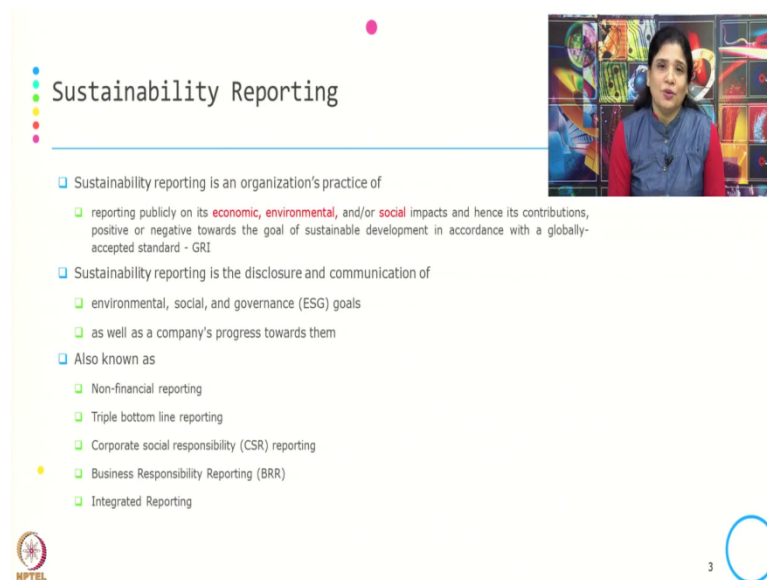


Business and Sustainable Development
Prof. Trupti Mishra
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Indian Institute of Technology, Bombay

Lecture - 14
Sustainability Reporting


Hello, welcome to the session on Sustainability Reporting. So, in last couple of session we discuss about the other tools of sustainability like an impact and assessment tool. We discuss about the life cycle assessment and in case of management tool we discuss the design for environment. So, in this class we are going to discuss the reporting tool that is on sustainability report. So, let us understand what is sustainability reporting.

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Sustainability Reporting

- Sustainability reporting is an organization's practice of
 - reporting publicly on its **economic**, **environmental**, and/or **social** impacts and hence its contributions, positive or negative towards the goal of sustainable development in accordance with a globally-accepted standard - GRI
- Sustainability reporting is the disclosure and communication of
 - environmental, social, and governance (ESG) goals
 - as well as a company's progress towards them
- Also known as
 - Non-financial reporting
 - Triple bottom line reporting
 - Corporate social responsibility (CSR) reporting
 - Business Responsibility Reporting (BRR)
 - Integrated Reporting

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So, sustainability reporting is an organization practice of reporting publicly on its economic, environmental and social impact and hence its contributions to positive or negative towards the goal of the sustainable development in accordance with the globally accepted standard.

So, if we look at this definition possibly few things what we can highlights over here; one this is organization practice, second this is not only economic impact this is also economic environment and social impact, third contribution to positive or negative to the goal of sustainable development and the last one is the globally accepted standard.

So, if you summarize these highlights, this talks about reporting publicly about the economic environment and social performance of the organization which may be positive which may be negative. Now, the typical question comes how sustainability report is different from the annual reports?





Annual report is financial report. It also consider the health, environment, safety and all the social responsibility, but sustainability reporting is the stand alone report which follow the accepted standard what should be the part of the sustainability disclosure and accordingly the sustainability report is being prepared. So, sustainability reporting is the disclosure and communication of environmental, social and governance goal popularly known as ESG goals as well as company's progress towards them.

So, from the reporting we will come to know what is the goal what the organization had set in and also how much is the progress they have made to achieve the goal. This sustainability reporting also known as non-financial reporting, triple bottom line reporting, CSR reporting, business responsibility reporting, and integrated reporting.


So, in the different economy, in the different context, you will find that reporting, the norms for reporting for some country possibly it is non-financial reporting, for someone it is stable reporting, for someone it is business responsibility reporting, but most widely accepted reporting is typically sustainable reporting which follows the guideline of the GRI standard.

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Top 5 Sustainability Framework

STANDARD	FOCUS	WHY REPORT	SCOPE	WHO REPORTS	REPORTING PERIOD
 CDP	Climate Change, water, and forests issues	CDP ranks the largest suppliers of corporate GHG emissions and energy use in the world and is used to track 400 institutional investors representing more than \$60 trillion in assets. Its transparent scoring methodology helps investors understand exactly what's expected of them. CDP was recognized as the world's most credible sustainability rating in 2015.	Companies receive two separate scores for Disclosure and Performance using a 100-point scale. CDP requires top scoring companies to set Carbon Disclosure Leadership Index (CDLI).	Public and private companies, cities, NGOs, supply chains	Climate Change program Feb. 1 - May 28 Water program April 1 - July 1 Forest program July 1 - May 31 Water and Forests programs Feb. 1 to June 30
 EcoVadis	Industry-specific criteria: environmental impact, social behavior, business ethics, and governance	Membership in the GRI is a prerequisite as it represents the top 10% of the GRI-registered companies in the SAP Global Brand Water Index. The Corporate Sustainability Assessment (CSA) brings a sector-specific focus and needs to ensure compliance to disclosure for public companies. This index was recognized as the world's second most credible sustainability rating after CDP.	Companies receive a total Sustainability Index score between 0-100 and are rated against peers. Includes a Media and Stakeholder Index. These scoring within the top 10% are included in the index.	The 2000 largest public companies in the world	April 1 - May 28
 Global Reporting Initiative	Corporate social responsibility with an emphasis on environmental, social and governance factors. Focuses on stakeholder engagement to determine materiality.	GRI was announced as the official reporting standard of the UN Global Compact, making it the default reporting framework for the company's more than 10,000 associated companies. It's among the oldest, most widely adopted and most widely recognized reporting methodologies in the world. It's through focus on social and governance aspects of CSR is emphasized.	Focus is on transparency. No sector-specific methodology. new G4 framework requires entities reporting to choose "Core" or "Comprehensive" reporting.	Public and private companies, cities, government agencies, educational institutions, NGOs.	Anytime, but typically integrated into company's national annual report.
 GRESB	Environmental, social and governance performance in the global commercial real estate sector only. Includes assets and activities not disclosed.	Private and public institutional investors look to GRESB annual survey as the benchmark of sustainability performance in the commercial real estate industry. To target audience about 1.5 billion assets and more accurate insights into industry performance and reveal "footprint" results.	Requires scored out of a possible 100 points. Distributed across two categories of data: being weighted placed on environmental and social performance.	Commercial real estate owners, asset managers and developers.	April 1 - June 30
 SASB	23 public companies only. Industry-specific issues deemed material to investors.	SASB's standards make comparison of peer performance and benchmarking within an industry. Guided by Global Materiality and Disclosure Data, SASB's standards are based on companies who disclose on sustainability performance that of companies who do not. SASB is based on the level of disclosure of and the financial materiality. (SASB) is based on the level of disclosure of and the financial materiality.	No scoring system. Instead, SASB is a standardized methodology for reporting sustainability performance through the SASB G4.	No one yet. They're just released their first sector reporting guidelines.	Integrated into quarterly to 4-5 things.

Source: <https://www.measurabl.com/the-top-five-sustainability-reporting-frameworks-you-should-know/>



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Now, there are many more sustainability framework that how typically the reporting should be done. You will find many more that available as the sustainability framework for the reporting or the communication. The slides reports five sustainable, top five sustainability framework and this includes CDP that is the carbon disclosure, then Dow Jones Sustainability Index, global reporting initiative, GRESB and SASB.

So, most of the time if you will find, most widely accepted is the GRI standard. So, let us see the background of this GRI and how GRI standard is being used for reporting the sustainability or preparing the sustainability report.

(Refer Slide Time: 04:04)




The slide is titled "Global Reporting Initiative (GRI)" and features a list of bullet points describing the organization. In the top right corner, there is a video inset showing a woman with dark hair wearing a blue and red top. The slide also includes the NPTEL logo in the bottom left and a blue circle with the number 5 in the bottom right.

- GRI is an independent international organization
 - Pioneered sustainability reporting since 1997
 - Produces one of the world's most prevalent standards for sustainability reporting
 - developed with true multi-stakeholder contributions and rooted in the public interest
 - Helps an organization prepare a sustainability report based on
 - stakeholder engagement
 - and focuses on material topics
 - Provides a **full and balanced picture** of an organization's
 - material topics and related impacts
 - as well as how these impacts are managed

So, what is GRI? GRI is the independent international organization and they are pioneer in sustainability reporting since 1997. They produce one of the world's most prevalent standard for the sustainability reporting and that is developed with true multi stakeholder contribution and also rooted in the public interest.

Now, what is the role? They help the organization to prepare sustainability report based on stakeholder engagement and also focuses on the material topics and this GRI framework typically provides a full and balanced picture of the organization, the material topics, material coverage, related impact and also how these impacts are being managed.

(Refer Slide Time: 04:52)



Global Reporting Initiative (GRI)


- A report in accordance with the GRI Standards
 - can be produced as a stand-alone sustainability report
 - or can reference information disclosed in a variety of locations and formats
 - (e.g., electronic or paper-based)
- Any report prepared in accordance with the GRI Standards is required to include a GRI content index
 - which is presented in one location
 - and includes the page number or URL for all disclosures reported

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Now, if a report is in accordance with the GRI standard it can be produce as a standalone sustainability report or it can reference information close in the variety of location and formats either it is in the electronics or the paper based format. Any report prepare in accordance with GRI standard is required to include the GRI content index which is presented in one location and also include the page number and URL of all disclosure reported.

(Refer Slide Time: 05:23)



GRI Standards: Milestone



Timeline of GRI Standards Milestones:

- 1997: Launch of the GRI
- 2000: 1st version of the GRI Guidelines launched
- 2003: Launch of the Organizational Stakeholder (OS) Program
- 2008: Certified Training Partner Program established
- 2013: GRI G4 Guidelines launched
- 2014: Global Sustainability Standards Board (GSSB) formed*
- 2016: Launch of the GRI Sustainability Reporting Standards
- 1 July 2020: Phase out of the G4 Guidelines

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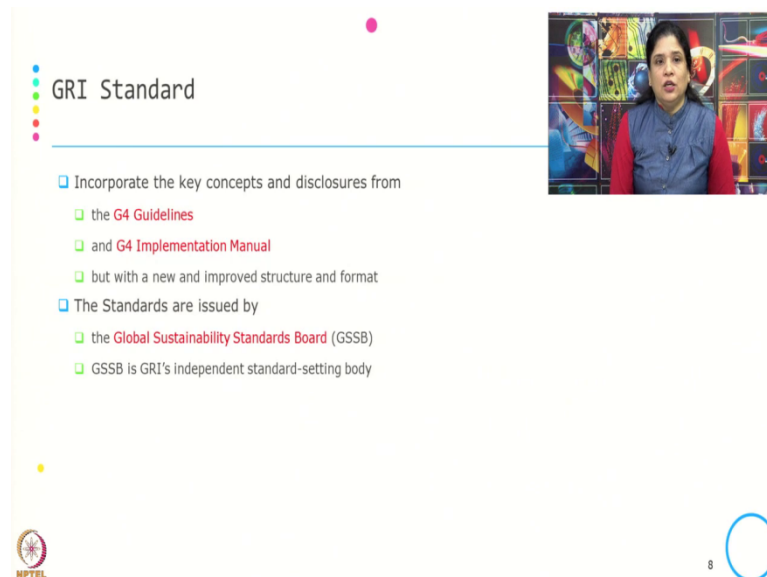
Source: <https://www.mainstreamingclimate.org/gri/>

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Now, this is what the milestone or we can say the evolution of the GRI framework over a period of time.

So, 1997 the launch of the GRI happened and 2000 they publish the first version of GRI guideline, then in 2003 they launch the organizational stakeholder program, then 2008 they started the certified ten training partner program and 2018 they phase out the G4 guideline and in 2014 they also form the global sustainability standard board and the current sustainability board is current sustainability standard is based on this GSSB that is the global sustainability board, but it takes the manual and the implementation from the G4 guidelines.

(Refer Slide Time: 06:18)



The slide is titled "GRI Standard" and features a list of bullet points. The first bullet point is "Incorporate the key concepts and disclosures from", followed by sub-points: "the G4 Guidelines", "and G4 Implementation Manual", and "but with a new and improved structure and format". The second bullet point is "The Standards are issued by", followed by sub-points: "the Global Sustainability Standards Board (GSSB)" and "GSSB is GRI's independent standard-setting body". In the top right corner, there is a video inset showing a woman with dark hair, wearing a blue shirt, speaking. The NPTEL logo is in the bottom left corner, and a blue circle with the number 8 is in the bottom right corner.

- Incorporate the key concepts and disclosures from
 - the G4 Guidelines
 - and G4 Implementation Manual
 - but with a new and improved structure and format
- The Standards are issued by
 - the Global Sustainability Standards Board (GSSB)
 - GSSB is GRI's independent standard-setting body

So, this GRI standard it incorporate the key concept of disclosure from the G4 guideline and G4 implementation manual as I was mentioning in case of previous slide, but it comes with a new improve structure and the format and the standards are issued by global sustainability standard board and this is the independent GRI's independent standard setting body.

So, mostly we use G4 guidelines implementation of the manual and the standards issued by the global sustainability standard board that is for the G4 framework.

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GRI Standard

- The set of GRI Standards includes:
 - 3 universal Standards, applicable to all organizations
 - 33 topic-specific Standards, organized into Economic, Environmental, and Social series
- Organizations select and use
 - only the relevant topic-specific Standards, based on their material topics

Universal Standards

- Foundation**
GRI 101
Starting point for using the GRI Standards
- General Disclosures**
GRI 102
To report contextual information about an organization
- Management Approach**
GRI 103
To report the management approach for each material topic

Topic-specific Standards

- Economic**
GRI 200
- Environmental**
GRI 300
- Social**
GRI 400

Select from these to report specific disclosures for each material topic

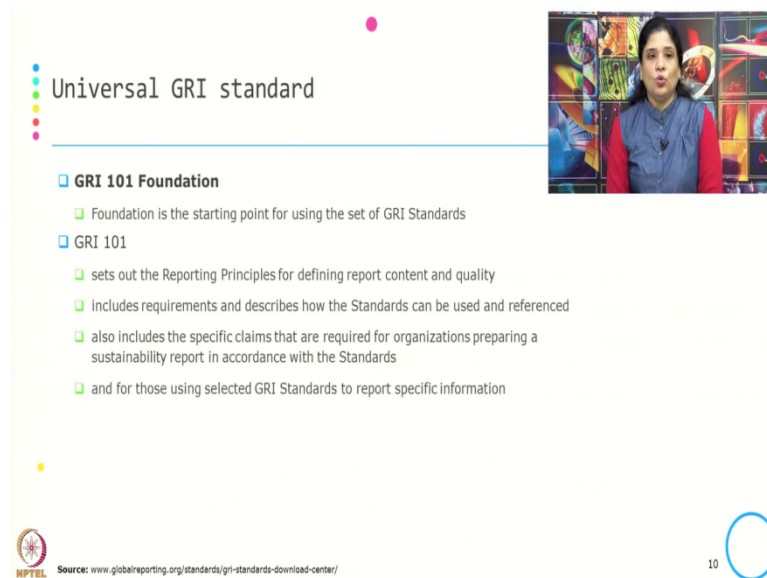
Source: www.globalreporting.org/standards/gri-standards-download-center/

Now, this GRI standard, there are two types of standard, the set of standard what GRI includes there are two types; one we have three universal standard which is applicable to all the organization and 33 topic specific standard that is organized into economic, environment and social series.

So, organization select and use only the relevant topic specific standard based on the material topic, based on their business, based on the product or service they offer, based on that they pick the topic specific standard, but the first set of standards that is those are universal to all the organization.

So, in universal standard we have again three kind of universal standard three types; 101 which gives the foundation, 102 which gives the general disclosures, and 103 which gives the management approach. Let us see what each of the standards covers or what each of the standard includes.

(Refer Slide Time: 08:00)



Universal GRI standard

- **GRI 101 Foundation**
 - Foundation is the starting point for using the set of GRI Standards
- **GRI 101**
 - sets out the Reporting Principles for defining report content and quality
 - includes requirements and describes how the Standards can be used and referenced
 - also includes the specific claims that are required for organizations preparing a sustainability report in accordance with the Standards
 - and for those using selected GRI Standards to report specific information

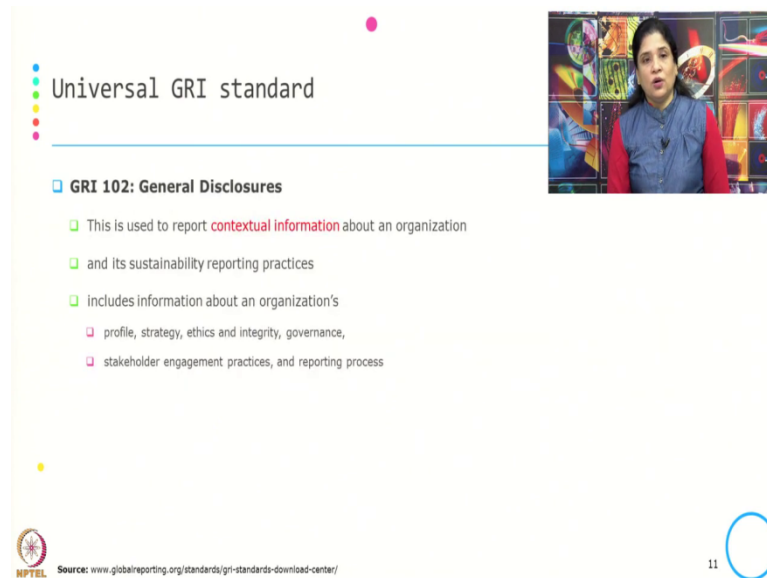
NPTEL Source: www.globalreporting.org/standards/gri-standards-download-center/

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So, GRI 101 foundation, this is the starting point of using the GRI standard and it sets out the reporting principle for defining report content and quality it includes the requirement and describe how the standard can be used and referenced. Also, it include the specific claims that require the organization preparing a sustainability report in accordance with the standards and for those using selected GRI standard to report the specific information.

So, GRI 101 is mostly foundation focuses more on content quality requirements and also if the organization is claiming something any specific claim, if they need how that has to be used in the sustainability report.

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Universal GRI standard

- **GRI 102: General Disclosures**
 - This is used to report **contextual information** about an organization
 - and its sustainability reporting practices
 - Includes information about an organization's
 - profile, strategy, ethics and integrity, governance,
 - stakeholder engagement practices, and reporting process

NPTEL Source: www.globalreporting.org/standards/gri-standards-download-center/

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Now, coming to GRI 102 that consist of general disclosure and this is used to report the typical information about an organization based on the context. So, and it is sustainability practices. It includes information about organization profile, strategy, ethics, integrity and governance and also the stakeholder engagement practices and reporting process.

So, GRI 101 is mostly on the fundamental the basic of it, but when we come to GRI 102 this is general disclosure about the organization profile strategy, ethics, integrity, governance and the other practices and processes what they are following.

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Universal GRI standard

- **GRI 103: Management Approach**
 - This is used to report information about how an organization manages a material topic
 - those covered GRI Standards series 200, 300, and 400
 - and other material topics
 - It allows the organization to provide
 - a narrative explanation of why the topic is material
 - where the impacts occur (the topic Boundary)
 - and how the organization manages the impacts

Source: www.globalreporting.org/standards/gri-standards-download-center/

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Then getting into GRI 103 which is management approach and this standard is used to report information how an organization manages the material topic and those cover in GRI standard 200, 300, 400 and other material topic.

So, whatever the topic specific standard they pick either from 200 or 300 or 400 how the, whatever the material they pick, how typically they should inform that about in their report about the material topic that is what GRI 103. It allows the organization to provide a narrative explanation of why topic is material? Where the impact occur? The topic boundary.

So, if you remember with this also, we discuss when we are discussing the life cycle impact that what is the boundary of the, what is the boundary we are set into assess the impact and also what gets into the scope and goal and scope for the impact assessment.

So, here also once the material or once the standard, the topic specific standard is being taken by the organization then it gives a narrative explanation that why the topic is that specific material? Where the impact occurs?

What is the system boundary for this product or the topic and how the organization manages the impact? So, all these management about the topic specific disclosure that is being followed from GRI 103 management approach framework. These are the topic

specific standard and their coverage. So, 200 series all economic, 300 series environmental and 400 series social.

(Refer Slide Time: 11:15)



Topic Specific Standards

200 Series Economic	300 Series Environmental	400 Series Social
GRI 201: Economic Performance	GRI 301: Materials	GRI 401: Employment
GRI 202: Market Presence	GRI 302: Energy	GRI 402: Labor/Management Relations
GRI 203: Indirect Economic Impacts	GRI 303: Water	GRI 403: Occupational Health and Safety
GRI 204: Procurement Practices	GRI 304: Biodiversity	GRI 404: Training and Education
GRI 205: Anti-corruption 2016	GRI 305: Emissions	GRI 405: Diversity and Equal Opportunity
GRI 206: Anti-competitive Behavior	GRI 306: Effluents and Waste	GRI 406: Non-discrimination
	GRI 307: Environmental Compliance	GRI 407: Freedom of Association and Collective Bargaining
	GRI 308: Supplier Environmental Assessment	GRI 408: Child Labor
		GRI 409: Forced or Compulsory Labor
		GRI 410: Security Practices
		GRI 411: Rights of Indigenous Peoples
		GRI 412: Human Rights Assessment
		GRI 413: Local Communities
		GRI 414: Supplier Social Assessment
		GRI 415: Public Policy
		GRI 416: Customer Health and Safety
		GRI 417: Marketing and Labeling
		GRI 418: Customer Privacy
		GRI 419: Socioeconomic Compliance

Source: www.wsp.com

So, 200 series talks mostly about economic performance market and anti competitive behavior and anti corruption behavior mostly, the economic activities. 300 series is environment. So, it starts with materials and also it talks about the compliance and also the supplier environmental assessment and 400 series if you can see the list is long.

These consist of social starting from employment till customer privacy about the data privacy and also the socioeconomic compliance.

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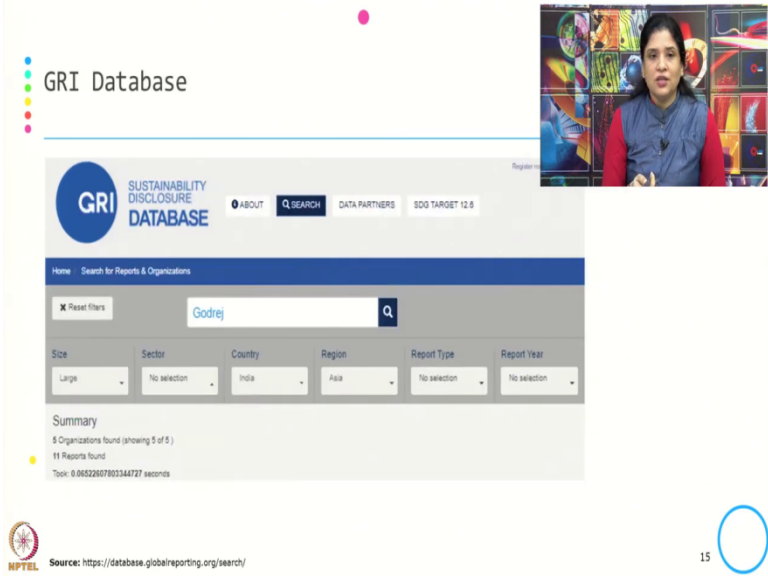


Now, when you have to find about the sustainability report of a specific company how they have disclosure, what is their sustainability report, all these reports are available in sustainability disclosure database. So, if you go to GRI sustainability disclosure database then it will give the options to find out about a specific company sustainability report.

So, this is the yesterday browsed result that, when you when I was looking at how much is the sustainability disclosure database or what is the numbers or what is the report. So, in yesterday browsing it is 15536 organization, their public 63852 reports and 38484 out of that were the GRI reports.

Then you can just type the organization name and then that will take you to the specific report or specific company report and gives a detail that how much, how many times they publish or when they have published or what kind of framework they have used.

(Refer Slide Time: 13:02)



GRI Database

SUSTAINABILITY DISCLOSURE DATABASE

Home Search for Reports & Organizations

Reset filters

Godrej

Size: Large Sector: No selection Country: India Region: Asia Report Type: No selection Report Year: No selection

Summary

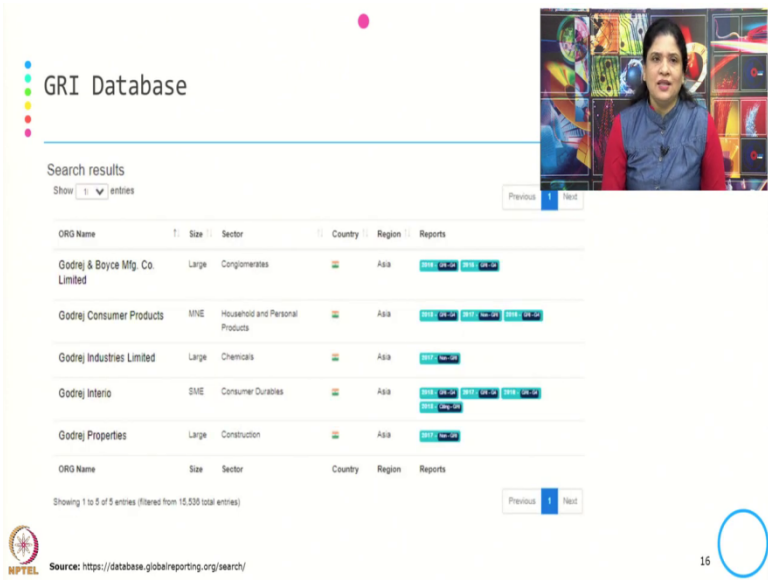
5 Organizations found (showing 5 of 5)
11 Reports found
Took: 0.0652907803344737 seconds

Source: <https://database.globalreporting.org/search/>

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So, I just search for Godrej looking at that just to find out that how much is there, how many sustainability report they have published, what is the recent one, what kind of framework they have used.

(Refer Slide Time: 13:14)



GRI Database

Search results

Show 1 entries

ORG Name	Size	Sector	Country	Region	Reports
Godrej & Boyce Mfg. Co. Limited	Large	Conglomerates	India	Asia	GRI, GRI, GRI, GRI, GRI
Godrej Consumer Products	MNE	Household and Personal Products	India	Asia	GRI, GRI, GRI, GRI, GRI
Godrej Industries Limited	Large	Chemicals	India	Asia	GRI, GRI, GRI
Godrej Interio	SME	Consumer Durables	India	Asia	GRI, GRI, GRI, GRI, GRI
Godrej Properties	Large	Construction	India	Asia	GRI, GRI, GRI

Showing 1 to 5 of 5 entries (filtered from 15,535 total entries)

Source: <https://database.globalreporting.org/search/>


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And this is the search result that it gives about Godrej Manufacturing, Godrej Consumer Product, Godrej Industrial Limited, Godrej Interio and Godrej Property. It gives about the size, its gives about the sector where they operate, it gives the country specific, it

gives the region specific, and also the details of report that how many times they have published the sustainability report.

So, if you look at, they have the first one they have published in 2016, 2018 and also in case of consumer product this three time 2013, 17, 18. So, it gives detail of this GRI, the sustainability report they have published and also followed which standard and which year they have published this.

(Refer Slide Time: 14:04)



Recent Regulation

- May 10, 2021
 - the Securities and Exchange Board of India (**SEBI**) issued a circular for
 - implementing new sustainability-related reporting requirements for the top 1,000 listed companies by market capitalization
 - New disclosure will be made in the format of the Business Responsibility and Sustainability Report (**BRSR**)
 - This is a notable departure from SEBI's existing Business Responsibility Report
 - and a significant step toward bringing sustainability reporting up to existing financial reporting standards

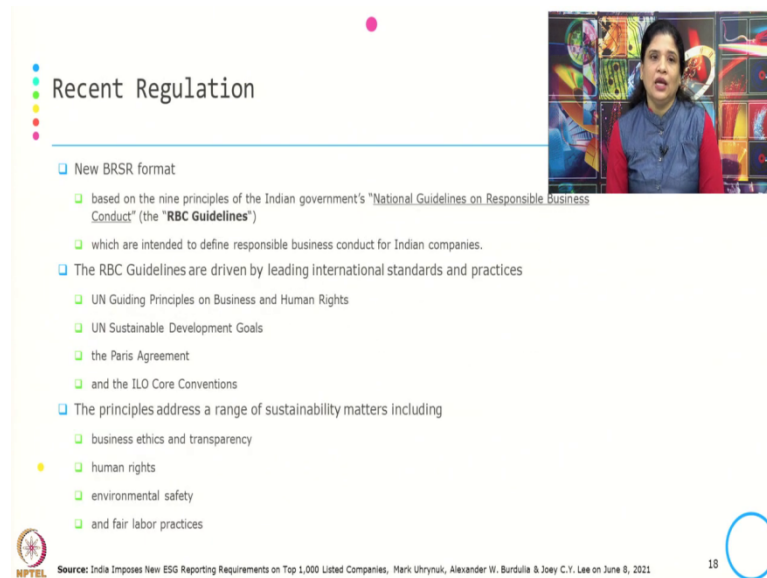
NPTEL Source: India Imposes New ESG Reporting Requirements on Top 1,000 Listed Companies, Mark Uhrhuk, Alexander W. Burdulia & Joey C.Y. Lee on June 8, 2021

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Now, there is some recent regulation with respect to the sustainability report, very recently announce with respect I mean the specific context of India that in 10th May, 2021 SEBI, The Security Exchange Board of India, they have issued a circular by implementing the new sustainability related reporting requirement for top thousand listed company by market capitalization.

And the new disclosure will be made in the format of business responsibility and sustainability report that is BRSR and there is some changes from SEBI, existing business responsibility report. And this is a significant step towards bringing sustainability reporting up to the existing financial reporting standard.

(Refer Slide Time: 14:52)



Recent Regulation

- New BRSR format
 - based on the nine principles of the Indian government's "National Guidelines on Responsible Business Conduct" (the "RBC Guidelines")
 - which are intended to define responsible business conduct for Indian companies.
- The RBC Guidelines are driven by leading international standards and practices
 - UN Guiding Principles on Business and Human Rights
 - UN Sustainable Development Goals
 - the Paris Agreement
 - and the ILO Core Conventions
- The principles address a range of sustainability matters including
 - business ethics and transparency
 - human rights
 - environmental safety
 - and fair labor practices

Source: India Imposes New ESG Reporting Requirements on Top 1,000 Listed Companies, Mark Uhrynuk, Alexander W. Burdulia & Joey C.Y. Lee on June 8, 2021

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Now, this new regulation emphasize on new format, new BRSR format, based on nine principle of Indian governments, national guidelines on responsible business conduct typically known as RBC guidelines and which are intended to define the responsible business conduct for Indian company. So, these are the guidelines.

So, the new business responsibility and sustainability reporting format will follow the national guideline on responsible business conduct that is RBC guidelines and this RBC guideline is typically defines the responsible business conduct for the Indian company. This RBC guideline are driven by leading Indians international standards and practices like UN Guiding Principle of Business and Human Rights, UN Sustainable Development Goals, the Paris Agreement and the ILO Core Convention and the principle address, a range of sustainability matters including business ethics and transparency human rights, environmental safety and fair labor practices.

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The slide is titled "New Regulation" and features a list of bullet points. In the top right corner, there is a video inset showing a woman in a blue shirt. The slide also includes the NPTEL logo in the bottom left and a blue circle with the number 19 in the bottom right.

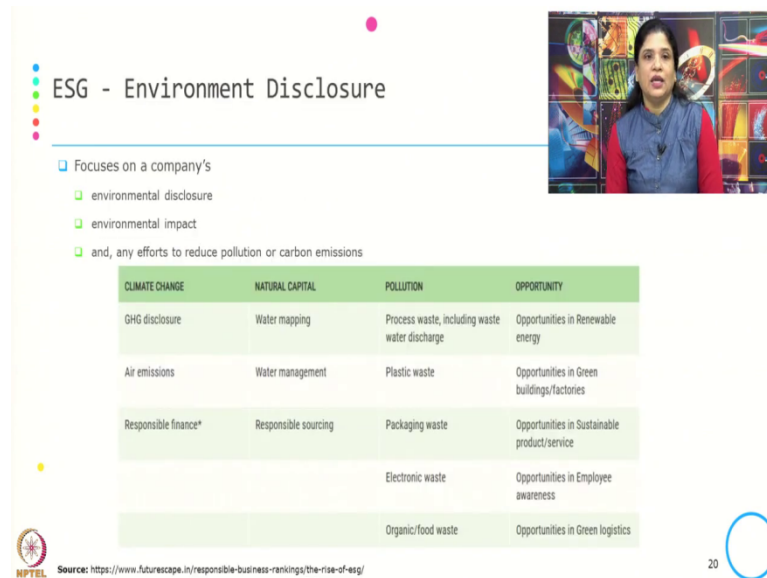
- The new reporting requirements promote
 - transparent, standardized disclosures on ESG parameters
 - and sustainability-related risks and opportunities among listed companies in India
- This approach will help companies better demonstrate
 - their sustainability objectives, position and performance to the market
 - resulting in long-term value creation
 - and increasing the ability of investors to make informed ESG-related decisions
- BRSR reporting will be
 - voluntary for FY 2021-22 and mandatory from FY 2022-23
 - for the top 1,000 listed companies by market capitalization

So, the new reporting it will promote the transparent standardized disclosure on ESG parameter and also the sustainability related risk and opportunity among the listed company in India.

This approach will help company better to demonstrate their sustainability objective, position and performance to the market and the long-term value creation and this for 2021 and 22 financial year this should be voluntary the reporting in this format, but from financial year 2022 and 2022 to 23 it is going to be mandatory.

So, basically they are giving the time to the organization to prepare or build the way they are reporting till now or preparing in the updated format and this will be mandatory from 2022 and 2023 and this should be applicable to top thousand listed company by the market capitalization.

(Refer Slide Time: 16:57)



ESG - Environment Disclosure

- Focuses on a company's
 - environmental disclosure
 - environmental impact
 - and, any efforts to reduce pollution or carbon emissions

CLIMATE CHANGE	NATURAL CAPITAL	POLLUTION	OPPORTUNITY
GHG disclosure	Water mapping	Process waste, including waste water discharge	Opportunities in Renewable energy
Air emissions	Water management	Plastic waste	Opportunities in Green buildings/factories
Responsible finance*	Responsible sourcing	Packaging waste	Opportunities in Sustainable product/service
		Electronic waste	Opportunities in Employee awareness
		Organic/food waste	Opportunities in Green logistics


Source: <https://www.futureescape.in/responsible-business-rankings/the-rise-of-esg/>

Now, the other point is if you look at the entire changes that is happening is there is a increasing attention or there is a rise of ESG that is environmental, social and governance and let us see what it focuses on. This ESG what it focuses? What E focuses on, what S focuses and on what is G focuses on?

So, here typically environmental disclosure focuses on company's environmental disclosure environmental impact and any effort to reduce the pollution and carbon emission. So, if you look at climate change, natural capital, pollution, opportunity, all these and among this broad title you will find in climate change we are talking about GHG disclosure, air emission, responsible finance, mostly what is the sustainable finance or carbon finance.

Similarly, for the natural capital the it starts from water mapping to the responsible sourcing, then also it covers the pollution different kind of pollution and also this is opportunity what are the opportunity available for the company and accordingly they can fix their goal and also work towards the achieve the goal.

(Refer Slide Time: 18:17)



ESG - Social Disclosure

- Refers to creating societal wellbeing either
 - in the workplace or in society at large.
 - It includes diverse concepts such as diversity, human rights, philanthropy and corporate citizenship

HUMAN CAPITAL	CUSTOMER	SOCIAL OPPORTUNITIES
Employee management	Health & Safety	Opportunities in community welfare
Employee welfare	Environment	Opportunities in Employee management
Health & Safety	Social	Opportunities in Supply chain management
Human Capital development	Financial Literacy	
Supply chain labour standards	Responsible Advertising	
CSR Volunteering		

Source: <https://www.futurescape.in/responsible-business-rankings/the-rise-of-esg/>

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Similarly, in case of social disclosure it refers mostly for creating the social being, well being either in the workplace or in society at a large and it includes diverse concepts such as diversity, human rights, philanthropy and corporate citizenship.

So, all these things are cover under the three broad heads that is human capital, customer and social opportunity.

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ESG - Governance

- Accounts for compensation, shareholder rights, and the relationship between shareholders and management

CORPORATE GOVERNANCE	CORPORATE POLICIES	DISCLOSURE
Board committees	Customer data privacy	Responsible business reporting framework
Executive Management	Biodiversity policy	External assurance
Alignment with principles/frameworks like SDGs	Responsible business policy	Impact assessment
	Employee policies	Material issues
		Partnerships/Collaborations

Source: <https://www.futurescape.in/responsible-business-rankings/the-rise-of-esg/>

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Similarly, for governance it accounts for compensation, shareholder rights and the relationship between the shareholder and the management and it covers three again under three broad head that is corporate governance, corporate policy and disclosure.

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Potential Challenges for Organizations

- Engaging & communicating with **key stakeholders**
- Identifying the **sustainability issues** ("material") to include and prioritizing
- Establishing practical & **realistic goals / targets**
- Preparing the organization to **achieve published goals**
 - (possibly conflicting with operations and organizational culture)
- **Collecting, organizing & analyzing** the necessary information
- Making it more than just a "**marketing tool**"

Source: GRI learning series Starting Points, "How valuable is the journey?"

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Now, let us look at what are the potential challenges for the organization when they prepare for the business responsibility report or the sustainability report. So, these are few of them summarize, there may be many more challenges that comes from the specific organization which have a different nature or the specific nature.

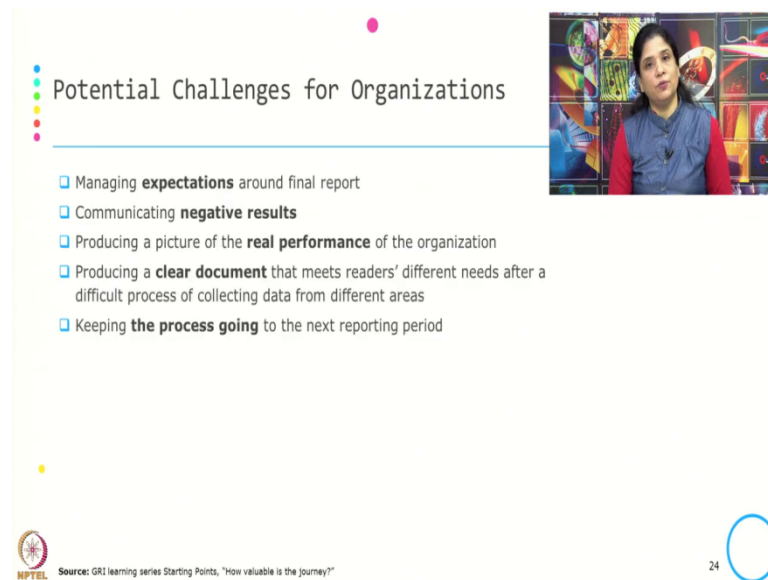
So, one is how do you engage and communicate with the key stakeholder about what to report and how to meet a report, then identifying the sustainability issues mostly the material to include and to prioritize, then how do you establish the realistic goals and targets and also once you achieve the realistic goals and targets how do you prepare the organization to achieve the published goals.

And also when you goals and targets are being fixed and also the organization gets prepared to achieve this goal the other thing what need to be check or what is consider as a challenge for the organization is that whether the goal and targets is having a conflicting equation with the goals and targets of the organization.

Then collecting, organizing, analyzing, the necessary information and one of the important challenge is that how the report has to be published or how the communication

has to be done so that it should not be just as a marketing tool talking good about the organization rather it gives a true picture of the economic environment and social performance of the company.

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Potential Challenges for Organizations

- Managing **expectations** around final report
- Communicating **negative results**
- Producing a picture of the **real performance** of the organization
- Producing a **clear document** that meets readers' different needs after a difficult process of collecting data from different areas
- Keeping **the process going** to the next reporting period

HPTEL Source: GRI learning series Starting Points, "How valuable is the journey?"

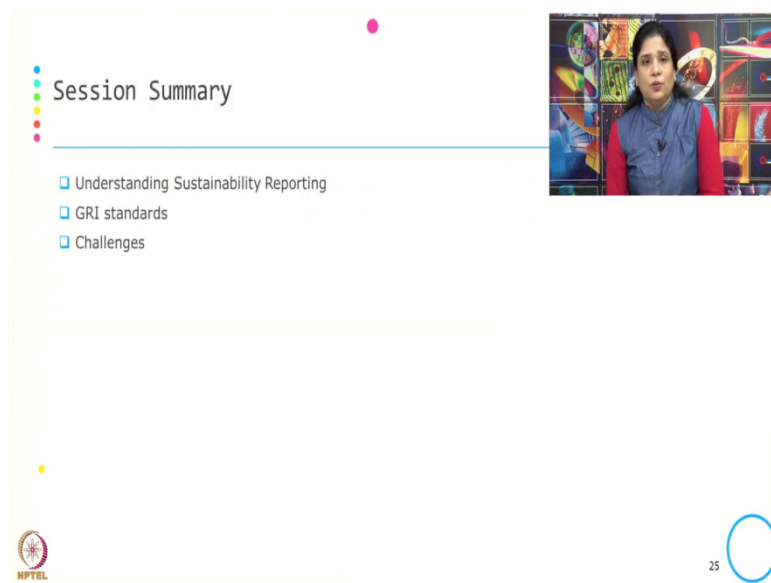
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Then managing expectation around the final report from all the stakeholders, then the challenge is that how do you communicate the negative results, how do you talk about the impact, how do you the typically about the negative impact what you are making to the, because society and also producing a picture of the real performance of the organization.

Then the other two challenges are how do you document all these impacts goals targets and also the initiatives are being taken to fulfill the goals and target how do you document this properly so that whoever read this or whoever collect the data on the company for them it is a clear one or which giving a clarity about all these goal, targets, initiatives and also the impact.

And the bigger challenge what the organization face is that if they publish the report in one cycle how they still keep the momentum or still keep the process going on for the next reporting period.

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The slide is titled "Session Summary" and lists three topics: "Understanding Sustainability Reporting", "GRI standards", and "Challenges". A video inset in the top right corner shows a woman in a blue and red vest speaking. The NPTEL logo is in the bottom left, and the number 25 is in the bottom right.

Session Summary

- Understanding Sustainability Reporting
- GRI standards
- Challenges

NPTEL 25

So, in this session we have understood what is sustainability reporting, how this is as a reporting and communication tool and the background to the sustainability reporting is GRI standard and also how the GRI standard evolve over a period of time, what are the specific standard comes under the universal one and the topic specific one and finally, what are the challenges associated with the sustainability reporting.

So, in the next session we will see typically the last reporting or the last status of the reporting of the Indian company and how Indian company they are doing with respect to their ESG performance.

Thank you.