr Erik Eid Hohle**, Managing Director, The Energy Farm, Norway, where he discussed his organization's strengths that align their practices within the contours of sustainable development.

LAUNCH OF TERI-YES BANK PUBLICATION



The report "YES BANK-TERI BCSO Survey of Green Real Estate Sector 2014" launched during the High Level Corporate Dialogue aims to bring out a 360 degree view of the multi-stakeholder perspectives on the challenges, gaps, and key drivers for the growth of the green real estate sector in the country.

The report further reveals the lack of awareness on green building benefits and unavailability of preferential lending rates as the biggest challenges for green real estate sector and underscores the urgent need for all stakeholders to work towards the growth of the green real estate sector.

The next publication released known as "*The Compendium of India's Natural Capital Leaders*" provides valuable insights on how corporates can mainstream the ethos of resource efficiency and environment conservation with their strategic business priorities. The compendium also highlights best practice case studies of select industry leaders on their exemplary water, waste, and carbon management practices.

CONCLUDING SESSION



The culminating session was bestowed with the presence of **Dr Shashi Tharoor**, Hon'ble Minister for State for Human Resources Development, Government of India, **Mr John Bryson**, Head, Bryson Climate Initiative, Woodrow Wilson International Center for Scholars & Former Secretary of Commerce, USA.

At the concluding session, Dr Pachauri summed up by saying that we need solid partnerships among government organizations, business entities, and research and academia that can further the goal of attaining energy, water, and food security. With respect to water, demand is not just for domestic use, but also for industry. Business entities need to be more sensitive to the use of water and energy and take into consideration the macro picture. Otherwise it would be very difficult for businesses to survive. In terms of food security, Dr Pachauri quoted the results of the IPCC Report saying that climate change would lead to an overall decline in yield.

Mr John Bryson further stated that companies which succeed in the short term but do not necessarily make a lot of money, are the ones that are actually doing good work, because they are constantly looking to build, create, innovate, and move forward to meet people's need. Mitigating the effects of climate change is a 'need' today, so we need innovative companies that

work towards bringing about this change. **Dr Shashi Tharoor** spoke of the nexus between energy, water, and food security and emphasized the need for an innovative and integrated approach in dealing with it. He reiterated the role of businesses in resolving issues related to climate change. Dr Tharoor further pointed out the need for long term strategies in meeting the MDGs and in fostering regenerative sustainability.

REGIONAL LAUNCH OF THE UNITED NATIONS SUSTAINABLE ENERGY FOR ALL



Dr Kandeh K Yumkella, Secretary-General's Special Representative for Sustainable Energy for All (SE4All) and Chief Executive of the SE4All, urged countries across Asia to commit to achieving sustainable energy for all. He pointed out that 30% of humanity relies on biomass for their energy needs and was committed to eliminating this dependence. He was speaking at the Asia regional launch of the 'UN Decade for Sustainable Energy for All (2014–24)', hosted by TERI on the occasion of its annual flagship event — the Delhi Sustainable Development Summit (DSDS). Also

present on the occasion were Dr Shashi Tharoor, Dr R K Pachauri, and Mr Dev Sanyal.

Dr Shashi Tharoor highlighted that "India is deeply committed to all the three focus areas of the SE4ALL initiative. We already have energy access as our domestic goal. The government aims to double the country's energy capacity and it is a challenge, not just for the government alone, but the civil society and the private sector as well."

Dr R K Pachauri expressed his solidarity with the initiative, and stressed that "We need sustainable energy to be the engine and driver for making a sustainable difference." The United Nations General Assembly (UNGA) unanimously declared 2014–24 as the 'Decade of Sustainable Energy for All', underscoring the importance of energy issues for sustainable development and for the elaboration of the post-2015 development agenda.

In recognition of women and children, the initiative — SE4ALL is dedicating the first year of the decade to the Energy–Women–Children–Health nexus to raise awareness about the potential benefits modern energy services can bring to women and children.



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