



# **Enhancing Business-Community Relations**

## **TERI Case Study**



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## **TERI CoRE-BCSD: Promoting Corporate Environmental Responsibility in India**

### **Research Project Background**

This case study is one of ten that were chosen as part of the ‘Enhancing Business-Community Relations’ project in India implemented in collaboration with The Energy and Resources Institute (TERI). These cases document examples of engagement between businesses and communities and can be used as learning tools for the promotion of responsible business practice and sustainable development.

The Enhancing Business-Community Relations project is a joint international initiative between United Nations Volunteers (UNV) and the New Academy of Business. Implemented in seven developing countries, the purpose of the initiative was to collect and document information on business-community practices as perceived by all stakeholders, build partnerships with them and promote corporate social responsibility practices. It is also intended to enhance international understanding of business-community relations through information sharing and networking with other countries especially those participating in the project - Brazil, Ghana, India, Nigeria, Philippines, South Africa and Lebanon.

The findings and recommendations reflected in the case study are those of the author and do not necessarily reflect those of UNV, TERI or the New Academy of Business. It is important to note that these cases were written as examples of business-community initiatives. They do not constitute a comprehensive assessment of the company’s social responsibility.

### **1. Introduction**

The following case study<sup>3</sup> concerns an initiative that researches and aims to increase environmental responsibility amongst corporations in India, led by a non-governmental organisation (NGO) working in partnership with several large Indian companies. As such the case study is rather different from the other nine studies in the “India” report, which concern specific projects initiated by companies themselves.

The Energy and Resources Institute (TERI) has not only worked with businesses to develop management systems to measure and improve their environmental practice. It has also promoted the investment in new technologies that reduce environmental impact and create sustainable resources. This case study outlines both the systems development and the research work that TERI has undertaken, and in so doing illustrates the need for the private sector to collaborate with research organisations.

### **2. Organisation Profile**

TERI (formerly Tata Energy Research Institute) is a unique organisation committed to environmental sustainable development. TERI’s activities range from formulating strategies at both local and national level, to proposing global solutions to energy and environment related issues, to

forming partnerships that enact these commitments. It conducts activities on a global scale, in North America, Europe, Japan, United Arab Emirates and Russia.

### 3. Project History and Development

In February 2000 TERI launched an initiative called CoRE (Corporate Roundtable on Development of Strategies for the Environment and Sustainable Development). It is a network of motivated leading corporations and currently has 46 member companies. By coming together to identify key problem areas in the field of industrial sustainability the network intends to develop strategies for addressing them. CoRE signed a Memorandum of understanding with World Business Council for Sustainable Development (WBCSD) in April 2002. Now known as CoRE Business Council for Sustainable Development (BCSD), the initiative aims to co-ordinate findings from the WBCSD and the Global Environmental Management Initiative (GEMI).

**‘The vision of CoRE-BCSD India is to move towards environmentally sustainable growth of the Indian Industry, which can be achieved by addressing dual objectives of environmental and economic excellence.’**

**Mr R.K.Narang, Chief of TERI CoRE-BCSD**

TERI’s partnership with the WBCSD and GEMI provides a place for corporations to explore and exchange information regarding best practice in environmental management and sustainable development. It also aims at strengthening the current activities of CoRE-BCSD India.

The mission of CoRE-BCSD India is to provide an independent and credible platform for corporate leaders to address the issues related to sustainable development and to promote leadership in environmental management, social responsibility and economic performance. The goals are to:

- Enhance TERI’s research capabilities through the CoRE-BCSD network
- Gain a better understanding of existing and emerging sustainability concern facing industry
- Develop and disseminate appropriate strategies and decision-making tools that would enhance the capabilities of professionals from environment, health, safety, and other functions while bringing value to business
- Create awareness of national and international best practices in the fields of technology, management systems, and policy
- Display corporate initiative and responsibility in adopting proactive environmental strategies (through case studies and benchmarking surveys), and thereby encourage other companies to follow
- Use CoRE-BCSD as a channel for communicating with stakeholders and develop links for implementing joint strategies to address environmental concerns
- Establish links with national and international industry, trade, government and non-governmental organizations (NGOs) that would develop and implement joint work programmes on environmental, health, and safety concerns

CoRE-BCSD holds regular (Annual, Steering Committee, CEO) meetings. The Steering Committee has linkages with other organisations and associations, both national and international, for promoting sustainable development.

**Initiatives** – The formation of CoRE-BCSD India represents a growing realisation in the Indian corporate sector of the need for a proactive and collaborative approach in working towards the goal of sustainable development. In a context where environmental pressures are increasingly taking their toll on industry, it is only through the adoption of such an approach that industry will be able to reap the benefits of environmental and economic performance.

### **3.1. Systems Development**

The research team is developing two indicators that measure levels of environmental sustainability. These are an “eco-rating” system (ERS) and a “stakeholders collaboration.”<sup>4</sup> The ERS is a measurement system for corporations to use that is also being utilised as a feedback mechanism for TERI. The stakeholders collaboration operates *above* facility-level, in an attempt to highlight the importance of environmental issues to stakeholders when making financial decisions. Such issues include the rehabilitation of degraded forests, the development of wasteland areas as well as the more responsible management of supply chains.

### **3.2. Research and Development<sup>5</sup>**

At the second CoRE AGM in September 2000, five research areas were identified for TERI to work on improving companies’ environmental practice, by researching common problems and suggesting remedies. These are outlined below.

#### **3.2.1. Green Belt Development**

Green Belt Development is an attempt to limit the environmental impact of economic development and industrialisation. TERI has developed techniques for the mass multiplication of pollutant resistant trees through extensive research. It is intended to be of benefit for future developments around cities, towns, mines and industrial sites. TERI is able to disseminate this information and transfer the technology to the industrial sector.

#### **3.2.2. Development of Eco-villages**

Recent research has highlighted the correlation between environmental degradation and poverty. It is estimated that 420 million people in India rely on forest resources for their livelihoods, making forestry management crucial for the future of the economy and people of India. The “eco-village” concept contains four elements, which are the participation of local people; the development of “eco-enterprises” (which makes full use of sustainable forest resources); the development of farm forestry systems, and the sustainable management of medicinal plants. TERI has researched the “eco-village” concept, and has successfully implemented several projects including the Joint Participatory Forest Management project in Haryana.

#### **3.2.3. Hazardous Waste Inventory Management**

It is crucial for industries generating hazardous waste to minimise the impact this has on the environment and health of those living in the area in which they work. New legislation proposed by the Ministry of Environment and Forestry in January 2000 has tightened regulation of corporate activities in this area. Therefore, waste management plans are beneficial to help companies’ comply with the new legislation, to assess their potential to reuse waste, to increase awareness amongst managers and employees, and to help with the early identification of preventable emergencies. TERI works with companies to improve upon their waste management plans.

### 3.2.4. Tissue Culture Application in Afforestation Activities

“Tissue culture” is a biotechnology that increases the productivity of forests, to be carried out alongside sustainable forestry management. It is used for the commercial production of forest species. TERI is undertaking research in this area, and is currently developing pilot projects on campus at Gual Pahari in Gurgaon, with the development of a “Micropropagation Technology Park.”

### 3.2.5. Biotechnology and Oil Zapper

There are currently fifteen oil refineries in India, all producing significant amounts of industrial “sludge.” Biotechnology can be used to reduce this pollution, which normally takes hundreds of years to degenerate naturally. It is expensive to bury as well as dangerous if pits are not adequately lined, as it can contaminate drinking water supplies. TERI has researched this in partnership with various oil companies in India, and produced “oil zapper,” a crude oil-degrading bacteria. It is highly efficient and cost-effective, and speeds the degradation process by up to four times. Application of oil zapper to contaminated sites not only saves valuable land but also cuts the costs of construction and maintenance of dumping sites. Most importantly it reduces the environmental impact of crude oil.

## 4. Key Outcomes and Lessons Learned

Research undertaken by TERI CoRE has had a huge impact on the environmental procedures of the 46 companies involved in the council. Systems have been recommended that improve impact assessment and stakeholder collaboration. This increases efficiency, encourages feedback loops and engages employees to promote more responsible environmental practice.

The five key research areas that TERI identified has resulted in real solutions being proffered to some of the problems faced by heavy industry in India. Businesses will find it easier to comply with increasingly restrictive government regulation, while increasing their own efficiency through practising cheaper solutions to hazardous waste management, for example. Through a fusion between new technology, like oil zapper or biotechnology, and more traditional methods of environmental management such as forestry management, TERI has encouraged practical solutions to a variety of different business needs. Such a network of companies can strengthen the exchange of ideas between businesses and ultimately improve cross-sectoral communication thus enhancing business-community relations.

This positive approach to companies who are trying to increase their responsibility, as opposed to direct criticism of corporate malpractice, can only encourage more companies to implement environmental procedures of their own. Indeed, a network as vast as TERI CoRE-BCSD which works in partnership with global institutions such as the WBCSD and GEMI serves as an incentive for others to work towards joining. Eventually sustainable industry might be recognised as a core *value* instead of an optional *strategy* for the private sector.

## Endnotes

<sup>1</sup> The views expressed in this case study are those of the author and do not necessarily reflect those of the New Academy of Business, UNV or TERI.

<sup>2</sup> Kate Ives is an associate of the New Academy of Business who has assisted in the preparation of this case study.

<sup>3</sup> Based on inputs from the TERI CoRE-BCSD team.

<sup>4</sup> See ‘TERI enlists nine corporate majors in maiden environment initiative’ [Financial Express](#), 13 September 2000, available at [www.tata.com/teri/media/20000913.htm](http://www.tata.com/teri/media/20000913.htm)

## 'Enhancing Business-Community Relations' – TERI Case Study, India

<sup>5</sup> More information on these five aspects of research and development, along with detailed case studies, can be found at [www.teriin.org/core](http://www.teriin.org/core) under the "Concept Notes" link. Last reviewed 8 August 2003.