



## Introduction

On June 11 and 12, the *Sustainability Reporting for Sustainable Development* conference was held in Mumbai, bringing together over 200 thought leaders from business, civil society, social service, the fields of academia and government. While the majority of the participants were from India, sustainability leaders from Bangladesh, Brazil, Bhutan, Australia, Sri Lanka, the Netherlands and Sweden were also present. GRI was represented by Dr. Aditi Haldar, Director Focal Point India, Glaucia Terreo, Director Focal Point Brazil, and Teresa Fogelberg, GRI Deputy Chief Executive.

The conference was made possible through generous support from the Swedish International Development Agency (SIDA), and from BSI, ERM, KPMG, and the Institute of Company Secretaries of India (ICSI). Members of GRI India's Sustainability and Transparency Consortium also played an important role in the conference's success<sup>1</sup>.

The conference included a special ceremony of gratitude to the (more than 100) sustainability reporters currently reporting in South Asia. In addition, all participants were able to enjoy a visit to *Seeds of Hope*, an exhibition organized in partnership with Bharat Soka Gakkai (BSG), and created by SGI and Earth Charter International.

The conference took place during a particularly eventful period in the history of sustainability reporting and related matters. In several key economies, like India, business and national governments are developing new practices and policies to embrace their corporate responsibilities in combatting poverty, inequality, and tackling huge sustainability and human rights challenges.

The day before the conference, the newly elected Indian government presented its agenda to the Indian parliament. In the global arena, the upcoming Sustainable Development Goals (SDGs) are currently being negotiated in New York by a UN member state Open Working Group. Three days before the conference, a 'zero draft' of the SDGs was launched, which underlined the important role of the business sector as far as contribution and accountability are concerned. The document includes goals and targets, which businesses are expected to implement, monitor, measure and report on from 2015 onwards.

Sustainability reporting plays a key role in these deliberations. The topic of private sector accountability has appeared prominently on the agenda for over two decades now. The drivers have been a lack of public trust in published corporate information, and a more restrictive operative license for companies. Opportunities for establishing a green economy and new markets have also arisen. There is no accountability without transparency – so sustainability reporting has become a key accountability tool for many companies and their stakeholders.

After two days of inspiring presentations, dialogues, best practices, dilemma sharing, and lively and fruitful discussions, the participants issued the following eleven-point declaration.

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<sup>1</sup> GRI is grateful to GAIL (India) Limited, JSW, Jubilant Life Sciences, SAIL, and TCS.

## ***Mumbai Declaration on Sustainability Reporting for Sustainable Development***

1. Sustainability reporting has become a robust movement on the Indian sub-continent and contributes to business transparency, accountability and sustainability performance. **It is of vital importance that sustainability reporting addresses the immense challenges posed by poverty, inequality, environmental damage, social and human rights, and the fight against corruption, if and when these issues are material to companies and their stakeholders.**
2. The **GRI Guidelines, and specifically G4**, their fourth iteration, are quite useful in the Indian sub-continent, as they are designed to measure and report on the **impacts of reporting organizations** in the above-mentioned fields, related to the complex interrelated dimensions of poverty, environmental degradation and sustainable development.
3. The **quality** of sustainability reporting should continue to improve and evolve. Reporting is not only about output, but also about results, and it is important that Indian reports contain a good balance of positive results, constraints, dilemmas and incidents. Future topics could include sector reporting, life cycle reporting, and ethically inspired reporting (inspired by the Happiness Index of Bhutan, for example).
4. It is fundamental that sustainability reporting continues to reflect a **multi-stakeholder principle** in its due process and content. Although stakeholder dialogue can be difficult, it is essential that communities and civil society (for example) are involved in defining topics which are material to them and their daily life and future. It is also important that they *remain* involved after a sustainability report has been issued, in order to discuss feedback and possible further action. To quote Jamshedji Tata (founder of the Tata Group): *“In a free enterprise, the community is not just another stakeholder in business, but, in fact, the very purpose of its existence”*.
5. **Supply chain transparency is important**, for suppliers themselves as well as for the businesses buying from suppliers. However, there are many challenges: the chain is only as strong as its weakest link. In India, one third of SME (small- and medium-sized enterprises) production is for large companies. Good practice examples were given at the conference about skills development, as well as funding conditions from credit agencies. But it takes two to tango: in India many large companies pay too little or, more often, too late to their suppliers, which makes it hard for the suppliers to comply with sustainability conditions. GRI has been called upon to provide simple guidance<sup>2</sup> to SMEs and to stimulate ‘cluster reporting’, as now happens in India within the foundry sector.
6. **The usefulness of sustainability reports for readers and users is steadily increasing.** G4’s focus on more materiality has enhanced the relevance of a company’s reports. Organizations are moving away from reporting as a tool to serve marketing or brand development only. In India, investment in reporting has already started to give a better return. Investors are using reports to assess non-financial risks, while companies read them to gain peer information. Employees use the data for their career advancement, while young job hunters look for worthwhile jobs. Suppliers look through the reports for potential contracts, and enlightened customers search for responsibly made consumer items. Regulators also refer

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<sup>2</sup> GRI has recently published *Ready to Report?*, aimed at SMEs who are considering whether sustainability reporting is relevant for them, and how they can start the reporting process in a realistic way that relates to their own context and circumstances. <https://www.globalreporting.org/reporting/reporting-support/support/Pages/default.aspx>

to reports. But there are also problems, as many reports still tend to focus too much on the positive, rather than giving a balanced overall view - including negative impacts – of an organization.

7. **Governments and stock exchanges play a key role in advancing sustainability reporting through policy and regulation**, often referencing these to international frameworks, such as GRI's. In this regard, *Guidance on Alignment of GRI with National Voluntary Guidelines and SEBI's BRR*, a document developed by Focal Point India, can be recommended for use by businesses and stakeholders alike. At the same time, the **Indian government should practice what it preaches**, and be accountable to the public on how it functions and operates. In other words, the government and its agencies should also produce their own sustainability reports.
8. While operating as a global organization, **GRI is expected to continue and extend its outreach in emerging markets and developing countries**. Although GRI's presence in India might be perceived as a driving force just for the Indian population, it is wholly supported by GRI on a global level. In its turn, GRI, as the global *de facto* standard for the public interest is also fed and inspired by GRI India.
9. GRI has been commended for its sustainable development strategy which strives to:
  1. Enhance awareness and the capacity of sustainability reporting.
  2. Empower stakeholders.
  3. Map the 'footprint' of multi-national companies that operate in developing countries.
  4. Strengthen the sustainability performance of local business actors.
10. **The Sustainable Development Goals**, to be launched by the UN General Assembly in 2015, should be formulated in such a way that they are relevant to – and can be implemented by – businesses as well as governments. Many businesses realize that they already report on GRI and therefore 'automatically' to a large extent on the SDGs. It is recommended that GRI further **develop guidelines for the business sector to report on the forthcoming SDGs, based on the already existing standard framework of G4**.
11. **A recent government bill stating that 2% of company's net profit must be devoted to corporate social responsibility may be welcome, but that still leaves 98%. Indeed, the rest of the business also needs to be sustainable**. The 2% ruling could lead to forced philanthropy, 'tick box' behavior, tokenism or even corruption, and masking of data to avoid having to comply. Time will show if this legislation will have a real impact on poor people's lives and prevent actual environmental degradation.



## MUMBAI DECLARATION

ON SUSTAINABILITY REPORTING FOR SUSTAINABLE DEVELOPMENT

Mumbai, India, June 2014



**ANNEX**

**LIST OF COMPANIES ACKNOWLEDGED IN A CEREMONY OF GRATITUDE FOR THEIR JOURNEY TOWARDS SUSTAINABILITY AND TRANSPARENCY THROUGH REPORTING, AT THE SUSTAINABILITY REPORTING FOR SUSTAINABLE DEVELOPMENT CONFERENCE.**

<i>ABB</i>	<i>Glaxosmithkline Pharmaceuticals Ltd.</i>	<i>NDPL (New Delhi Power Limited)</i>
<i>ABN Amro</i>	<i>GMR Infrastructure Limited</i>	<i>Nestle India Ltd.</i>
<i>ACC</i>	<i>Goa Glass Fiber</i>	<i>Neyveli Lignite Corporation Ltd.,</i>
<i>Adani Enterprises Ltd.</i>	<i>Godrej &amp; Boyce Mfg.Co.Ltd</i>	<i>NHPC Limited</i>
<i>Adani Ports Ltd</i>	<i>Godrej Industries</i>	<i>NMDC Ltd</i>
<i>Adani Power Limited</i>	<i>Godrej Industries Ltd</i>	<i>NTPC Limited</i>
<i>Aegis</i>	<i>Grasim Industries Ltd.,</i>	<i>Numaligarh Refinery Limited</i>
<i>Ambuja Cements Ltd.</i>	<i>GRI</i>	<i>Oil And Natural Gas Corporation Ltd</i>
<i>Apeejay Surrendra group</i>	<i>Gujarat NRE Coke</i>	<i>Oil India Limited</i>
<i>Apollo Tyres</i>	<i>Havells</i>	<i>Oracle Financial Services Software Ltd</i>
<i>Arcelor Mittal</i>	<i>HCLTechnologies Ltd</i>	<i>Paharpur Business Centre</i>
<i>Ashok Leyland</i>	<i>HDFC Bank Ltd.</i>	<i>Panasonic</i>
<i>Asian Paints (India) Ltd.,</i>	<i>Hero Motocorp Limited</i>	<i>PepsiCo India</i>
<i>Axis Bank Ltd.</i>	<i>Hindalco Industries Ltd.</i>	<i>Petronet LNGLtd.</i>
<i>Ayurvet Ltd</i>	<i>Hindustan Construction Company</i>	<i>Polyplex</i>
<i>Bajaj Auto Limited</i>	<i>Hindustan Copper Ltd.</i>	<i>Power Finance Corporation Ltd</i>
<i>Bank Asia</i>	<i>National Aluminium Co. Ltd</i>	<i>Zee Entertainment Enterprises Ltd.</i>
<i>Bank Of Baroda</i>	<i>Hindustan Petroleum Company Limited</i>	<i>Power Grid Corporation Of India Limited</i>
<i>Bank Of India</i>	<i>Hindustan Unilever Ltd</i>	<i>Punjab National Bank</i>
<i>Bharat Electronics Limited</i>	<i>Hindustan Zinc Ltd</i>	<i>Ranbaxy Laboratories Ltd.,</i>
<i>Bharat Heavy Electricals Ltd.,</i>	<i>ICICI</i>	<i>Reliance Communications Limited</i>
<i>Bharat Petroleum Corpn. Ltd.,</i>	<i>Idea Cellular Ltd</i>	<i>Reliance Industries Ltd</i>
<i>Bharti Airtel Ltd.</i>	<i>IDFC Limited</i>	<i>Reliance Infrastructure Ltd</i>
<i>Bharti Infratel</i>	<i>IL&amp;FS</i>	<i>Reliance Power Limited</i>
<i>Binani cement</i>	<i>Indian Oil Corporation Ltd.</i>	<i>Rural Electrification Corporation Limited</i>
<i>Binani Industries</i>	<i>Indus Ind</i>	<i>Sesa Goa Ltd.</i>
<i>Binani Zinc</i>	<i>Indusind Bank Ltd.</i>	<i>Shree Cements Ltd.,</i>
<i>Bosch Ltd</i>	<i>Infosys Ltd</i>	<i>Shree Santhosh Garments</i>
<i>Cadila Healthcare Ltd.</i>	<i>Institute for Competitiveness</i>	<i>Shriram Transport Finance Co. Ltd</i>
<i>Cairn India Limited</i>	<i>ITC Limited</i>	<i>Siemens Ltd.,</i>

Canara Bank	Jain Irrigation System	Small Industries Development Bank of India
Castrol India Ltd	Jaiprakash Associates Limited	SRF
Chambal Fertilizers & Chemicals Limited	Jindal Steel & Power Ltd	State Bank Of India
Chemplast Sanmar Ltd.	John Keells Hotels PLC	Steel Authority Of India Ltd
Cinnamon Hotels	JSW Steel Limited	Sterlite Industries (India) Ltd
Cipla Ltd.,	Jubilant Industries Ltd.	Sun Pharmaceutical Industries Ltd.
CLP India Pvt Ltd	Jubilant Lifesciences Ltd.	Tata Chemicals
Coal India Limited	Kansai Nerolac Paints Ltd.	Tata Consultancy Services Ltd.
Colgate-Palmolive (India) Ltd	Kirloskar Brothers	Tata Metaliks Ltd.
Container Corporation Of India Ltd.	KOEL (Kirloskar Oil Engines Limited)	Tata Motors Ltd.
Cummins India Ltd.,	Kotak Mahindra Bank Ltd.	Tata Power Co. Ltd
Dabur India Ltd.	Larsen & Toubro Limited	Tata Steel Limited
DLF Limited	LIC Housing Finance Ltd.	Tata Tea Ltd.
Dr. Reddy'S Laboratories Ltd.,	Maga Engineering (Pvt) Ltd	Tata Tinsplate
DSCL (DCM Sriram Consolidated Ltd)	Mahanadi Coal Field Ltd	TCI (Transport Corporation of India)
Educated Environments	Mahindra & Mahindra Ltd.	The Indian Hotels Co. Ltd
Ericsson	Mahindra Finance	Titan Industries Ltd
ERM	Mahindra Lifespaces	Toyota Kirloskar Motor Pvt Ltd
Essar Energy	Mangalore Refinery & Petrochemicals	Ultratech Cement Ltd
Essar Shipping	Marico	Union Bank Of India
Essar Steel	Maruti Suzuki India Ltd.	United Breweries
Essel Mining & Industries Ltd	MCX (Multi Commodity Exchange of India Limited)	Varroc Engineering Pvt Ltd
Exide Industries Ltd.,	MMTC	Vodafone
Ford Motor India	Moser Baer (India) Ltd.	VXL Instruments Limited
Gail (India) Ltd.	MSPL	Wipro Ltd
Glaxosmithkline Consumer Healthcare Ltd.	Mumbai International Airport	Yes Bank Ltd.
IDLC		



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