



**The Amsterdam Global Conference on Sustainability and Transparency
7-9 May, 2008**



Mahendra with the Chairman GRI Board Mervyn King & CEO of GRI Ernst Ligteringen

**Mahendra Chouhan spoke at the The Global Conference on Sustainability and
Transparency held at Amsterdam from 7-9 May, 2008**

Mahendra spoke at the Arena Debate III: **Business Management and Corporate Governance Views on Sustainability Reporting**. The Moderator was Nik Gowing, the famous international broadcaster from, BBC

International Panelists :

Aron Cramer, President and CEO, BSR

Mahendra Chouhan, Global Advisory Board, Asian centre for Corporate Governance

Roxanne Decyk, Corporate Affairs Director, Shell International

Jermyn Brooks, Director, Transparency International

Fadi Ghandour, CEO, Aramex

Björn Stigson, President, WBCSD

While sustainability reporting was maturing rapidly, it was to be likened to 'a very capable teenager not yet in university', according to **Aron Cramer**. Nonetheless, help was definitely needed in moving towards transparency and sustainability. There were three key areas in reporting – transparency, strategy, and balance. Traditionally, environmental and social responsibility had been left to the public sector. One major concern was the risk of 'greenwashing' because of time spent on reporting rather than on action.

The issue of materiality was a theme that ran throughout the debate. **Björn Stigson** stressed that the link between materiality and value creation had to be explored further. An important issue in emerging countries, such as India, was a lack of leadership and 'champions' practicing sustainable business activities.

However, as **Mahendra Chouhan** noted, Indian companies were beginning to recognize the importance of sustainability reporting. This was being driven by the increased awareness of these issues on the part of institutional investors. Other speakers also referred to growing Chinese government awareness of the need to report on sustainability issues. Progress was being made but needed to be accelerated. India and China were simply too big to ignore: they had to be brought on board with sustainability reporting if the world hoped to ever be sustainable.

Another theme addressed was the assurance process of sustainability reports. Here, there was wide agreement that expert panel reviews offered was an attractive option. **Roxanne Decyk** described how Shell's new expert panel review process had helped the company to integrate its sustainability thinking better into its core business strategy. This had been possible as a result of the increased dialogue involved with the panel process, which helped the company think harder about the links between sustainability and business opportunities and risks.

Interaction with the committee had sparked a different type of thinking: 'we were encouraged to say things that we thought were obvious (but were not to our readers) and to work harder on some things that we thought we would do later'. For example, the committee had pushed Shell to explain why it was not going to adopt CO2 emission targets after its current CO2 target expires in 2010 and to explain the reasons for the company's current investment levels in renewable energy.

Other speakers who had been part of this type of review process agreed that the process was positive. Half of the member companies of the World Business Council for Sustainable Development had also used the expert panel discussion process in their sustainability reporting, suggesting that it had become a trend in assurance. There was a general agreement among the session participants that sustainability should be embedded into overall company strategy, operations and culture. On the role of governments, there was also agreement that business should be more active in educating policy makers. In related debate around government's responsibility for encouraging or enforcing sustainability reporting, there was support for greater initiative by government in order to scale up and speed up sustainability reporting. However, price inflation and the 'resource crunch' were seen as the most likely drivers of sustainability and sustainability-oriented innovation within the business sector over the coming 4 to 5 years.