



NEWSLETTER GLAWCAL

Issue 6, 2014

Focus on:

Corporate Social Responsibility (CSR). Environment & Pollution. Sustainable Business.

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Corporate Social Responsibility

INDIA: NEW CSR LAW SPARKS DEBATE AMONG NGOS AND BUSINESSES

India is the first country in the world to mandate a minimum spend on corporate social responsibility

On 1 April this year the India implemented new CSR guidelines requiring companies to spend 2% of their net profit on social development.

However, Global Reporting Initiative's Sustainability Reporting for Sustainable Development Conference, held this June in India, issued a joint declaration stating that the 2% ruling could lead to forced philanthropy, tokenism or even corruption, and masking of data to avoid having to comply. Time will show if this legislation will have a real impact on poor people's lives and prevent actual environmental degradation.



The GRI conference, attended by thought leaders from business, civil society, social service, academia and the government, issued the Mumbai Declaration, which among a list of 13 points specifically highlights these issues with the government's CSR guidelines. Business leaders have expressed concerns from the corporate perspective.



Corporate Social Responsibility



Can government-mandated CSR be a social development path for a nation in which over 900 million have a mobile connection but only 600 million (36% of the population) has access to a clean toilet?

The government has set out specific guidelines on how CSR activities should be handled. These stipulate that the CSR activities need to be implemented by a CSR committee that includes independent directors. The government's suggested CSR activities include measures to eradicate hunger, promote education, environmental sustainability, protection of national heritage and rural sports, and contributions to prime minister's relief fund. The company can implement these CSR activities on its own, through its non-profit foundation or through independently registered non-profit organisations that have a record of at least three years in

This provision has led to a boom in the number of NGOs that can implement these CSR activities. A recent article in the Times of India reported that there are over 2m operational NGOs in India. Choosing the right one from such a large number of NGOs won't be easy. NGO evaluation portals and the pooling of resources by SMEs could help to streamline the CSR investments, and questions will continue to be asked about the government's role in mandating such investments. Even as this debate continues, the more important question that the Indian businesses need to answer is how do we align these government mandated CSR activities to handle India's socio-environmental challenges while enabling better long term profits for the business? .

Suggested CSR Activities Include Measures to Eradicate Hunger, Promote Education, Environmental Sustainability



Corporate Social Responsibility

FIVE GLOBAL TRENDS TO ASSESS CORPORATE SOCIAL RESPONSIBILITY

The idea and practice of corporate responsibility has become global. A common understanding is emerging around the world: a company's long-term financial success goes hand in hand with its record on social responsibility, environmental stewardship and corporate ethics.

However, the question remains whether this is a passing trend or one that will continue to reshape the profile of business. Several big trends indicate that corporate sustainability is here to stay:

1. Transparency - Already over 5,000 corporations disclose their ESG performance and reporting and disclosure will undoubtedly continue to grow, driven by ever-lower barriers to information access.

2. Trust - The ever-growing impact of business on society means that citizens and consumers expect corporate power to be exerted responsibly.

3. Community participation - Business is expected to do more in areas that used to be the exclusive domain of the public sector. Environmental issues are a good example of this blurred line. Natural resources are now recognised to be finite and under stress. Water and even air now come with price tags. Companies have to collaborate with scientists, civil society and public regulators.



Doing Business in Ethical and Legitimate Way Determine Values Which are at the Heart of the Concept of Corporate Social Responsibility.



Corporate Social Responsibility

4. Accessing new markets responsibly - With economic growth migrating southward and eastward, foreign direct investment is becoming more about building and gaining access to new markets and less about simply exploiting low-cost inputs. Overcoming barriers to growth, such as civil violence, uneducated workforce and unsustainable sources of energy, water, minerals and soil is now in the interest of business.

5. Initiatives to engage companies - Means for engaging in corporate sustainability are plentiful and growing. Initiatives, standards and consultancies are booming at national and global levels. The UN Global Compact, is engaging 8,000 companies in more than 145 countries on human rights, labour standards, environment and anti-corruption.

The growing feeling is that for business, environmental, social and governance responsibilities are no longer add-ons. They are integral to success.

Companies have to Collaborate with Scientists, Civil Society and Public Regulators.





Corporate Social Responsibility

TIFFANY & CO. MAINTAINS STRONG CORPORATE RESPONSIBILITY IN 2013



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iffany & Co. released its annual corporate responsibility report, covering the retailer's environmental and social responsibility initiatives.

The 2013 report and website were redesigned to ensure a stronger connection with stakeholders on the issues they care about.

"The report details our strong, industry-leading commitment to business practices that are socially and environmentally responsible," said Tiffany & Co.'s chairman, Michael J. Kowalski. Tiffany & Co. placed a strong focus on the responsible mining and sourcing of raw materials, ranging from diamonds and gold to the paper in its iconic Blue Boxes and bags. Tiffany & Co. also aligns its processes with the Global Reporting Initiative (GRI) G4 "In Accordance –Core" and United Nations Global Compact reporting frameworks.

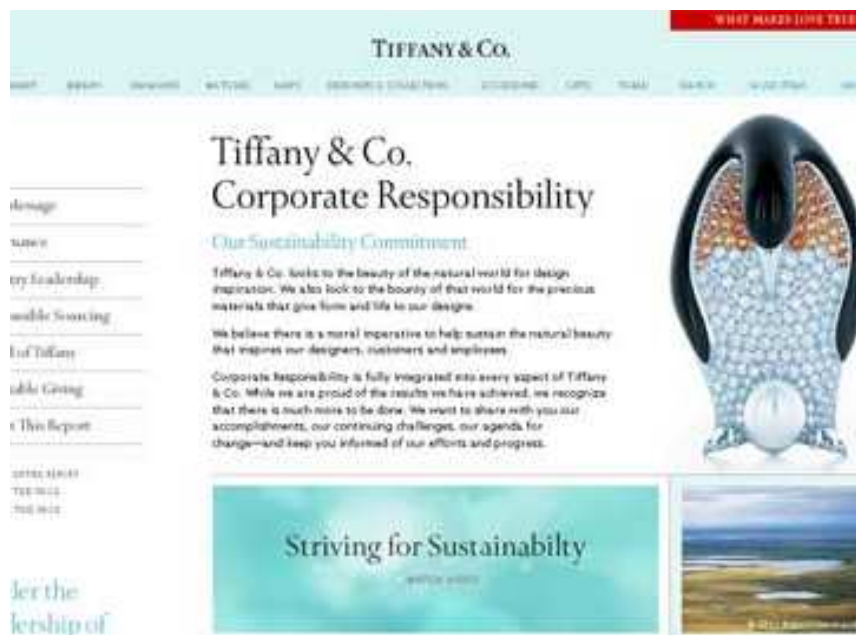
"As leaders in the jewelry industry, we believe there is both a business imperative and a moral obligation to look beyond our own practices to support responsible behavior throughout the entire jewelry supply chain." - Michael J. Kowalski -



Corporate Social Responsibility

With the Initiative for Responsible Mining Assurance (IRMA), the jeweler participated in developing a globally recognized standard for mining. IRMA recently released its draft standard for public comment with the plan to pilot the standard in 2015.

In diamond-producing countries, Tiffany & Co. advocates for preservation efforts and encourages more progressive and effective government oversight.



Tiffany & Co. invests in diamond-producing countries and is able to maintain the integrity of the supply chain, while creating jobs, training unskilled workers and benefitting local economies, according to the firm.





Corporate Social Responsibility

RELATIONSHIPS BETWEEN CORPORATIONS AND CHARITABLE ORGANISATIONS ARE TAKING ON NEW FORMS

Around the world, 1.1 billion live in extreme poverty. Although the circumstances for many people around the world remain dire, there is reason for hope. According to USAID, the number of children in schools is rising, more people have access to clean water and child mortality rates are falling.

These positive outcomes are the result of a new roadmap that aims to leverage the resources of governments, foundations, civil society organisations and corporations to spur economic growth. While the roles of different sectors vary considerably, one thing is clear: traditional approaches to aid and charity are being abandoned.

Corporations are putting the brakes on donation programs that don't produce enough business or social results.



Andrew Watt, president and CEO of Association of Fundraising Professionals, an organisation working to advance philanthropy throughout the world, describes Flint, Michigan as an example of the emerging collaborative approach to social change.

"Its city boundaries retracted by about 30%, they had population flights, they had massively high unemployment and huge levels of people going through the detention system," says Watt.

"In spite of these hurdles, through partnerships between the city, corporations and NGO's, probationary services and education services, the community is beginning to thrive again. They are educating a work force, they are helping to re-establish people in the community when they come out of detention, they are helping those people to develop skills and create products and to develop a manufacturing basis to rebuild the tax base."

Clever Collaboration Between Sectors is Essential if We Are to Build Public Support to Achieve our Common Goals.



Corporate Social Responsibility

Corporations will continue to make social change a priority because it's good for business. Many of the world's most influential leaders in the not-for-profit sector agree that there is an urgent need to move beyond traditional relationships between corporations and charitable organisations.

Creating systemic, transformational solutions to the world's most pressing social issues involves businesses sharing resources and knowledge with stakeholders from all sectors and not having a cookie-cutter approach to complex problems.

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Can Business Succeed in Eliminating Poverty Where NGOs Have Failed?



Environment & Pollution

POLLUTION: EXPERTS REVEAL THE REAL IMPACT OF DIESEL VEHICLES

In recent years diesel vehicles have enjoyed a great popularity, welcomed as more environmentally friendly than petrol vehicles, because they burn less fuel producing overall less CO₂.

However, new studies have revealed that diesel engines burn fuel less cleanly than petrol-driven models, causing a large excess of particulates, the fine soot left behind in the exhaust fumes.

In relation to that, experts have indicated that these particles of soot represent the worst environmental menace to humans. In this way, particulates are one of the most dangerous element in air pollution, due to their severe impact on human health, especially damaging the lungs when inhaled.



Additionally, studies have shown the link between diesel particles and lung cancer: with other major factors such as poor diet and smoking, the high levels of diesels recorded in many big cities as London have been associated with significant health problems.

According to the medical community, diesel particulate emissions are more dangerous for children: this kind of pollution can cause a permanent stunting of lung growth, experts warn.

Some experts have highlighted that current mechanisms are inadequate to overcome this alarming situation, favoring diesel over petrol. In line with this, the government need to establish stricter policies to reduce the harmful impact of diesel pollution.



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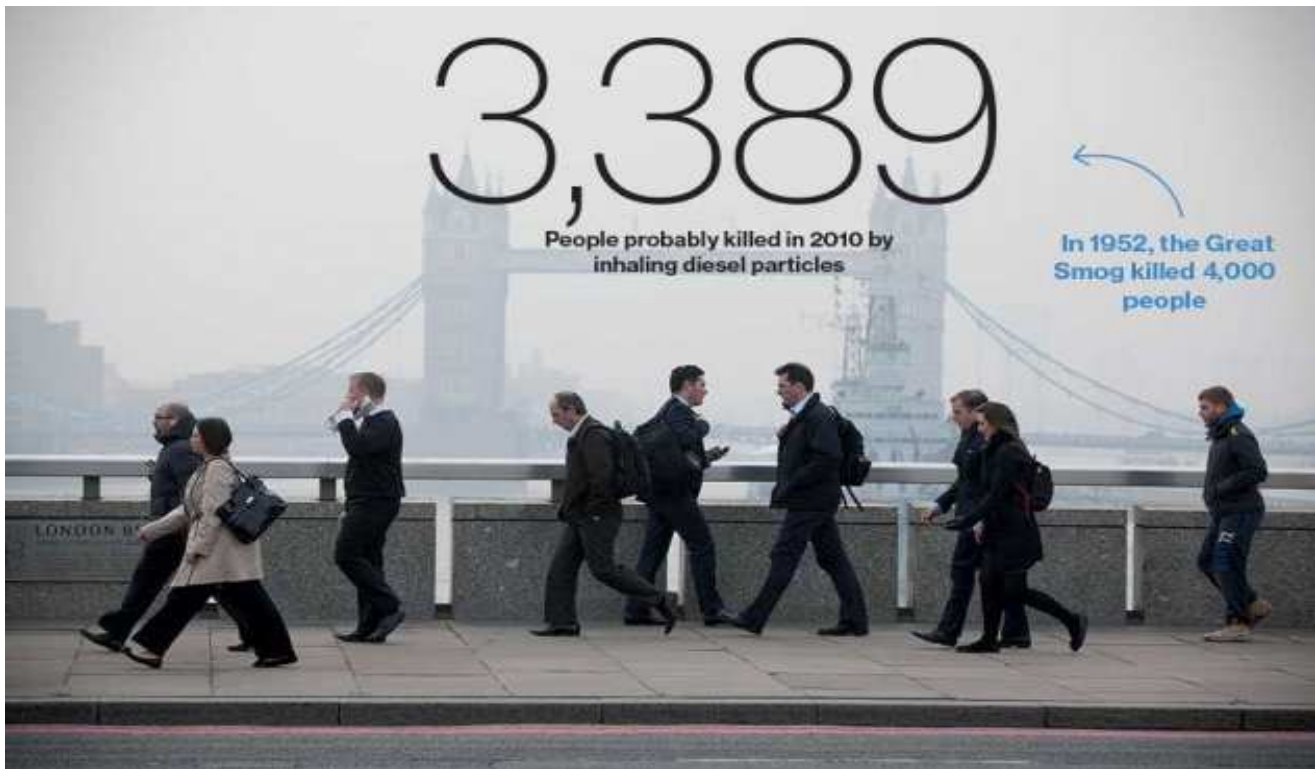


Environment & Pollution

According to a growing number of experts, taxing diesel more heavily and regulating its use more strictly could represent the more adequate solution to fight pollution caused by diesels emissions, stressing that higher taxes in urban areas may represent the best approach. In this framework, the major of London has recently launched a stronger policy with the aim to fight pollution, increasing charges for diesel vehicles. However, the European Commission has shown that most European states tax diesel at



Mayor of London Boris Johnson



In this situation, the motoring lobby and automotive industries play a significant role influencing the decisions of policymakers. To address the criticism, the automotive industry has stressed its effort to reduce emissions establishing efficient instruments, as new filters.

Moreover, experts have suggested that tax does not represent the only means to mitigate the impact of diesel use. According to environmental specialists, the governments need to undertake new policies such as incentivizing ultra-low-emission vehicles, integrating public transport and increasing city-centre pedestrian-zed areas.



Environment & Pollution

THE THREAT POSED BY MERCURY TO HUMANS AND MARINE LIFE

A new study has found that the amount of mercury near the surface of many of the world's oceans has tripled due to human polluting activities. These findings highlight that the accumulation of the toxic metal can potentially have damaging implications for marine life.

Experts outline that mercury is accumulating in the surface layers of the seas faster than in the deep ocean: people pour this element into the atmosphere and seas from a variety of sources, including mines, coal-fired power plants and sewage. In relation to that alarming situation, researchers warn that mercury is toxic to humans and marine life.



Data show that since the industrial revolution, the mercury content of superficial ocean layers have tripled. According to some experts of the journal Nature, due to mercury deposited in water and in the air, even remote areas, far from industrial sources, can suffer from elevated levels of this toxic material.

Scientists have strongly warned against the consequences of this situation for the most vulnerable groups such as pregnant women and small children. These experts have suggested the importance for these groups to limit the consumption of certain fish, including swordfish and king mackerel: studies have shown that toxic metals such as mercury and lead have been accumulating in these species, making their consumption dangerous to human health.





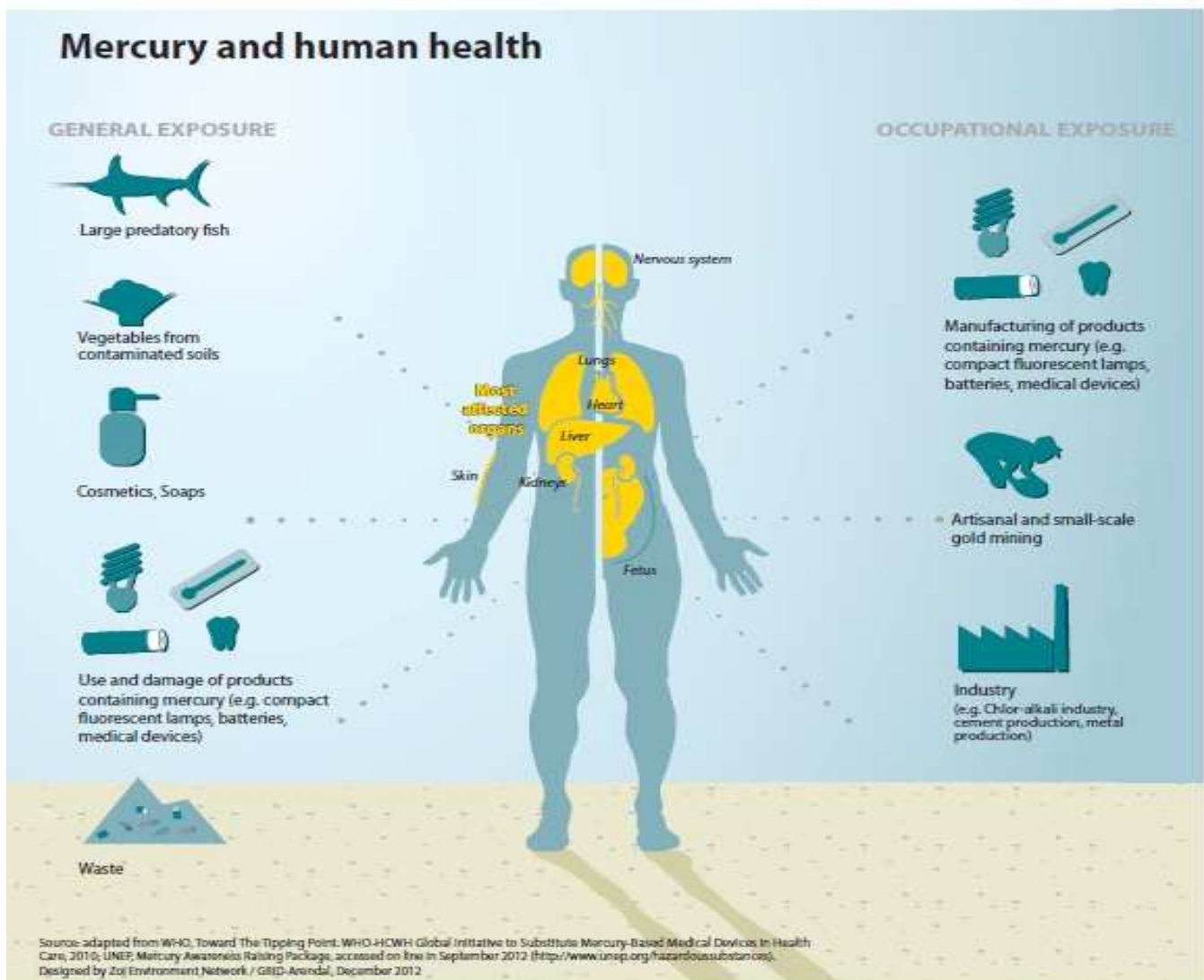
Environment & Pollution

In this context, experts have argued that pollution caused by the high levels of mercury represents an important alarm call for the future, stressing the urgency to undertake stricter measures to overcome the alarming and severe consequences on humans and marine life.

Moreover, analysis have revealed that mercury emissions from coal-fired power plants can be reduced with chemical filters. However, developing countries lack the adequate instruments and mechanisms to achieve these results.

Additionally, studies show that the situation is even more serious in relation to the metal from sewage: developing countries need to reinforce their commitment in order to establish the treatment systems required to reduce the impact of mercury.

Mercury and Human Health





Environment & Pollution

UK: SPECIFIC GUIDELINES TO PROTECT BEAUTIFUL LANDSCAPES FROM FRACKING

The UK government has launched new licenses for energy companies allowing them to start work wherever they think resources can be found. In this way, some of Britain's most beautiful landscapes could be fracked for oil and gas, rising concerns about the possible consequences on the environmental safety.

Despite the huge protests that fracking often provokes, the UK government has affirmed that fracking will represent one of the major contributions to the country's future energy requirements.

In order to address the critiques, authorities have outlined **specific guidelines** that energy companies need to follow if they want to frack in Areas of Outstanding Natural Beauty, World Heritage sites, National Parks, or on the Norfolk Broads.



Moreover, the Communities Secretary will examine each application for a license to operate in these areas. In this way, applications should be refused in case of exceptional circumstances and in the public interest.

The Government's guidance represents an important instrument in the aim to safeguard outstanding landscapes from industrial damage, the Business and Energy Secretary says. Furthermore, paving the way to fracking will be an important breakthrough in order to provide greater energy security, jobs and growth. In relation to that, the government needs to reinforce actions to reduce the risks caused by fracking, driving the UK toward a new home-grown source of energy.

Additionally, experts have shown that shale gas is one of the cleanest fossil fuels: it can represent a crucial factor to face the impact of climate change, leading the UK to a greener future.



Sustainable Business

COMPANIES, BONUSES AND SUSTAINABILITY

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ugh Welsh believes tying bonuses to environmental goals is the right thing to do.

"I didn't get my full stock bonus last year. It wasn't because I didn't meet my revenue or profit goals; I exceeded them. Instead, it was because my carbon emissions reduction efforts fell short, partly due to the integration of multiple companies DSM North America purchased in 2012". Although he saw his stock bonus cut last year when his firm missed its sustainability targets, he still believes tying bonuses to environmental goals is the right thing to do:

"I'm more determined than ever to meet the goal this year. By not giving me all of my deferred stock compensation, my company made it clear it means business when it comes to sustainability practices. In my opinion, this is the way it should be".

All corporate executives are measured on their productivity and have their executive compensation tied to performance metrics that are measurable and real: you either made your numbers, or you didn't. It should be the same for environmental targets.



Hugh Welsh of DSM North America



Sustainable Business

If multinational corporations are sincere about sustainability, then they must link compensation for the senior executives directly to meeting goals such as cutting carbon emissions, and lowering water and energy use. Otherwise those targets will always be far down the list of executives' priorities – if even on the list.

Continuing to tie executive bonuses exclusively to short-term financial targets will continue to deliver short-term results – results that are not sustainable, and that will yield adverse long-term business consequences. Our shareholders, customers, employees and communities require –and increasingly demand –better.

Incorporating sustainability goals into the compensation structure of a company is one way the business community can assure its own stakeholders that it will continue to deliver on its promises today, and for generations to come. s

“Tie Sustainability Goals to Executive Compensation and They’ll Rise on Management’s Priority List” - DSM North America President Hugh



Sustainable Business

SOME GREEN PRACTICES IMPROVE EMPLOYEE PRODUCTIVITY

Commercial real estate services firm JLL created a program and online tool called Green + Productive Workplace to find out which ties green office space investments to employee productivity gains. The results show that a green workplace makes employees more productive, as environmental sustainability experts have long argued.

"Contrary to popular perception, not all green offices increase productivity," explains Simone Skopek, Operations Manager, Energy and Sustainability Services, JLL. "Shrinking your office space can reduce heating and cooling costs -- but lead to over-crowding or excessive noise. As beneficial as energy savings can be, green investments create exponentially greater value when they also improve employee wellness and productivity. What works is a holistic approach that tracks metrics for both sustainability and productivity."



Challenging the notion that green offices automatically lead to greater productivity, the Green + Productive Workplace tool compiles scores for both sustainability and productivity measures. These scores are benchmarked against other corporate scores, and also against the Dow Jones Sustainability Index criteria for an organization's corporate real estate.

"Green" scores rate the use of energy, water, waste and other resources. "Productive" scores assess factors known to influence employee productivity and engagement, including: thermal comfort, indoor air quality, access to natural light, sound control, etc.

Sustainable Business

NEW PROJECTS ON SUSTAINABLE BUSINESS PLAN COMPETITIONS

Every year, dozens of social venture startups enter annual competitions sponsored by universities, government agencies and other organizations. Winning these contests often means a cash prize and technical assistance, as well as welcome attention from potential new investors and customers.

The competitions provide a snapshot of the diverse ways creative young business people around the world are striving to do good by doing business. Often these entrepreneurs have developed a deep understanding of a specific local problem in order to come up with a solution that will succeed on the triple bottom line of people, planet and profit. Guardian Sustainable Business assembled a list of the coolest startups winning technical assistance and cash for their new social ventures.



Mumbai-based Sampurn(e)arth won the \$25,000 grand prize at 2014's Global Social Venture Competition, one of many annual business plan contests.

Environment: Sampurn(e)arth

In this year's Global Social Venture Competition at the University of California at Berkeley's Haas School of Business, Mumbai-based Sampurn(e)arth Environmental Solutions earned the \$25,000 grand prize for a nuanced business approach that encompasses customer service, cleaner energy generation, recycling and social justice.

The startup sells bio-digesters and composters to corporate offices, hotels and university campuses, and then operates them for the customer.

Sustainable Business



Waste: REEcycle

Another winning startup, REEcycle, has its eye on a different solid waste stream. Founded by a team of students from the University of Houston, the company acquires used electronics from e-waste recyclers.

Energy:KAir Battery

Because renewable energy sources like the sun are intermittent, low-cost energy storage is considered crucial to the industry's growth. Ohio-based KAir Battery is developing a potassium-air battery that it describes as using safe materials, efficient, and able to store more energy per volume than existing battery technologies.



This Special Issue of the Newsletter of gLAWcal with focus on: “*Corporate Social Responsibility (CSR), Environment & Pollution, Sustainable Business*” has been realized by gLAWcal—Global Law Initiatives for Sustainable Development (United Kingdom) within POREEN project, in collaboration with University Institute of European Studies (IUSE) in Turin (Italy) which is beneficiary of the European Union Research Executive Agency IRSES Project “Partnering Opportunities between Europe and China in the Renewable Energies and Environmental iNdustry” - POREEN coordinated by University of Macerata. This work has been realized in the framework of Workpackage 4.

GLAWCAL —> GLOBAL LAW INITIATIVES FOR SUSTAINABLE DEVELOPMENT

WHO ARE WE

gLAWcal is an independent non-profit research organization (think tank) that aims at providing a new focus on issues related to economic law, globalization and development, namely the relationship between international economy and trade, with special attention to a number of non-trade-related values and concerns.

Through research and policy analysis, gLAWcal sheds a new light on issues such as good governance, human rights, right to water, rights to food, social, economic and cultural rights, labour rights, access to knowledge, public health, social welfare, consumer interests and animal welfare, climate change, energy, environmental protection and sustainable development, product safety, food safety and security.

All these values are directly affected by the global expansion of world trade and should be upheld to balance the excesses of globalization.

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