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# In search of a sustainability edge

Environmental reporting becomes an imperative as companies take a fresh look at their operations

**FE Bureau**

**W**HILE the corporate race to join the low-carbon economy is picking up pace, the institutional tracks are being oiled by sensitising senior executives on internalising reporting policies and practices in the working of their organisations.

One such recent two-day training and capacity building workshop in Mumbai, organised by Teri in association with its member company DNV (Det Norske Veritas), focussed on 'Corporate Sustainability: Measuring & Reporting'. Talking about the importance of such training, Annapurna Vancheswaran, director, TERI, said, "The relevance of sustainability reporting is of particular importance in emerging economies like India because companies are realising that reporting is an essential tool for competitiveness."

The workshop was attended by CEOs like Meera Sanyal, country head, ABN AMRO Bank; Prasad Chandran, chairman and managing director, BASF India; and Kishor Chaukar, managing director, Tata Industries. They shared their views and perspectives on corporate responsibility and the role of sustainability reporting with the trainees. Giving an insight into how the sustainability journey begins in the first place, Sanyal pointed out that such decisions come from both the head and the heart.

The next step is the long-term business case for sustainability. Chandran said, "If all the Indian companies undertake sustainability reporting, they would not only be able to evaluate and moni-



(From left) Prasad Chandran, CMD, BASF India; Kishor Chaukar, MD, Tata Industries; Meera Sanyal, country head, ABN AMRO Bank; and Santhosh Jayaram, head, Sustainability & Business Excellence Services (South Asia), DNV

tor their progress, but India Inc can also stake a claim for its space in global negotiations such as the forthcoming climate conference in Copenhagen."

Sustainability reporting is also important because stakeholders such as consumers, media, NGOs and the society are becoming increasingly conscious of the environmental and social impacts of business. Consequently, there is pressure on companies to be not only socially and environmentally responsible, but also report on their non-financial performance through sustain-

ability reporting. It makes it imperative for companies to follow new trends in sustainability reporting and its impact on the short-term as well as long-term viability of their businesses and the impact on the community. Chaukar said, "Sustainability reporting reaffirms a company's faith in the well-being of the community around which they function because business and community are interlinked."

Cases studies were also presented to explain the policies and practices in the larger context of methodologies. For example, BP-

CL representatives shared the company's experiences about its sustainability reporting process. The participants also explained the challenges faced by the organisations and the strategies adopted to overcome them.

The workshop attracted participants from companies like Cairn India, Johnson Controls, Tata Chemicals, Wipro, Yes Bank and Edelman India. The workshop participants included both freshers, who intend to begin the process of sustainability reporting, as well as those who have already produced such re-

ports and joined to upgrade their knowledge.

It was part of a continuing series of such workshops being organized by TERI-BCSD or Business Council for Sustainable Development) India, a regional network of Geneva-based World Business Council for Sustainable Development (WBCSD). Working with about 100 corporate houses as its members, TERI-BCSD India seeks to create platforms for the corporate sector to pursue a more sustainable path of production and consumption. It also stresses on sustainability reporting practice for corporate sustainability.

TERI-BCSD's work is significant in the global context. The Global Reporting Initiative (GRI) has been demanding that companies should either report on their environmental, social and governance (ESG) performance or explain reasons for not doing so. The Netherlands-headquartered GRI is a global multi-stakeholder network of business, labour and civil society leaders. Its G3 Guidelines are commonly used as a framework for sustainability reporting on economic, environmental and social performance.

In its Amsterdam Declaration on Transparency and Reporting released earlier this year, the GRI urged governments to formulate policies for companies, state-owned corporations and public investment agencies to report on ESG indicators. It has started making its impact. The Danish law requires 1,100 largest companies to include corporate social responsibility performance in their annual reports from 2010. The UK and France also has similar laws in place.