

Sustainability performance: The method of reporting by Indian companies across industries

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ABSTRACT:

The purpose of this paper is to ascertain the level of reporting of sustainability performances across various companies in India across various industries. The content analysis method was used to identify and describe sustainability reporting patterns in web sites, annual reports and corporate social responsibility (CSR) reports for the companies. Top companies from India across various industries have been taken into consideration for the study.

INTRODUCTION:

A sustainability report is an organizational report that gives information about its economic, social and environmental performance caused by its business activities. This reporting is about enabling organizations to consider the impacts on the wide range of sustainability issues, enabling them to be more transparent about the risks and opportunities they face. The sustainability report presents the organization's vision, values and model of governance and articulates the commitment to a sustainable economy globally.

Building and maintaining trust in businesses and governments is very important in making a sustainable economy and world. Sustainability reports are released by companies and organizations of all types, sizes and sectors from every corner of the world. Thousands of companies across all sectors have their reports published including public authorities and non-profit organizations as well. Some of the major sustainability reporting guidelines are provided by International Organization for standardization (ISO 26000, International standards for social responsibility), Global reporting Initiative (GRI's sustainability reporting standards), United Nations Global Compact (UNGC communication on progress), Organization for Economic Co-operation and development (OECD guidelines for multinational Enterprise).

UNGC – United nations global compact, is an UN initiative founded On 26 Jul 2000 to encourage businesses worldwide to adopt sustainable and socially responsible policies and to report their implementation. In 2010, UNGC and GRI signed an agreement to align their work in advancing corporate responsibility and transparency.

The GRI reporting comes across as the most used reporting standards across companies and all companies by and large have updated to the GRI G4 guidelines [1].

The part 1 of the GRI content index is for the general standard disclosures. These set the overall context for the report, providing a description of the organization and its reporting process. These apply to all organizations, irrespective of their materiality assessment and they are as below:

- Strategy and analysis – G4 – 1, 2
- Organizational profile – G4 – 3 to 16
- Identified material aspects and boundaries – G4 – 17 to 23
- Stakeholder engagement – G4 - 24 to 27
- Report profile – G4 - 28 - 33
- Governance – G4 - 34 to 55
- Ethics and integrity – G4 – 56 to 58

The second type of disclosure is the specific standard disclosure which is divided into two parts, namely Management approach and Indicators. The content index for the specific standard disclosures with material aspects and indicators are as below:

- Category: Economic – economic performance, indirect economic impacts, procurement practices
- Category – Environmental – materials, fuel security, energy, water, emissions, effluents and waste and compliance.
- Category - Social – labor practices and decent work, human rights, society and product responsibility.

The standard disclosures of performance indicators are as below

- EC 1 to EC 9 - Economic performance indicators
- EN 1 to EN 30 - Environmental performance indicators
- LA 1 to LA 15 - Social: labour practices and decent work
- HR 1 to HR 11 - Human rights
- SO 1 to SO10 - Society performance indicators
- PR 1 to PR 9 - Product responsibility
- OG 1 to OG 14 - Oil and gas sector supplement

Definition of Materiality

The materiality matrix of any company is reported in great transparency in the GRI report. An issue is considered material, when it impacts the ability of the company to remain profitable and socially relevant to the communities in which it operates. The material issues are those topics which are of prime significance to an organization's key stakeholders, their business

continuity and their sustainability performance. The materiality assessment involves the process of refining, assessing numerous potential economic, environmental and social issues that could affect the business and / or the stakeholders and prioritizing them into key material issues that could provide a direction to company's strategies, targets and reporting.

This paper intends to shed light on the sustainability reporting of various organizations, their individual focus areas, the concerns that individual companies are trying to progress on and the method of reporting and standards followed.

This proceeds with the summary of 10 Indian companies' information in the sustainability reports or corporate social responsibility reports. The 10 Indian companies from various businesses and the sustainability reporting in the company web sites are as follows:

Tata Consultancy Services (TCS) – TCS publishes its sustainability report annually. TCS has been publishing this report from the last 10 years and it confirms to the G4 sustainability reporting guidelines by the GRI. The report addresses the key sustainability topics garnered through interactions with the different stakeholder groups, based on the core principles of materiality and stakeholder inclusiveness.

The corporate sustainability policy is divided into 3 areas. They are profit, people and planet. Under profits, the company addresses business performance and governance, Innovation and Sustainability services. The areas of profit are addressed under corporate governance, ethical behavior and business practices, delivery capability and business continuity. Under the People header are topics of nurturing human capital, community initiatives and impact, volunteering. Here, the focus is on working & labor conditions, learning opportunities and career development, occupational health and safety. The topics under planet are sustainable supply chain, biodiversity conservation, waste management, water management, carbon and energy management. The topics addressed here are climate change risks and opportunities, electronic waste, green office buildings, energy consumption and efficient management.

The corporate governance strategy is aligned with the ten principles articulated in the UN Global compact, to which TCS is a signatory.

The key stakeholders concern regarding the sustainability of TCS' business performance is articulated clearly along with the strategy for long term growth, with the demand side sustainability and enablers of growth. Summary of environmental performance with respect to carbon footprint, usage of renewable energy, water neutrality, zero waste to landfill, inclusion of vendor sustainability is reported. The sustainability report is externally assured by KPMG and all data is audited by relevant third party auditors.

TCS believes that driven by cost, scarcity of resources, rapidly changing country and industry regulations, transformation in the competition landscape all the stakeholders including investors, boardrooms and chief executives recognize that sustainability is important for the future success of the businesses. TCS claims that their eco-sustainability services help customers integrate sustainability in the business strategies to drive growth, innovation, profitability and brand reputation [2].

Reliance Industries Limited (RIL) – At Reliance, business priorities co-exist with social commitments and activities support inclusive growth. Reliance reports as per the GRI G4 guidelines. RIL's sustainability report sums up the company's focus right from 2004 with the reporting as per the GRI G2 guidelines in 2004 to transcending across the years with specific goals towards sustainability.

The company continues to record the progress against the 10 principles of UNGC (United nations global compact) principles in the sustainability report. The company is one of the 10 Indian companies who are members of the (World Business council for sustainable development) WBCSD, reflecting the commitment towards playing an active role in transforming the society and shaping the society. The company is aligned to the 17 sustainable development goals (SDG) released at the UN sustainable development summit 2015.

The group strategy is based on 5 enablers – safe operations, digital technology, capital productivity, ethics and operational excellence. The performance is reported for the following along with targets for clean energy, opportunity and diversity, community development, supply chain management, product stewardship, water management, waste management, health, safety, management of environmental impact, asset utilization and customer satisfaction.

The materiality matrix of the company is reported in great transparency. An issue is considered material, when it impacts the ability of the company to remain profitable and socially relevant to the communities in which it operates. The material issues listed by the company are ethics, integrity and compliance, supply chain management, customer satisfaction, raw material security, health and safety, talent attraction and retention, asset utilization and reliable operations, security and asset protection, energy efficiency of operations, carbon abatement and offsetting, management of environmental impact, water management, community development, economic performance completing the list of 14. The results are reported for each of the 14 listed material issues in great detail [3].

Infosys Limited - Infosys has been reporting sustainability since 2005. The reporting in 2016 is as per the GRI G4 guidelines and has been in place since 2014. The report also confirms to the United Nations Global compact (UNGC) principles and communicates on the progress with the UNGC annually. The report frame work fits the broader process of setting organizational

strategy, deciding management approaches, implementing action plans and assessing outputs and outcomes.

The sustainability agenda of the company is based on the foundation of the group values known as the C-LIFE: Client value, leadership by example, integrity and transparency, fairness and excellence. To achieve the vision of building sustainable ecosystem the company has identified energy, emissions, water and waste as material aspects to focus as part of the company's environmental sustainability efforts.

The materiality aspects identified for the company are economic performance, environmental stewardship, employee well-being, corporate governance and compliance, social responsibility [4].

Indian Tobacco Company Limited (ITC) – ITC has been reporting sustainability since 2004. The latest report is in accordance with the G4 guidelines of Global reporting initiative. The theme of the latest report is sustainable livelihoods for all our tomorrows. The chairman of ITC quotes that the organization puts India first, puts the country before the corporation and the institution before the individual, acknowledging the fact that income inequalities among people and nations, are at the root of the growing unrest, criminal activities and terrorism. Fueling such inequalities even further is the global unemployment rate which is expected to rise even further. The company relates to "Responsible competitiveness", which is a pre-requisite to create a more sustainable future.

The company has disclosed the company's triple bottom line performance. The company reaffirms their commitment to the United Nation's Global Compact (UNGC). The company's large scale programs are in alignment to the Intended Nationally Determined Contribution (INDC) commitments made by India to the UNs framework convention on climate change.

In the environmental sustainability, the company reports of being carbon positive, water positive, solid waste recycling positive, soil and moisture conservation, number of acres greened in the afforestation program, solid waste management program reach, increasing the renewable energy portfolio and green buildings increase numbers are reported.

In the economic sustainability, the company has created multiple drivers of growth by developing a portfolio of world-class Indian businesses, diversified multi-business conglomerate and vibrant portfolio of brands in India. The results reported here are turnover, employment provided, market capitalization, the profit before tax and shareholder returns. In the social sustainability, the primary education initiatives, rural digital infrastructure development for the benefit of farmers, micro enterprise loans for rural women, animal husbandry program and afforestation, biodiversity, health and sanitation programs impacts are reported [5].

Housing development finance corporation bank (HDFC) – HDFC bank has been reporting sustainability since 2013 as per the GRI guidelines and the latest report is in accordance with the GRI G4 comprehensive and in line with the national voluntary guidelines on social, environmental and economic responsibilities of business. The report is called the business sustainability report. The bank has sustainability as one of its five core values, the others are customer focus, operational excellence, product leadership and people.

The report captures the business responsibility at HDFC bank enabled by ethical governance, stakeholder engagement, environment and social responsibility also detailed in relation to the nine national voluntary guidelines. The bank has adopted the triple bottom line approach and the latest report details out the performance in key areas of ethical governance, environment and community. The managing director of HDFC elaborates about the shaping of the company's philosophy of creating sustainable communities, which stems from the fact that over half of India lives in villages and their holistic effort at the bottom of the pyramid that encompasses training, financial literacy, credit counselling, financing and market linkage. The leader's vision is that "you cannot have a business that can prosper if the communities they operate in fail".

The principles of the bank are ethics, transparency and accountability, sustainable products and services which include digital banking technologies, employee wellbeing, valuing marginalized stakeholders to help families break the vicious cycle of poverty, promoting education, natural resource management, healthcare and hygiene, financial literacy, human rights, energy saving initiatives, renewable energy, waste management, resource efficiency, social and environmental risk management system, policy advocacy, inclusive growth and customer welfare. The theme of HDFC bank is "Digitally Sustainable" [6].

Sun Pharmaceutical Industries Limited – Sun Pharma has a business responsibility report reported annually from 2012. This report is in line with the nine principles of the Government of India's 'National Voluntary guidelines on social, environmental and economic responsibilities of business'. The company believes in growing at the intersection of business health, environment stewardship, community wellbeing and stakeholder satisfaction. While the company retains its leadership status in specialty generics industry, the core of the business is to make medicines more accessible and affordable.

The governing principles are ethics, transparency and accountability, product life cycle sustainability, more power to patients, people and plants, employee wellbeing, freedom of association, stakeholder engagement, human rights, environment, energy conservation, green investments and greener operations, policy advocacy and equitable development beyond medicines.

The report addresses the company's focus to make good health affordable and accessible with active field work and research. Health, education, water, livelihood, environment and disaster relief are some of the key priorities for the company in the area of CSR. The company has a few guiding principles and management system for the employee health and safety (EHS). With respect to the environment, the company addresses pollution prevention through environment impact assessment (EIA), air, soil and ground water protection and resource conservation. The company also focusses on community awareness and emergency response (CAER) with community outreach and emergency plans. Product stewardship is addressed by product research and development and product management. The company addresses key issues in its industry domain by investing in research for HIV/ AIDS by providing high quality generic anti-retroviral (ARV) therapy, which is an essential tool for waging the war against HIV/AIDS. The improvement of access and affordability of ARVs is a key focus.

Malaria drug is another major focus and with the threat that this disease poses, investing in research is another key sustainable area for the company [7].

Coal India Limited (CIL) – Coal India has been publishing the Annual Sustainability report since 2011. The company is a signatory to the UN global compact initiative and also complies with the principles of the national voluntary guidelines as per the business responsibility report.

Coal India Ltd., is a public sector undertaking whose priority is to satisfy the country's energy needs. In India, coal meets more than 50% of the primary commercial energy requirements in the country and around 72% of the entire power generated in the country. The main stakeholders in this business are the all the people around the activity zones and the land losers. Hence, the main focus of the business is to improve the resettlement & rehabilitation policy, corporate social responsibility activities and conduct business in a socio-ecofriendly manner. Environment impact assessment studies are carried out for each and every project to undertake the mitigation measures in a planned and phased manner to minimize the impact of coal mining on land, water and air. Safety is always in the highest priority in this business.

The contents of the report have been developed on the principles of materiality, stakeholder inclusiveness and responsiveness as applicable to CIL's current sustainability context. In the social reporting, the report covers governance and transparency initiatives that include corporate governance, code of conduct, risk management and whistle blower policy. The stakeholders' engagement details out the meetings carried out by the business and the issues addressed. The business also reports that there is no wage difference between men and women and strict measures in place to check child labor. Subsidiary wise, accident statistics of fatal and serious, occupational diseases are reported for the last 5 years. The economic results include the production tonnage, capital employed, sales, profits, total assets, earnings per share etc.

The environmental results are of great concern here, since the operations of this business leaves some environmental footprint on the society but at the same time, cheap energy availability is essential for the growth of the people, industry, economy and the nation. With the limited availability of oil, gas, hydro and distant sight of large scale nuclear and renewable energy prospects, coal is needed for the growing energy needs. Environment impact assessment study, environment management plans and environment clearance are reported for all projects. The industry causes air, noise and water pollution and land degradation. The report briefs the methods to keep these under check by switching to eco-friendly mode of transport, clean mining technology and reuse of water. The results here include the presence of NO_x, SO_x and other significant air emissions by type and weight including particulate matter 2.5 and 10microns [8].

Oil and natural gas corporation limited (ONGC) - ONGC has been reporting sustainability since 2009. The report is in accordance with the G4.0 level of Global Reporting Initiative, along with the Oil and Gas sector supplement. ONGC is central public enterprise under the Government of India. The company declares that from the next year, they shall report the performance of a few of its joint venture companies as well. The report also includes a materiality map with segmentation of the high impact on business and society as energy security reserve accretion, climate change and energy, water management and environment protection.

The report has performance highlights of the fiscal year 2015-16. ONGC declares the key sustainability metrics such as reserve replacement ration, amount of proved reserves, energy index, permanent women employees as their top results. The report speaks about the need to lead the industry in the renewable energy space and the responsibility that ONGC holds with respect to the same. Specifics such as water footprint is reported since the company operations consume large volumes of fresh and ground water.

ONGC has an initiative called Mission carbon neutral. The objective is to reduce and zero the carbon footprint by reduction in both direct and indirect energy consumption. It also has the National Gas star program, an innovative climate change mitigation work program for the identification, quantification and reduction of fugitive methane emissions from production operations. The sustainable water management strategy is aimed at reducing the specific fresh water consumption and reporting water footprint based on international standards [9].

Hindustan Unilever Limited (HUL) - Unilever supports the United Nation's Sustainable Development Goals (SDGs). All initiatives of HUL are aligned to one or more of the SDGs.

Unilever's sustainability report is themed as Making Sustainable living common place and is defined as the purpose of the company. To help achieve this, the company embraced the Unilever sustainable living plan (USLP). This plan has 3 goals of improving health and wellbeing,

reducing environmental impacts and enhancing livelihoods. By 2020, to help more than a billion people take action to improve their health and well-being, by 2030, to halve the environmental footprint of the making and the use of the product and by 2020, to enhance the livelihoods of millions of people as they grow their business.

In the first goal which is about health and wellbeing, the initiatives are around the reduction of diarrheal and respiratory diseases through hand washing, providing safe drinking water, improve access to sanitation, improve oral health and improve self-esteem. The results are reported as the number of people reached by the end of the financial year. Nutrition is also a topic addressed in this goal with results reported as the percentage of products in the portfolio that meet the highest nutritional standards, globally. Other initiatives are to reduce salt levels in the products, reduce saturated fat, increase essential fat, remove trans-fat, reduce sugar and reduce calories, provide healthy eating information.

In the second goal, which is to reduce the environmental impact, the initiatives are to reduce the greenhouse gases emission, CO₂ emission reduction, halve the water associated with the consumer use of the products, reduction in water abstraction in the factories per ton of production, reduce the waste impact per consumer use, total waste generation at factories is reduced and agricultural raw material sourced sustainably. The results are reported as the greenhouse gas reduction [10].

Page industries - The company is an environment friendly organization and it has nonpolluting and non-effluent generating manufacturing units across its business. It has internal policies and best practices related to employee health and safety and a compliance team that monitors the same. The employees' health care, nutrition, safety and well-being are prime areas of focus to the management. The best practices include health awareness programs for women, special attention for pregnant women employees, medical check-ups, immunization and medicines and vitamin supplements distribution.

The safety of workers is one of the prime objectives of the organization and this is ensured by periodic assessments, audits, potential risk factors determination and elimination, mock drills and safety awareness programs. Employee well-being is the top priority for the management.

Conservation of energy is enabled by absorbing and adopting latest technologies and innovations to become more efficient and productive. Energy audits and inter-unit studies are carried out to take steps in reduction of energy consumption [11].

Conclusions:

The sustainability disclosures on aspects of economics, environment and social across the companies demonstrate the company's contribution to the economic development of the

country and the world, to prove the company's concern for the environment as well the social contribution to the locality that it operates in and the society at large. All the companies, have the CSR activities being carried out effectively with serving the neighboring localities and communities. The GRI G4 guidelines are being followed by many companies with clear identification of materiality aspects.

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Abbreviations:

AIDS – Acquired immune deficiency syndrome

ARV - Anti-retroviral

CAER - Community awareness and emergency response

CSR – Corporate social responsibility

EHS - Employee health and safety

EIA - Environment impact assessment

GRI G4 – Global reporting initiative, the 4th generation of the guidelines

GRI G2 – Global reporting initiative, the 2nd generation of the guidelines (older version)

HIV– Human immunodeficiency virus

INDC - Intended Nationally Determined Contribution (INDC) commitments of India

SDG - Sustainable development goals

TCS – Tata Consultancy Services

UNGC - United nations global compact

WBCSD - World Business council for sustainable development

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