

CII

New Ventures India

**Panel Discussion on
Measuring Sustainability**

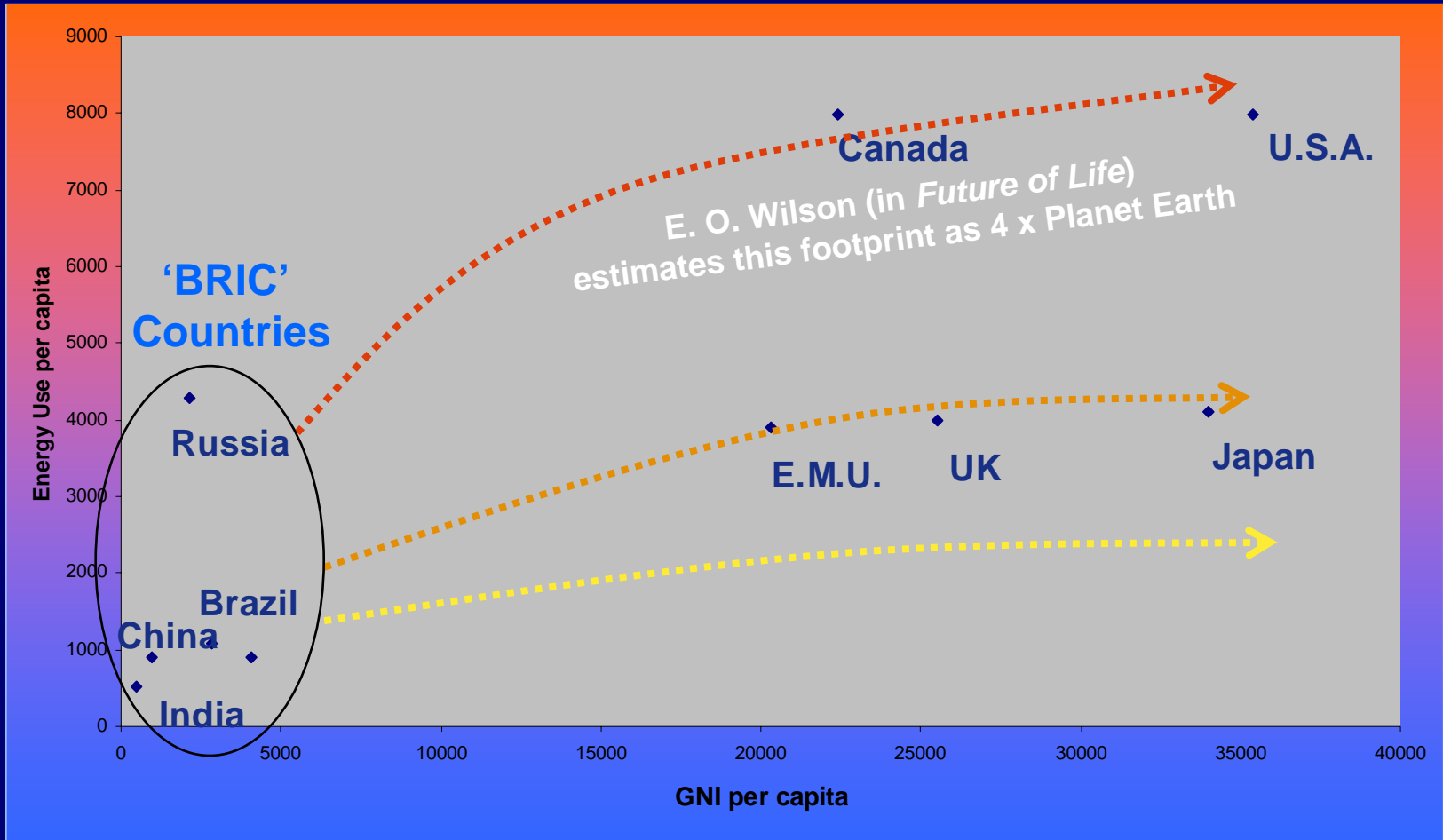
Pavan Sukhdev

**Mumbai
November 17th, 2007**

Measurement Tools for Sustainability

1. **Recognizing Sustainability**
2. Measuring Sustainability
3. Businesses of the Future

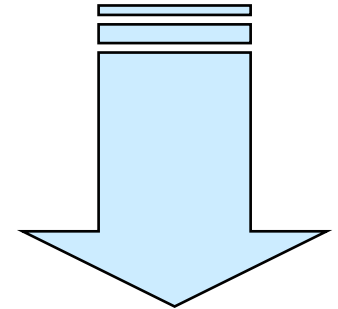
Ecological Footprint : The Ultimate Argument for Sustainable Development



“The Corporation as a Capital Factory”™

Capital	Stakeholders	Expectations
Financial Capital	<ul style="list-style-type: none"> - Shareholders - Government - Creditors 	<ul style="list-style-type: none"> - Sustainable Growth in Profits - Sustainable Tax Payment - Capital to Withstand Losses
Human Capital	<ul style="list-style-type: none"> - Employees - Youth - Customers - Society 	<ul style="list-style-type: none"> - Sustainable Incomes (“careers”) - Vocational Training - Sustainable Service Quality - No Pollution, No Health Costs
Natural Capital	<ul style="list-style-type: none"> - Society - Planet 	<ul style="list-style-type: none"> - Carbon Neutrality - Sustainable use of resources & - No biodiversity losses

Evolution
of the
Corporation
as a
Capital
Factory™



As the Corporation of today evolves to meet *all* its Stakeholders expectations, it will address the accusation that ...

“There are no Market Failures – there are only Cost-Shifting Successes”

Joan Martinez Alier

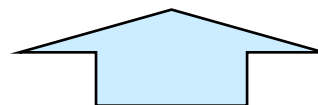
Role of the Private Sector in Ensuring Sustainability

1. Recognizing Sustainability
2. **Measuring Sustainability**
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Available Methods & Metrics for Sustainability

“You cannot Manage what you do not Measure”

Entity Metrics - Sustainability	STATE	CORPORATION	FAMILY
Methods	Green Accounting / SEEA-2003 ; Inclusive Wealth	“TBL” ; 3BL ; “People, Planet, Profit”;	Carbon Calculators
Quantitative Measures	Green GDP (% growth) ; Genuine Savings (%); Per-Capita Wealth (\$)	Some formats for Voluntary Disclosure (GRI ; CDP)...	Carbon Footprint (Tonnes CO ₂) & Ecological Footprint (Global Hectares)



....but no widely accepted ‘accounting’ norms : a need for ‘Green GAAP’s’ ?

Arguments *against* ‘Triple Bottom Line’

“a rhetorical device with little substance”

1. **“Division of Labour”** : theory of competitive advantage – Corporates vs. NGO’s vs. Governments
2. **Evolutionary** : “Wealth First” / Environmental Kuznets Curve
3. **Nationalism** : “Citizens First” not global concerns
4. **Democracy** : “No Coercion” is a principle of free markets and liberalism
5. **Monetization** : Difficult to convert “People & Planet” concerns and TBL agendas into measurable quantities, or to prove their ‘cash’ impact ...

Sources :-

- John Elkington (1998) “Cannibals with Forks : the Triple Bottom Line of 21st Century Business”
- Wayne Norman & Chris McDonald (2004, Business Ethics Quarterly) “Getting to the Bottom of Triple Bottom Line”

Role of the Private Sector in Ensuring Sustainability

1. Recognizing Sustainability
2. Measuring Sustainability
3. **Businesses of the Future**

Businesses of the Future : New Energy, Nature, Efficiency

Can Old World businesses evolve, or will they be replaced by New World species ?

- ❑ **“Natural Capitalism – The Next Industrial Revolution ?”** Paul Hawken, Amory Lovins, L Hunter Lovins, 1999
- ❑ **“ Factor Four : Doubling Wealth, Halving Resource Use”** Ernst von Wiezsacker, Amory Lovins, L Hunter Lovins, 1998
- ❑ **Renewable Energy, Clean technology, Green building materials, Organic foods & fibres, non-timber forest products, Eco-tourism**
- ❑ **Rising Stars Small & Medium Enterprises (SME's)**
- ❑ **Examples from India** : Confederation of Indian Industry, CII “New Ventures India”, began with an initial select group of 10 companies : CII assists with sourcing VC funds , mentoring, technical assistance, access to markets

New Energy, Nature, Efficiency... Examples from India



Gram Moolgai markets their herbal products under the Villageherbs label in India. These products include a range of herbal remedies based on Ayurveda with the rigorous discipline of modern scientific standards and processes. This is the culmination of a unique initiative aimed at reviving India's rich medical heritage and traditional health practices.



DESI (Decentralised Energy Systems India) Power establishes decentralised power plants, micro-enterprises and energy services in villages under its Employment and Power Partnership Program jointly with local partners such as village co-operatives and local entrepreneurs



Clean Star designs and implements environmentally-responsible and commercially-viable systems for energy production in rural areas of India. The company grows non-edible plants and trees on marginal lands and processes this material to produce high-quality substitutes for diesel and coal



GMS is the architect of the thought process called Naturenomics™, which relates to an alternative approach to capital formation for a region or organisation through the creation of ecologically 'compliant' assets in a sustainable manner.



Suminter India Organics is a producer and exporter of organic products, such as fruits, nuts, grains, beans, and spices. The company serves as a transparent bridge between its farmers and the global market and lends expertise in market development.



BK Edible Innovations is launching a range of edible cutlery to counter the environmental detriments of the traditional plastic, disposable cutlery



HMX Sumaya Systems produces innovative, environmentally-friendly HVAC solutions. The company's cornerstone product, the Ambiator, is an energy efficient alternative to air conditioning that provides 100% fresh air, cooled to comfortable temperatures



EcoMantra is an eco-tourism and corporate training company that promotes responsible tourism using a non-formal, non-conventional and experiential approach. The company conducts learning eco-camps for corporates and other groups in the Pune and Mumbai areas of India.



Gadhia Solar Energy Systems Pvt. Ltd. is the pioneering company that brought Solar cooker (Solar Concentrator) Technology to India with help and in collaboration with its European inventors Dr Dieter Seifert of Germany and Physicist Wolfgang Scheffler of Austria, and Ms HTT GmbH of Germany. Gadhia Solar is developing various applications based on Solar Concentrators like Solar Waste Water Evaporation Systems, Solar Incineration, Solar Drying, Solar Desalination, Solar air-conditioning, Solar Space Heating, etc.



Conserve HRP blends design and innovation to create fashion handbags and accessories from recycled plastic bags.



ABT Bioproducts has developed innovative new products for organic farming, including bio-fertilizer, plant growth promoters, bio-pesticides, and soil fertility enhancers.



Natura Fibres produces coir (coconut-fibre) composites and other innovative materials that serve as an alternative for timber in the construction sector.