

CSR Connect

DAY 1: Global Summit on Corporate Social Responsibility and Transparency

Corporates respond to transparency revolution

First day of the two-day global summit on 'Corporate Social Responsibility and Transparency' held recently at India Habitat Centre, New Delhi on July 8, offered a spectrum of ideas that stress on the importance of transparency at all levels of businesses today

For businesses today, it's no more about the bottom line alone. As companies look towards long term sustainable goals, it is now imperative for them to align their economic goals with corporate responsibility and transparency. Emphasising on the same, day one of the global summit on 'CSR and Transparency' deliberated on the new paradigms of CSR in relation to the importance of trust and in growing relevance of transparency for business to score competitive and long term advantages.

Welcoming the delegates Dr H Chaturvedi, Director, Birla Institute of Management Technology emphasised on 'transparency revolution' that is pulling down the walls of secrecy in every field gradually. "The process of globalisation, ICT, global surge in civil society movement and omnipresent media are some of the important factors that have made CSR and transparency essential conditions for the running of business of any kind," he said, addressing the summit.

Sharing example of climate change and emerging cross cutting challenges, Advisor to the Prime Minister of India, Padma Bhushan Shyam Saran opined that such challenges in business tend to redefine the whole concept of competition in business today. "If we are looking at long term profitability and sustainable business, key factors like reputation, commitment to the society, looking at profit as a means to an end rather than an end in itself becomes highly relevant."

Four sessions of the summit during the day saw detailed discussion on the



CSR and Transparency: The Connect In a nutshell
CSR initiatives like social audit and stakeholder engagement can lead to considerable transparency

CSR and Transparency: The Practices In a nutshell
CSR should stress on responsible behaviour of companies, sustainability analysis and voluntary disclosures

Central theme of the two-day global summit on CSR

Social accountability, which aims to record and disclose impacts of company actions on the environment and society, is fast becoming a strong uncompromising force beckoning the corporates today. Theme chosen for this year's global summit was on this idea. Sessions of the two-day summit focused on the new paradigms of CSR



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SHYAM SARAN
Advisor to the Prime Minister

connection between CSR and transparency, their practices with case studies and stakeholder perspectives. While Manfred Haebig, Director, Private Sector Development, Deutsche Gesellschaft für Technische Zusammenarbeit, emphasised on trust factor of a company in a situation when complete transparency is not possible, Prashant Hota, AVP - CSR, R&R, Corporate Communication, Jindal Steel and Power Limited reflected on the company's CSR approach of working as partner with the community and environment.

The summit also acknowledged the importance of business leaders in creating transparency and trust not just in regards to Corporate Social Responsibility, but also at all levels of business. Putting forth the question of how to build trust when no individual or organisations are perfect per se, Joe Phelan, Country Director, India International Business Forum elaborated how 'transparency' can be the answer to it. Sunil Sinha, Head and Senior Economist, CRISIL, spoke on the need for broader social goals and stakeholder participation for companies, while also offering a sneak peek on how CSR activities are linked with a company's short and long term financial performances.

—Rajarshi Bhattacharjee

The 'trust' factor

For corporate entities, complete transparency is an impossible idea. This is because it can jeopardise their business interests. Here comes 'trust' factor. Trust implies confidence in companies about their action and ability. And there are significant economic consequences of having trust or not having it in any company or organisation.

Key ingredients of trust for an organisation:

- Commitment from the top of hierarchy
- Being prepared to use the language of values and principles
- System and policies alignment (with core values of the company)
- Delegated authority
- Open communication
- Taking a long term view of business perspectives



Panelists at the summit: (l-r) Manfred Haebig, Marjolein Baghuis and Dr Rajendra Sisodia



Panelists at the summit: (l-r) VM Kaul, PS Bawa, RN Mukhija and Neville K Gandhi

DAY 2: Global Summit on Corporate Social Responsibility and Transparency

It's time for businesses to be accountable and sustainable

Day two of the summit witnessed detailed deliberation on the need of effective sustainability reports, accountability and disclosures



The second day of the Global Summit on CSR witnessed a house full of audience hailing from academic fraternity, industry experts from across the country, abroad and representatives of civil society. The summit saw extensive discussion on a range of ideas and perspectives relating to Corporate Social Responsibility, and their effect on businesses today



Stakeholder engagement

- BUSINESSES SHOULD SYSTEMATICALLY IDENTIFY THEIR STAKEHOLDERS, UNDERSTAND THEIR CONCERNS, DEFINE PURPOSE AND SCOPE OF ENGAGEMENT, AND COMMIT TO ENGAGING WITH THEM
- BUSINESSES SHOULD ACKNOWLEDGE, ASSUME RESPONSIBILITY AND BE TRANSPARENT ABOUT THE IMPACT OF THEIR POLICIES, DECISIONS, PRODUCT AND SERVICES AND ASSOCIATED OPERATIONS ON THE STAKEHOLDERS
- BUSINESSES SHOULD GIVE SPECIAL ATTENTION TO STAKEHOLDERS IN AREAS THAT ARE UNDERDEVELOPED
- BUSINESSES SHOULD RESOLVE DIFFERENCES WITH STAKEHOLDERS IN A JUST, FAIR AND EQUITABLE MANNER
- WHILE APPRECIATING THAT ALL STAKEHOLDERS ARE NOT EQUALLY INFLUENTIAL OR AWARE, BUSINESSES SHOULD PROACTIVELY ENGAGE WITH AND RESPOND TO ALL STAKEHOLDERS INCLUDING THOSE THAT ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

Equitable development

- BUSINESSES SHOULD UNDERSTAND THEIR IMPACT ON SOCIAL AND ECONOMIC DEVELOPMENT, AND RESPOND THROUGH APPROPRIATE ACTION TO MINIMISE THE NEGATIVE IMPACTS
- BUSINESSES SHOULD INNOVATE AND INVEST IN PRODUCTS, TECHNOLOGIES AND PROCESSES THAT PROMOTE THE WELLBEING OF SOCIETY
- BUSINESSES SHOULD MAKE EFFORTS TO COMPLEMENT AND SUPPORT THE DEVELOPMENT PRIORITIES AT LOCAL AND NATIONAL LEVELS, AND ASSURE APPROPRIATE RESETTLEMENT AND REHABILITATION OF COMMUNITIES WHO HAVE BEEN DISPLACED OWING TO THEIR BUSINESS OPERATIONS
- BUSINESSES OPERATING IN REGIONS THAT ARE UNDERDEVELOPED SHOULD BE ESPECIALLY SENSITIVE TO LOCAL CONCERNS

[Courtesy: National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business]

Moving ahead from stakeholder perspectives and transparency connect, second day of the summit delved deeper into the perspectives of disclosure and accountability not just in relation to CSR, but also at different levels of business. The summit acknowledged that accountability is not just about market, about compliance, standards, processes and policies, but it is also stakeholder driven and looks at how they drive global solutions. Also necessary, according to some panelists, is showcasing accountability to all stakeholders.

Taking the discussion forward, Dr Aditi Halder, Director, GRI Focal Point, India, attempted to answer, who is accountable to whom? She pointed at some leading companies that are driving global solutions. She says, mostly these solutions aim at 'how to deliver product and services that are more socially and environmentally responsible.'

"Companies need to look at sustainability as a business case and include processes like product designing, raw material procurement, process management, delivery and end-of-life of these products and services within the scope of sustainability. Companies need to look at sustainability not as external, but very much as internal aspect of the organisation," she asserted.

Panelist Sudhir Sinha, Country Head, CSR and R&R, Arcelormittal India Ltd., highlighted that the challenges to accountability and disclosures are internal for any company, and they need to be integrated with the business processes. "Apart from voluntary disclosures, companies and stakeholders should also engage in open communications at different levels," he stressed.

The session also discussed at length the sustainability reports wherein it was identified that most sustainability reporting processes today focus on the



The age of innocence is over. We now live in the age of guilt. We are guilty the moment of anyone point a finger at us. So, we need to be very careful of our conduct

YASHWANT SINHA
MP and former finance minister

communication part only. Instead, in any management system, it has to be integrated with interdisciplinary people of the organisation, capacity building, monitoring and review, debating and connecting with the stakeholders.

Speaking from the panelists' desk, Manoj Arora, Director (A&F), Indian Institute of Corporate Affairs, Ministry of Corporate Affairs, shared his ideas on corporate reporting and need for channelising corporate conduct of companies to corporate responsibility. "The challenge is not in designing the format of reporting, but making the companies follow the necessary processes where reporting leads to positive action and higher level of thinking," said he. Dr Simon Longstaff, Director, Global Reporting Initiative (GRI) Board accentuated that trust protects reputation of a company and offered a sneak-peek on perspectives of trust for today's corporate entities.

Guest of honour at the valedictory session of the two-day summit was Yashwant Sinha, Member of Parliament and former union finance minister. Pointing that the country today has more than 8,00,000 companies registered, Sinha emphasised the importance of a refined corporate culture as a part of national life.

"A company today cannot survive in a cocoon without relating to the overall social milieu. As such, moral values, ethics, integrity and ultimately transparency are now the identity of a responsible organisation," Sinha said, adding that Corporate Social Responsibility has much wider frame than just philanthropy. Special guest of the session was Dr Uddesh Kohli, senior advisor, UN Global Compact and Executive Member, Global Compact Network India.

—Rajarshi Bhattacharjee

