

# ***Can compliance reporting be made acceptable, easy and appealing?***

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# Outline of Presentation

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- **Background** – voluntary guidelines, a progressive step
- Operationalising the guidelines – **reporting compliance**
- Evolving an indigenous, acceptable **reporting format**
- Identifying *pros* and *cons*
- What could be the possible **way forward?**
- Concluding **remarks**

# Background: move in the right direction

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- Voluntary guidelines – a **progressive** step!
- '**Assumption**' in both guidelines of voluntary uptake
- More clarity on **incentives** for compliance
- How can Govt. **motivate** firms to comply?

# Operationalising the 'Guidelines' : reporting compliance

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- Evolving an *indigenous* reporting format?
- Can *GRI (SRG)* be an option...?
- Imbibe certain 'key elements' of SRG (GRI) – *indigenising* SRG
- Useful for *consistency* and *comparability*
- Adapting it to be sector-specific.....option for the future

# Evolving an acceptable, indigenous reporting mechanism

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- **Elements of SRG that can be incorporated?**
  - ***Materiality*** – indicators of firm’s economic, social and environmental impact
  - ***Stakeholder inclusiveness*** – identify and respond to their expectations
  - ***Sustainability context*** – *firm’s strategy Vs impact on sustainability (macro-level)*
  - ***Balance*** – express both +ve and -ve aspects of firm performance
  - ***Governance*** – exhibit good corporate governance
  - ***Any other?***

# ***Pros and Cons: the firm's perspective***

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## **□ Opportunities**

- **Visibility**
- **Enhanced public image**
- **First-mover advantage**
- **Enhanced competitiveness**
- **Protection from penal measures**
- **Etc.**

## **□ Challenges**

- **Lack of understanding/knowledge**
- **Non availability of disposable resources**
- **No incentives**
- **Shrinking profits**
- **Peer (Rival) pressure**
- **Etc.**

# Possible way forward...

- ❑ Embark on a **campaign** to popularise CSG & CG (+guidelines)
- ❑ Possibilities for **certification** (BIS, DST)
- ❑ Creating **markets** – consumer, shareholder awareness
- ❑ Continue **dialogue** with India Inc. – involve other stakeholders also
- ❑ Create specific **incentive** mechanisms (MoF)
- ❑ Introduce CSR,CG **course** in B-schools (MoHRD)
- ❑ Appreciate role and responsibilities within Govt (**inter-ministerial cooperation**)

# Concluding Remarks

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- Continue discussions on the '**Guidelines**'
- Create **understanding** and **buy-in** among all stakeholders
- Evolve appropriate **reporting mechanisms**
- Understand **challenges** being faced by firms in complying, and address them
- Facilitate **training** and **skills enhancement**
- Introduce **incentives** for compliant firms – **motivate** others

# Thank You!

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