

An Analytical Study of the CSR Reporting in India - Aligning, Measuring and Reporting CSR with Global and National Goals

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Abstract: *Corporate Social Responsibility (CSR) in India has some distinct features which makes it different from what the CSR is perceived in almost rest of the world. For the purpose of understanding CSR in its totality, this study analyses CSR as a global concept. It starts with providing conceptual understanding on the Corporate Social Responsibility and its Reporting; analysis of legal paradigm related to CSR Reporting in India including relevant provisions of the Companies Act 2013 and National Guidelines for Responsible Business Conduct etc. Apart from mandatory CSR reporting in India, the study also presents how eligible companies operating in India adopt and practice CSR Reporting more innovatively. This paper also presents the international eco-system on CSR Reporting by presenting some of the International Instruments of CSR Reporting. The research paper analyses Corporate Social Responsibility (CSR) Reporting regime in India and practices in CSR Reporting and also presents some cases. In the last it also presents how CSR Reporting can be aligned with the Sustainable Development Goals analysing the contribution of CSR in International and National developmental agenda and goals by Indian corporate and systems and instruments of reporting adopted for this purpose. The study tries to fill the gap of information / analysis on relevance of different reporting instruments of CSR Reporting in the Indian context.*

Keywords: Corporate Social Responsibility, Reporting, SDGs, NGRBC, Nationally Determined Contributors, Business and Human Rights

1. Introduction

The study has been done based on the analysis of secondary information on corporate social responsibility reporting instruments and practices in India and Internationally. CSR in India has some distinct features which makes it different from what the CSR is perceived in almost rest of the world. For the purpose of understanding CSR in its totality, this study analyses CSR as a global concept. It starts with providing conceptual understanding on the Corporate Social Responsibility and its Reporting; analysis of legal paradigm related to CSR Reporting in India including relevant provisions of the Companies Act 2013 and National Guidelines for Responsible Business Conduct etc. Apart from mandatory CSR reporting in India, the study also presents how eligible companies operating in India adopt and practice CSR Reporting more innovatively. This paper also presents the international eco-system on CSR Reporting by presenting some of the International Instruments of CSR Reporting. The research paper analyses Corporate Social Responsibility (CSR) Reporting regime in India and practices in CSR Reporting and also presents some cases. In the last it also presents how CSR Reporting can be aligned with the Sustainable Development Goals analysing the contribution of CSR in International and National developmental agenda and goals by Indian corporate and systems and instruments of reporting adopted for this purpose. The study tries to fill the gap of information / analysis on relevance of different reporting instruments of CSR Reporting in the Indian context.

The Corporate Social Responsibility (CSR) and Corporate Sustainability terms are used interchangeably around the globe. However, Corporate Social Responsibility in India has some distinct features which make it different from what the CSR is considered in the rest of the world. CSR in India addresses the issues as prescribed under the Schedule VII of the Companies Act, 2013 majorly comprising the social development and environment protection activities.

Whereas Corporate Sustainability as adopted by globally, is an area where all business processes are aligned with sustainable or responsible way i.e. integrating sustainability in business value chains and supply chains. The responsible business practice is a continuous process in which the corporations integrate the responsible behaviour at each step and activity of the business. Starting from the sourcing, procurement, manufacturing, supplying, etc. the ethical behaviour of the firms towards natural resources should be the part and parcel of each of their activities. Socially responsible behaviour is also an integral part of it.

1.1 Importance of the CSR /Sustainability Reporting

It has become a prerequisite for every company to create better CSR reports. CSR or Sustainability Reporting is a means for corporate disclosures, companies need to disclose to its stakeholders, the adverse impact they are making and potential risks to society, economy and environment by their operations. Not only the adverse impacts, but companies need to disclose the remedial and preventive measures being taken by them in order to address issues arising out of their operations. These disclosures not only help companies to take competitive advantages but also assist in attracting investments, value creation for share-holders and business stake-holders, attracting and retaining consumers/customers, positive branding, and competitive market advantages

The popular statement - "You can't manage what you can't measure" is much relevant in terms of business sustainability / CSR reporting. Measuring the adverse impact a business is making on social, economic and environmental spheres through its existence and processes, and also measuring the initiatives being taken by the business in terms of protecting and taking remedial measures is utmost important. CSR and Sustainability Reporting is a way through which companies can disseminate their efforts towards social, economic and environmental sustainability and can win trust of different segments of business stakeholders.

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In an era of sustainability, role of businesses in securing social, economic and environmental aspects of sustainability is seen as an important pillar. Initiatives of UN Agencies, National Governments, and Civil Societies compliment this process with having sustainable development as their core agenda of existence. Businesses on the other hand have primary motive to earn profits, irresponsible utilization of the resources has put our planet in danger for our future generations as well as for the sustainability of the businesses. When there will be no resources, how businesses will continue producing and providing goods and services? Judicial use of resources in responsible manner; recycling and reusing waste; adopting circular business models; aligning production process, supply chain and value chains of the business with sustainability standards are some of the most vital solutions business world foresee against the threats given. Adopting and integrating sustainability in the business strategies and processes not only provide businesses an opportunity for their sustenance but also satisfies the changing interest of different stake-holders in an eco-system where business operates. Customers are increasingly demanding companies to provide responsibly produced products and services, investors also tending to invest in those companies who fulfil certain parameters of sustainability, large companies have been asking their supply chain to be sustainable – all this require adherence to systematic and universally accepted approaches in terms of frameworks, guidelines, standards and indices of CSR and Sustainability. Another motivation for businesses to adopt sustainable practices is in term of enhancing their brand value. Producing and projecting ‘responsible brands’ attracts consumers, investors and stake-holders resulting into business growth and combating market competition. In India alone, there are specific cases where businesses have evidence of creating positive impacts on their profits by adopting and aligning sustainability in to their core business strategies. Hence, CSR and Sustainability are also seen as secrets for enhancing brand value leading to positive business growth and their reporting are vital for communicating the measures taken to all the business stakeholders. For communicating all such initiatives to different segments of business stakeholders, CSR / Sustainability Reporting practices are adopted.

1.2 CSR Reporting Tools & Techniques

Frameworks of Reporting:

Frameworks of Corporate Sustainability Reporting are important tools helping organizations to develop their sustainability reports. Some of the important frameworks are - Global Reporting Initiative (GRI); SIGMA project; DPSIR framework; The Global Carbon Disclosure Project (CDP); World Business Council for Sustainable Development (WBCSD); Greenhouse Gas Protocol (GHG Protocol); Broad principle-based frameworks - *SEBI framework* among many others.

Standards of Reporting:

Sustainability Standards play a vital role in facilitating the processes of disclosure and as a guide to adopt universally accepted policies and practices in business sphere ensuring sustainability. Various Sustainability Standards have been developed by different set of organizations including inter-

governmental bodies, standard organizations, consulting firms etc. as per sector specific requirements. There are several sector specific sustainability standards for business sectors such as textile and apparel, automobile, agro-business, electronics etc. Some of the common sustainability standards are AA1000; SA8000; ISO 14001; ISO 9001; AS/NZS 4801; EMAS; OHSAS 18001, New York Exchange and DELOITTE, and ISO 26000 among many others. Sustainability Standards may also be categorised according to their nature in terms of Voluntary Sustainability Standards (VSS) and Private Sustainability Standards (PSS).

Ratings and Indices of Corporate Sustainability Reporting:

There are several Ratings and Indices developed by various organizations some of these are - KLD; EIRIS; SAM; Asian Sustainability Rating (ASR); Dow Jones Sustainability Index (DJSI); MSCI ESG indices; FTSE4Good index; Bloomberg ESG disclosure scores; Trucost, Boston Consultancy Group's etc.

CSR Reporting in Indian context

In the Indian context, it is mandatory to report CSR initiatives according to the Companies Act, 2013 most of the companies follow and report their initiatives based on the following parameters:

Reflections on CSR Policy

The Act mandates companies to formulate CSR policy. The policy needs to list out projects/programmes it is planning to implement, execution mechanisms, monitoring and evaluation framework and others. The policy should be made available on the company's website.

Reflections on CSR Committee

The Act mandates that eligible companies must formulate a Corporate Social Responsibility (CSR) committee. The CSR committee needs to formulate and recommend the CSR policy to the board, list out and recommend CSR activities and their expenditure and periodically monitor the CSR policy.

Disclosure on CSR in Director's Report

As per the Act, eligible companies must disclose CSR related details in their director's reports such as the composition of the CSR committee, details about the policy developed and implemented by the company on CSR initiatives taken during the year as annual report on CSR containing particulars as specified by the Act.

CSR Reporting as per the Companies Act, 2013

2015 was the first year of mandatory CSR reporting. At this juncture, many corporates invested in systems and processes for effective reporting. Several CSR projects were being conceptualised and designed at this stage. After amendments in the Companies Act in 2013, it is now mandatory to report CSR as per prescribed format. Companies (Corporate Social Responsibility) Rules, 2015 emphasises' upon the reporting format for the corporations as under:

Format for the annual report on CSR activities to be included in the Board’s Report

- 1) A brief outline of the company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
- 2) The Composition of the CSR Committee.
- 3) Average net profit of the company for last three financial years.
- 4) Prescribed CSR Expenditure (two per cent. Of the amount as in item 3 above)
- 5) Details of CSR spent during the financial year.
 - a) Total amount to be spent for the financial year;
 - b) Amount unspent, if any;
 - c) Manner in which the amount spent during the financial year is detailed below.

Sr No	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub -heads: (1) Direct expenditure on projects or programs (2)Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1							
2							
3							
4							
5							
	Total						

- 6) In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
- 7) A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

..... shall include an annual report on CSR, containing particulars specified in the Annexure.

- In case of a foreign company, the balance sheet filed under sub-clause (b) of sub-section (1) of section 381 shall contain an Annexure regarding report on CSR.
- The above provisions of the rules clearly lay down that details relating to the CSR activities, including details of any unspent balance, are to be disclosed only in the Board’s Report in accordance with the Rules made thereunder. Since the incomes/expenses relating to CSR activities are considered as non-cost items, any unspent amount need not be reflected in the cost statements.

The report is to be signed by the Chief Executive Officer or Managing Director or Director, Chairman CSR Committee, and the person specified under clause (d) of sub-section (1) of section 380 of the Act, if applicable

Other important considerations under the Act while reporting:

- The Board’s report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.
- Section 135 (5) of the Companies Act, 2013, requires that the Board of every eligible company, “shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy”. A proviso to this Section states that “if the company fails to spend such amount, the Board shall, in its report specify the reasons for not spending the amount”.
- Further, Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, prescribes that the Board’s Report of a company covered under these Rules

National Guidelines on Responsible Business Conduct
 Government of India launched National Voluntary Guidelines on Economic, Social and Environmental Responsibilities of Business in 2007 which were revised in 2009 and 2011. The next revision was introduced as the National Guidelines on Responsible Business Conduct of Business, replacing the earlier guidelines. (Ministry of Corporate Affairs, Govt. of India, 2018). Nine principles for performance disclosures are:

- a) Ethical, Transparent and Accountable conduct
- b) Provide goods and services in sustainable and safe way
- c) Promote the well-being of all employees including those in value chain
- d) Respect the interests of all shareholders
- e) Promote human rights
- f) Protect and restore the environment
- g) Transparent engagement in public policy
- h) Inclusive growth and equitable development
- i) Provide value to their consumers responsibly

Case study -TATA GROUP – EXAMPLES OF SUSTAINABLE CSR

Commitment to UNGC Principles

Forty-two Tata companies are signatories of UN Global Compact in India, the highest in the world from a single business group, these companies do reporting as per guidelines set by the Global Reporting Initiative.

The Tata city Jamshedpur was selected for the UN Global compact Cities pilot project programme in 2004, The other five were Melbourne (Australia), Porto Alegre (Brazil), Tianjin (People's Republic of China), Nairobi (Kenya) and San Francisco (USA). Jamshedpur represented South Asia. The reason Jamshedpur has been nominated is the exceptional record of Tata Steel in the field of

community development, and their close involvement in the city's development and services. Through this effort, Tata Steel developed the best practical solutions to contemporary urban issues existing in the city of Jamshedpur and also shared the city's best practices and proven solutions with other cities in the world facing similar problems. While talking about the best practices of the city, it is fair to mention that the town division of the company, which provides municipal and civic facilities, has been certified ISO 14001 for its Environment Management System, the first in the country. This pilot programme also helped in tackling issues involving multiple stakeholders and seeks to have human as well as tangible impacts.

The Tata Council for Community Initiatives (TCCI)

The Tata Council for Community Initiatives (TCCI) is a unique initiative that lends structure to the Tata group's approach of sustainable development while driving its community engagement and improvement programmes. It is a centrally administered agency whose purpose is to help Tata companies and employees engaged in developing the community through specific processes. TCCI is also involved in assisting Tata companies address sustainability reporting as per guidelines set by the Global Reporting Initiative. It is the focal point for the UN Global Compact in India, which has 42 Tata companies as signatories, the highest in the world from a single business group.

The Tata Index for Sustainable Human Development (TISHD)

The Tata index for sustainable human development is a pioneering effort aimed at directing, measuring and enhancing the community work that Tata group enterprises undertake. The index provides guidelines for Tata companies looking to fulfil their social responsibilities, and is built around the Tata Business Excellence Model, an open-ended framework that drives business excellence in Tata companies.

Tata Group and the SDGs

The Tata group believes that the role of business is not just about giving back to society from its profits but also about ensuring that the processes it employs to earn these profits are ethical, socially responsible and environmentally sound. Sustainability is built into the Tata group's business processes through a well-defined policy, a value system committed to social expenditure and environmental preservation, and through a governance structure that engages employees and other key stakeholders.

The Tata Group contributes to the realisation of the SDGs by supporting sustainable and meaningful actions in the communities in which it operates. The group also employs sustainability levers in its business operations and offers products and services that help create value for customers and stakeholders. Tata group companies' activities are contributing to the realisation of the SDGs either through their business or through CSR. Besides, it describes the measurable impact that these activities can have on improving the quality of life and enhancing stakeholder value across communities they touch. The SDGs have now become a blueprint to help achieve and contribute to corporate responsibility.

Why are the SDGs Important for Business?

Businesses have been facing increasing expectations from stakeholders in the past few years to include social, environmental and governance dimensions in their corporate strategies. They have started to define and formulate broader responsibilities, and sustainability has become an increasingly critical consideration for corporations. The 2030 Agenda for Sustainable Development and the SDGs provide a good opportunity for businesses to align their strategic goals with globally agreed sustainability principles.

How Can Businesses Contribute to the SDGs?

Businesses are essential drivers for sustainable development and human prosperity, especially because they have the resources to push growth by providing employment, technology, innovation, research and funding. Business can leverage these capabilities and catalyse sustainable, profitable growth.

(Sources: <https://www.thehindu.com/2005/03/20/stories/2005032002501400.htm>; <http://www.tata.com/pdf/report-tata-group-and-the-SDGs.pdf>; <http://www.tata.com/article.aspx?artid=IV/tF5W9eeQ=>; http://www.unglobalcompact.org/docs/news_events/8.1/after_the_signature.pdf)

Global Practices in CSR Reporting

As a broader and global practice, CSR disclosures have been categorised into five areas, namely:

1. Environment
2. Labour practices and decent work
3. Society
4. Human Rights
5. Product Responsibility

Most of the companies globally, report based on the above five parameters of sustainability using different tools and techniques by adopting different standards/ frameworks/ guidelines. As mentioned earlier in this paper global instruments may be classified under three categories viz. (i) Frameworks, (ii) Standards and (iii) Ratings / Indices. Some of the important instruments in their order of evaluation are given as under:

Organisation for Economic Cooperation and Development (OECD) Guidelines

Organisation for Economic Cooperation and Development (OECD) released guidelines in the form of Code of Conduct for the Multinational Companies in year 1976 as an Annexure to the non-binding OECD Declaration and Decision on International Investment and Multinational Enterprises. These guidelines were recommended by the participating Governments as voluntary guidelines. Particularly with regard to the responsible behaviour of the companies, these guidelines talk about Transparency / Disclosures, Employment and Industrial Relations, Environment Protection, Combating Bribery, and Consumers' interests. The guidelines were amended in the years 1979, 1984, 1991 and in 2000. (Organization for Economic Cooperation and Development, 2008)

Caux Roundtable Principles

In 1994, to promote collaborations among the Japanese, American and the European business leaders, during the Caux Round Table it was agreed that apart from rules, systems and policies for the business are necessary to obtain the trust of the society. They play a constructive role in resolving trade frictions but the most basic requirement is that the corporations act responsibly. Accordingly, the Caux Round Table Principles for Business were agreed. The Caux Principles were based upon the three phenomena - a) 'Kyosie', b) 'Minnesota', and 'Human Dignity'. (cauxroundtable.org, 2010)

Social Accountability 8000 Standard

The organisation called 'Social Accountability International' released first International Standard on Human Rights and Ethical Behaviour called 'Social Accountability 8000' in year 1997. This standard came into the existence to mainly tackle various issues related to unfair labour practices. (Social Accountability International, 2001)

AccountAbility 1000 Standard

Institute of Social and Ethical Accountability in year 1999 released AccountAbility 1000 standard for ensuring social and ethical accountability and high quality auditing and reporting practices, it ensures the accountability for stakeholders in terms of governance structure, human rights, community development, and environmental protection, etc. (AA1000 Stakeholder Engagement Standard, 2015)

Ethics Compliance Standard 2000

The Reitaku Centre for Economic Studies, Reitaku University released the 'Ethics Compliance Standard 2000' in year 1999. It was well accepted around the world that companies must behave ethically and comply with social norms. But the systems to address CSR issues were lacking in the existence. The Ethics Compliance Standard 2000 fulfilled the need by providing direction that systems should take to ensure compliance with ethical standards, laws and regulations. (Reitaku University Business Ethics and Compliance Research Centre, 2007)

Green Paper 366

The Gyllenhammar Report was released in the year 1998 advocating for the social cohesion in the Europe. Subsequently, in year 2000, European Commission declared its goal for next decade – 'to become a knowledge economy, increase capabilities for sustainable economic growth, to increase employment opportunities, and achieving greater social cohesion. Accordingly, in year 2001 Green Paper 366 was issued by the European Commission. The Green Paper 366 put emphasis on two key aspects. First, promoting best practices in Corporate Social Responsibility and secondly, development of a European CSR Framework, and to foster social cohesion through the Corporate Social Responsibility initiatives. It brought, apart from internal and external

dimensions, a holistic approach towards Corporate Social Responsibility in the Europe. The outcomes after the Green Paper 366 are as under:

- Integrating CSR in all European Commission Policies
- Launching an European Commission's Multi-stakeholders' Forum on CSR
- Promoting convergence and transparency of CSR policies and tools
- Development of a European Action Framework on CSR (European Union Commission, 2001)

United Nations' Global Compact

In year 1999, United Nations' Secretary General Mr. Kofi Annan announced the concept that 'Globalisation is promoting the advancement and development of the countries, but there are negative results as well, particularly more widespread poverty and more environmental degradations; and these problems may only be resolved through the collective action of corporations that are active internationally.' Accordingly, in year 2000, United Nations' global Compact was released with 10 principles. These principles were based on the: Universal Declaration of Human Rights (UDHR); International Labour Organisation's Fundamental Principles and Rights at Workplace; and Principles on Rio Declaration on Environment and Development. (United Nations Global Compact, 2000)

Global Reporting Initiative

Global Reporting Initiative is a voluntary organisation established by the Coalition for Environmentally Responsible Economies. The organisation has the mandate to work towards developing and promoting globally applicable guidelines on sustainability-related issues. GRI released the guidelines in year 2000 and further revised in 2002, the revised guidelines encompass not only the environment but economic and social issues as well. The guidelines broadly describe the performance indicators based on various social, economic and environmental parameters. (Global Reporting Initiative, 2011)

ISO 26000:2010

ISO 26000:2010 was prepared by the ISO/TMB Working Group on Social Responsibility released in year 2010. It was one of the most comprehensive standards ever developed by ISO and received global attention and acceptance. The ISO 26000 is based on 7 principles, 7 Core subjects or requirements; comprising total 36 identified significant issues or potential area to work by organisation (ISO, 2014). The organisation needs to identify which issues are relevant and significant for them to address in prioritised manner, through its own consideration and through dialogue with stakeholders (Atrey, ISO:26000 – Theory and Practice , 2012).

Case Studies - CORPORATE RESPONSIBILITY AND SUSTAINABILITY REPORTING – VISA

In its 2017 Corporate Responsibility and Sustainability Report, Visa provided summary of progress in its ongoing commitment to corporate responsibility, sustainability and ethical leadership. The report addresses the commitments and progress Visa has made across its most significant Environmental, Social and Governance (ESG) issues.

"Through investments in innovation, our people, operations and societal impact, Visa continues to make progress towards our vision to be the best way to pay and be paid for everyone, everywhere," said Douglas Sabo, vice president and head of Corporate Responsibility

and Sustainability at Visa Inc. “We are tremendously proud of the progress made and the growing recognition we have received as a responsible and sustainable company.”

In its third Corporate Responsibility and Sustainability Report, Visa shares achievements across five focus areas: Transforming Commerce, Expanding Access, Investing in Our People, Operating Responsibly and Strengthening Communities. The report includes the following select highlights:

1. Transforming Commerce

- Expanded its global network of Innovation Centres and Studios
- Invested in “push” payment capabilities via the Visa Direct solution to allow businesses, governments and consumers to transfer funds from an originating account to another via a debit or prepaid account using the Visa network
- Extended its Visa Everywhere Initiative to Europe, Latin America and the Middle East, engaging start-ups to identify and provide visionary solutions for payment and commerce challenges around the world

2. Expanding Access

- Helped provide access to 107 million new accounts in FY17 as part of its goal of reaching 500 million financially underserved people by 2020
- Announced the planned expansion of its mobile payment solutions to Egypt, Ghana, Indonesia, Kazakhstan, Pakistan, Rwanda, Tanzania, Uganda, Ukraine and Vietnam
- Invested in new philanthropic programmes around the world, including the Reaching Minority Households Incubator to work with and initiate loans to underbanked minority households, as well as a collaboration to equip female cotton farmers in India with access to financial services, market linkages and leadership skills

3. Investing in Our People

- Enhanced Visa University, a core component of its employee training and development programme, by adding new learning paths, leadership capabilities and a 360-degree development tool
- Signed the CEO Action for Diversity and Inclusion pledge, the largest CEO-driven business commitment to advance diverse and inclusive workplaces
- Delivered unconscious bias training to over 90 per cent of leadership

4. Operating Responsibly

- Joined the RE100 initiative and committed to transitioning to 100 per cent renewable electricity across global operations by the end of 2019 while reducing its environmental impact and greenhouse gas emissions
- Implemented a new Visa Supplier Code of Conduct that outlines expectations of suppliers, including conflicts of interest, employment practices, environment, human rights and supplier diversity

5. Strengthening Communities

- Launched the Visa Foundation, which made an inaugural commitment of up to \$20 million to Women’s World Banking to help female, low-income entrepreneurs in underserved economies build their small businesses or enterprises and gain leadership skills and financial capabilities
- Provided philanthropic support to help people affected by disasters and humanitarian crises, including hurricanes, earthquakes, wildfires and mudslides

Alignment of CSR and Sustainability Initiatives with Sustainable Development Goals (SDGs)

As outlined in the report, Visa’s progress helps support many elements of the United Nations Sustainable Development Goals (SDGs), the global roadmap for progress by 2030. Visa’s work includes contributions primarily to Goal 8, Decent Work and Economic Growth, and Goal 5, Gender Equality, as well as a number of secondary Goals focused on ending poverty, reducing inequality and combating climate change.

Recognitions

Among its growing recognition for corporate responsibility and sustainability, Visa was named to the 2017 Dow Jones Sustainability North America Index, the FTSE4Good Index, Corporate Responsibility Magazine’s 100 Best Corporate Citizens List, the World’s Most Ethical Companies list by the Ethisphere Institute, the Human Rights Campaign’s 2018 Corporate Equality Index for LGBTQ Equality and the Diversity Best Practices Inclusion Index.

(Source: https://www.sustainablebrands.com/press/visa_announces_progress_latest_corporate_responsibility_sustainability_report)

Integrating SDGs in CSR Reporting

Indian businesses have been voluntarily committed towards philanthropy since ages but after 2013, since CSR provisions included in the Companies Act, CSR practices are evolving as a specialized professional manner. Now the corporates need and are looking for more impactful, long lasting and innovative activities touching more lives through their CSR interventions. This can be possible only when their CSR activities, though catering to a certain geography or community, align with much wider objectives and goals for the wellbeing of the nation and the world.

Having sustainable business practices besides CSR activities and linking to the (Sustainable Development Goals) SDGs and (Nationally Determined Contributors) NDCs is the need

of the hour for businesses to reap the benefits of such initiatives. “Better Business, Better World”, a report by the Business and Sustainable Development Commission reveals that sustainable business models could offer a compelling growth strategy, opening up an economic prize of at least US\$1 trillion by 2030 for the Indian private sector and over 73 million new jobs could be created in India by 2030.

SDGs mapped against NGRBC

National Guidelines on Responsible Business Conduct (NGRBC) presents the Sustainable Development Goals mapped against the NGRBC Principles. The chart as given in the NGRBC document demonstrates an indicative alignment SDGs and relevant principles of the NGRBC.



(Source: NGRBC, 2018)

Mapping of SDGs with Schedule VII of the Companies Act 2013:

The High Level Committee on the Corporate Social Responsibility, in its report released in August 2019, has presented an analysis of the alignment of Sustainable Development Goals with the CSR activities as given in the Schedule VII of the Companies Act, 2013. The analysis not

only maps the SDGs against each of the relevant activities as given under the Schedule VII but it also provides an analysis of the activity wise expenditure made by companies under CSR after notification of the mandatory CSR in India. The chart below provides information on above parameters:

Schedule VII areas	Sustainable Development Goals (SDG number)	Cumulative CSR spend (in Rs.cr)	% of total CSR spend
Environment, Animal Welfare, Conservation of Resources (including Clean Ganga Fund)	15 LIFE ON LAND, 14 LIFE BELOW WATER, 13 CLIMATE ACTION, 11 SUSTAINABLE CITIES AND COMMUNITIES, 7 AFFORDABLE AND CLEAN ENERGY, 6 CLEAN WATER AND SANITATION	4,554.03	8.72
Education, Differently Abled, Livelihood	8 DECENT WORK AND ECONOMIC GROWTH, 4 QUALITY EDUCATION, 2 ZERO HUNGER, 1 NO POVERTY	19,291.47	36.95
Health, Eradicating Hunger, Poverty And Malnutrition, Safe Drinking Water, Sanitation (including Swachh Bharat Kosh)	6 CLEAN WATER AND SANITATION, 3 GOOD HEALTH AND WELL-BEING, 2 ZERO HUNGER, 1 NO POVERTY, 10 REDUCED INEQUALITIES	14,846.50	28.44
Encouraging Sports	8 DECENT WORK AND ECONOMIC GROWTH	600.89	1.15
Heritage, Art, and Culture	11 SUSTAINABLE CITIES AND COMMUNITIES, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	824.90	1.58
Gender Equality, Women Empowerment, Old Age Homes, Reducing Inequalities	10 REDUCED INEQUALITIES, 5 GENDER EQUALITY, 1 NO POVERTY	1,484.04	2.84

(Source: Govt. of India, Ministry of Corporate Affairs, Report of the High level Committee on CSR)

Rural Development		5,442.84	10.43
Slum Area Development		197.53	0.38
Prime Minister's National Relief Fund and any other fund		2,037.55	3.90
Other Sectors (Technology Incubator and Benefits To Armed Forces And Admin Overheads)		152.00	0.29
Not Mentioned		2,779.28	5.32

(Source: Govt. of India, Ministry of Corporate Affairs, Report of the High level Committee on CSR)

Nationally Determined Contributors (NDCs)

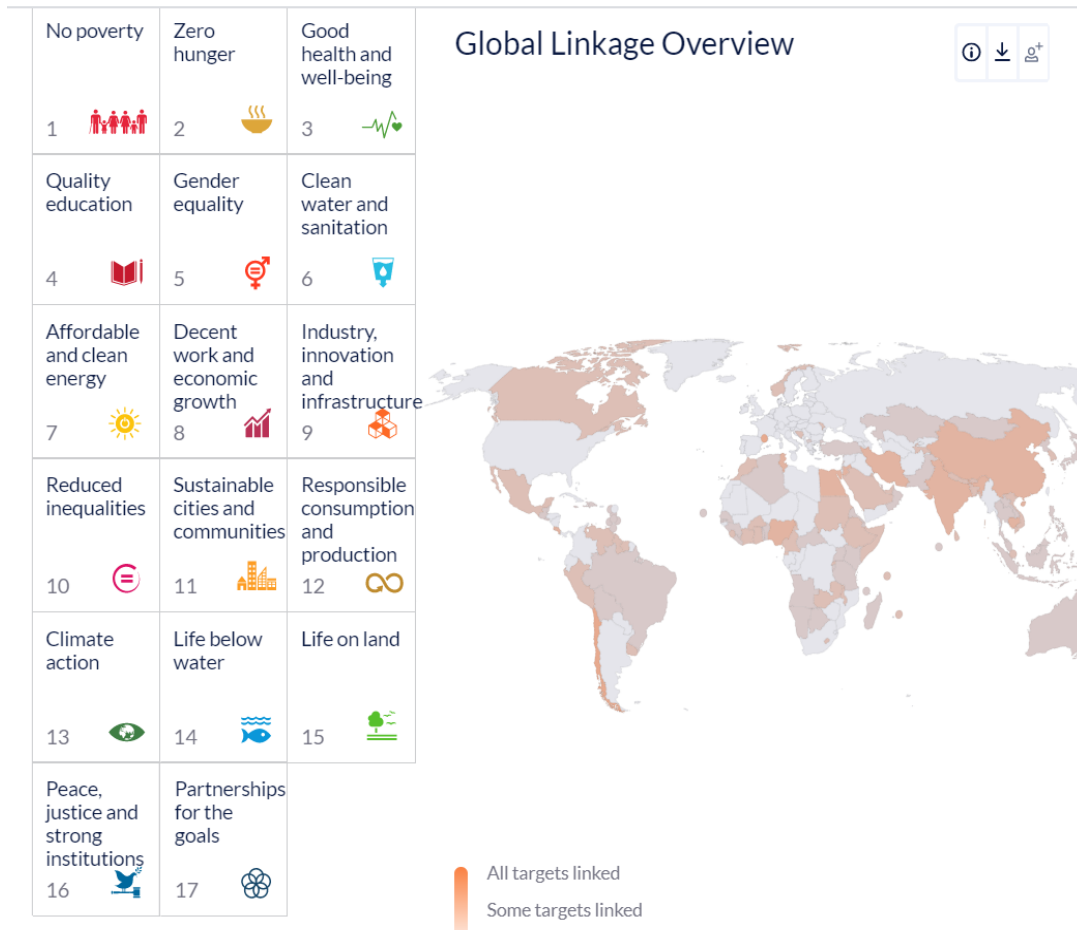
As a mandate, all countries are required to prepare NDCs and present them before COP 21 in Paris. India's NDCs incorporate among others, development priorities such as:

- Electricity for all
- Housing for all
- Poverty eradication
- Infrastructure for Education and Health for all
- Make in India
- Infrastructure development

Under the leadership and vision of Hon'ble Prime Minister Shri Narendra Modi, Government of India has taken a number of measures to promote sustainable development and address the threat of climate change at national and sub-national level. The first step was revisiting the National

Missions under the National Action Plan on Climate Change (NAPCC). Government is proposing to set up new missions on Wind Energy, Health, Waste to Energy, Coastal Areas and redesigning the National Water Mission & National Mission on Sustainable Agriculture.

The World Resource Institute has developed a tool and Global map of SDG-NDC linkages. The NDC-SDG Linkages tool provides comprehensive mapping of linkages between Nationally Determined Contributions (NDCs) and the Sustainable Development Goals (SDGs) and associated targets of the 2030 Agenda for Sustainable Development. The tool supports the implementation of the international climate and development agendas by optimizing the way we identify their intersections.



(Source: World Resource Institute, NDC-SDG Linkages, www.wri.org)

SDG-NDC-CSR linkages

It is need of the hour that the Companies need to broaden the horizon of their CSR policies and activities to align with global or national priorities and goals. Aligning CSR activities with global sustainability goals encapsulated within the 17 UN SDGs and the Paris Accord driven NDCs provide, businesses the opportunity to achieve these social and business objectives. Few of the benefits are as below:

- Aligning CSR activities with SDGs and NDCs establish direct contributions to national and global targets of social, environmental and economic development/growth. A good economy or socially developed communities expand the market and people’s purchasing power increases, which ensure further growth of markets.
- The measurable contribution with larger goals can enhance corporate reputation, which can add great value to help establish a responsible brand. The socially conscious millennial consumer is vying for responsible brands and do not hesitate to spend extra bucks to buy the product with such a reputation.
- Sustainable business practices and ethical business are increasingly becoming mandatory requirements to enter and grow in the mature markets globally. Adopting sustainability practices aligned with CSR initiatives can help grow business globally.

One of the large corporate in India by rescaling their CSR initiatives, linking to SDGs, has measured the impact on their sales in the region where CSR initiatives were made. The sales were increased by three fold through the

redesigning of CSR strategy. How responsible business practices can turn in to fulfilling these objectives by contributing and connecting to SDGs and NDCs is a moot question. SDGs and NDCs explicitly call for business to apply their creativity and innovation to help solve the country specific development, environmental and economic challenges.

2. Summary and Recommendations

SDGs, NDCs and the areas of intervention mentioned in the Schedule VII of the Companies Act, 2013 were framed almost at the same time. There are interlinks in all the three fields – CSR, SDGs and NDCs. However, 17 SDGs and NDCs not only address measurable changes in wellbeing of people, economic development of nations, and better environment for the planet, but also deliberate upon how these changes will be achieved by defining 169 targets and further indicators of SDGs to measure the same. The horizon of SDGs is broader under the same categories mentioned under the Schedule VII of the Act. Hence, connecting to SDGs broaden the impact to many aspects of an individual’s life and society within almost similar budgets. Though there are various codes, guidelines, standards and regulations for undertaking CSR in India, but corporates in India seem in state of dilemma on which of these available sources to use in their CSR policy, strategy and execution apart from the regulatory measures. Various standards and organizations such as ISO 26000, UN Global Compact, and Global Reporting Initiative etc. have come-up with strategies to

align CSR with Sustainable Development Goals. Some of the think tanks / civil society organizations such as Centre for Responsible Business and Indian Institute of Corporate Affairs are also striving to align SDGs with core agenda of business.

The High level Committee on Corporate Social Responsibility constituted by the Government of India, in its report, concludes that the framework for CSR, NGRBCs, UNGPs and NAP for Business and Human Rights, together constitute the institutional framework for achieving the SDG agenda of 2030. Alternate models and pilots need to be encouraged at all levels: partnership governance structures, funding models, and innovative impact assessment of scaling best practices. With the institutional framework in place, this committee recommends that another committee be set up in three to five years to further consolidate the learnings in this sphere. Incentives for high-impact social development programs/projects that enable us to move the needle on SDG's should be considered by the next committee.

There is need to align Corporate Social Responsibility, National Guidelines on Responsible Business Conduct (NGRBC) and some of the key International CSR Standards to Sustainable Development Goals to devise an effective framework that allows companies to operate sustainably across multiple jurisdictions.

To achieve this, conceptualizing and developing an integrative toolkit and framework for practice and report is an essential step. The proposed framework will not only address the key components of relevant international instruments such as ISO 26000, GRI, UNGC, ILO conventions, IFC and World Bank Frameworks, OECD Guidelines, UNGPs, SA 8000, ISO 37001, ISO 14000 series, Equator Principles, and broadly targeted towards achieving SDGs but also broadens the horizon of the Corporate Social Responsibility for more measurable impacts and returns and building positive corporate brands and stakeholders satisfaction. The CSR-SDGs-NDCs Linkage Toolkit and Reporting Framework is required in India. The framework may also include government initiatives, policies, schemes, budget, and baseline on the targets mentioned under different SDGs and how corporate can contribute achieving and complementing those targets. Alignment and mapping of international standards will also help different kind of companies to follow and report on required standards by just adopting the proposed framework.

The proposed Framework may prove as an important milestone to Report CSR initiatives to be measured in terms of attaining SDGs and NDCs and Business contribution in it which will not only give businesses a competitive advantage but also reflect their concern towards cooperating and complimenting with Governments and other stakeholders in attaining globally recognized Sustainable Development Goals in local communities. No doubts that an extension to the recently developed National Guidelines for the Responsible Business Conduct (NGRBC) will be a rationale step to develop proposed framework.

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(Views expressed, analysis and recommendations presented in this paper are Authors' personal).