

Institute of Directors, India  
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Global Warming and Environmental Responsibility

Special Address (14<sup>th</sup> November 2024)

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IOD India has championed responsible leadership for over 30 years. We advocate sustainable outcomes and growth. We also recognise realities and the need for boards to confront them while there is still time.

In a fracturing world, we face multiple global risks and existential threats. Most of them, including global warming, result from human activity.

Population growth, business activities and lifestyles are unsustainable. Corporate, individual and national responses are often too little too late.

Global emissions and average temperatures continue to rise.

In its pre-COP 29 state of the climate update, the WMO forecasts that 2024 will be the warmest year on record (WMO, 2024).

We also face the prospect of resurgent US emissions. If remaining tipping points are triggered global warming becomes unstoppable.

Damaging externalities, negative impacts and unintended consequences are widely ignored. Self and vested interests often favour the status quo.

From now on further progress becomes more difficult. Low hanging fruit has already been harvested.

Responsible directors and boards face many obstacles, including distractions, misinformation, disinformation and delaying tactics and strategies.

There is push back from electorates. Vested interests oppose the costs and disruption of phasing out fossil fuels. Many boards avoid action that could put a company at a competitive disadvantage.

However, the costs of inaction are likely to rise faster than the costs of transition. The bills for hurricane, cyclone, flood and other damage may soon exceed the funds needed for clean energy transition.

Indian directors have a critical role to play. Growth projections suggest India will account for an ever-greater share of global emissions. Faster progress to net zero could tip the balance in favour of our collective survival.

Increasingly, cooperation, collaboration and collective responses are required.

Responsible boards can engage with stakeholders. They can appeal to a shared interest in survival. They can inspire innovation and less damaging alternatives. They can advocate living in harmony with the natural world.

With current challenges come unprecedented opportunities for entrepreneurship, doing things differently and being more resilient.

There are circular economy possibilities to link different activities. Undesirable outputs of some could become welcome inputs for others.

We can reinvent, renew and relocate communities and infrastructures. We can engage, mobilise and lead. We can create employment and enable simpler, healthier and more sustainable lifestyles.

To address challenges and seize related opportunities we must first understand their common features, requirements for effective responses, and the obstacles that may be encountered and how these might be overcome.

As responsible directors we must reflect, exercise individual judgement and act.

We are expected to comply with multiple laws, regulations, standards and codes. They can sometimes be blunt instruments and counterproductive, when and where diversity is required. Some of them may hinder rather than help.

Designed to limit or reduce irresponsible behaviour, they can impose onerous burdens on responsible businesses.

Some excessive requirements could be simplified and more flexible, making it easier for people and boards to innovate, behave responsibly, and do what they feel is best for stakeholders in local situations, circumstances and contexts.

Directors face pressures, dilemmas, tough choices and difficult trade-offs.

Their conduct will determine whether they are leaders or laggards in ambition, action and outcomes, and whether they are trusted by ESG investors.

Are they seeking to do more, or the bare minimum? Are they working with others to address multiple global risks and existential threats?

How do their achievements compare with those of other companies both in India and internationally?

The Golden Peacock Awards recognise excellence and entities that stand out in relation to their national or international peers.

We now turn our attention to case study presentations featuring winners of the 2024 Golden Peacock Awards for ESG.

They are ready to share what they have learned with you.

## Reference

WMO (2024), *State of the Climate 2024, Update for COP29*, 11<sup>th</sup> November, Geneva, World Meteorological Organisation (WMO) [<https://wmo.int/publication-series/state-of-climate-2024-update-cop29>]

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Prof Colin Coulson-Thomas, President of the Institute of Management Services and Director-General, UK and Europe, India's Institute of Directors, holds a portfolio of international academic and leadership roles.

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