



SUSTAINABILITY REPORTING – AN INTEGRAL PART OF RESPONSIBLE BUSINESS CONDUCT

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OECD Guidelines for Multinational Enterprises



- The most comprehensive government-backed standard on Responsible Business Conduct, adopted in 1976, regularly updated
- Open to non-OECD members
- Contain recommendations addressed by governments to companies operating in or from adhering countries
- Key message: Do good while avoiding doing harm
- Cover all areas of business responsibility: human rights, environment, labour, corruption, tax, etc.
- Align with international standards – UN Guiding Principles on Business and Human Rights, ILO Conventions



What is Responsible Business Conduct?

- Moves away from traditional vision of CSR
 - Embedded in core business and risk management - goes beyond philanthropy or voluntary action- but also beyond “just” complying with the law
 - Focuses on companies’ impacts – both negative and positive: ensure a positive contribution to sustainable development and Identify, avoid and address negative impacts
 - Responsibility goes beyond company’s own operations to also cover business relations – including supply chains
 - Applies to all businesses: MNEs, SMEs, SOEs
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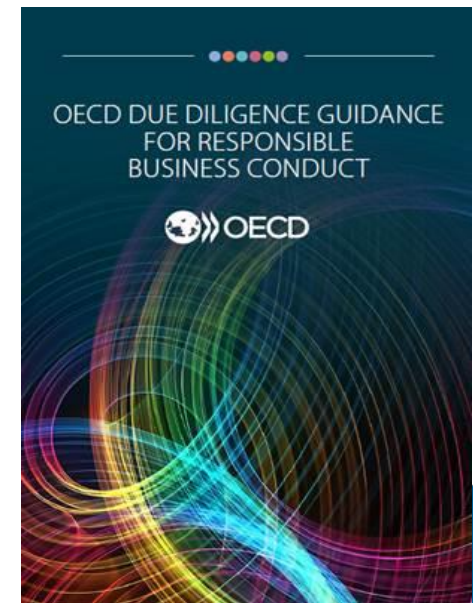
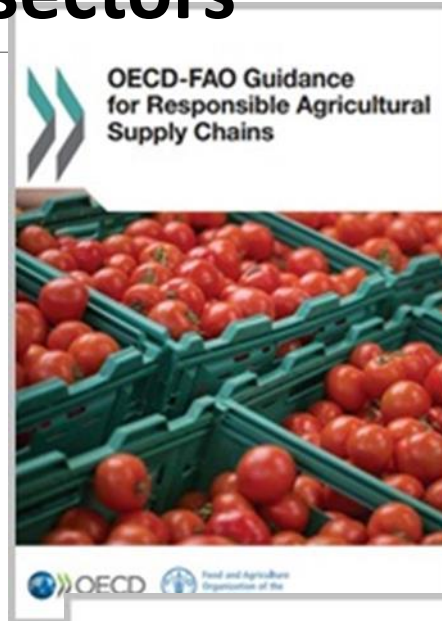
Scope and themes of the OECD Guidelines

Disclosure	Human Rights	Employment & Industrial Relations
Environment	Consumer interests	Science & Technology
Combating Bribery, Bribe Solicitation and Extortion	Taxation	Competition

Expect that companies behave responsibly by identifying, avoiding and addressing negative impacts that they cause, contribute to or are directly linked to through a business relation

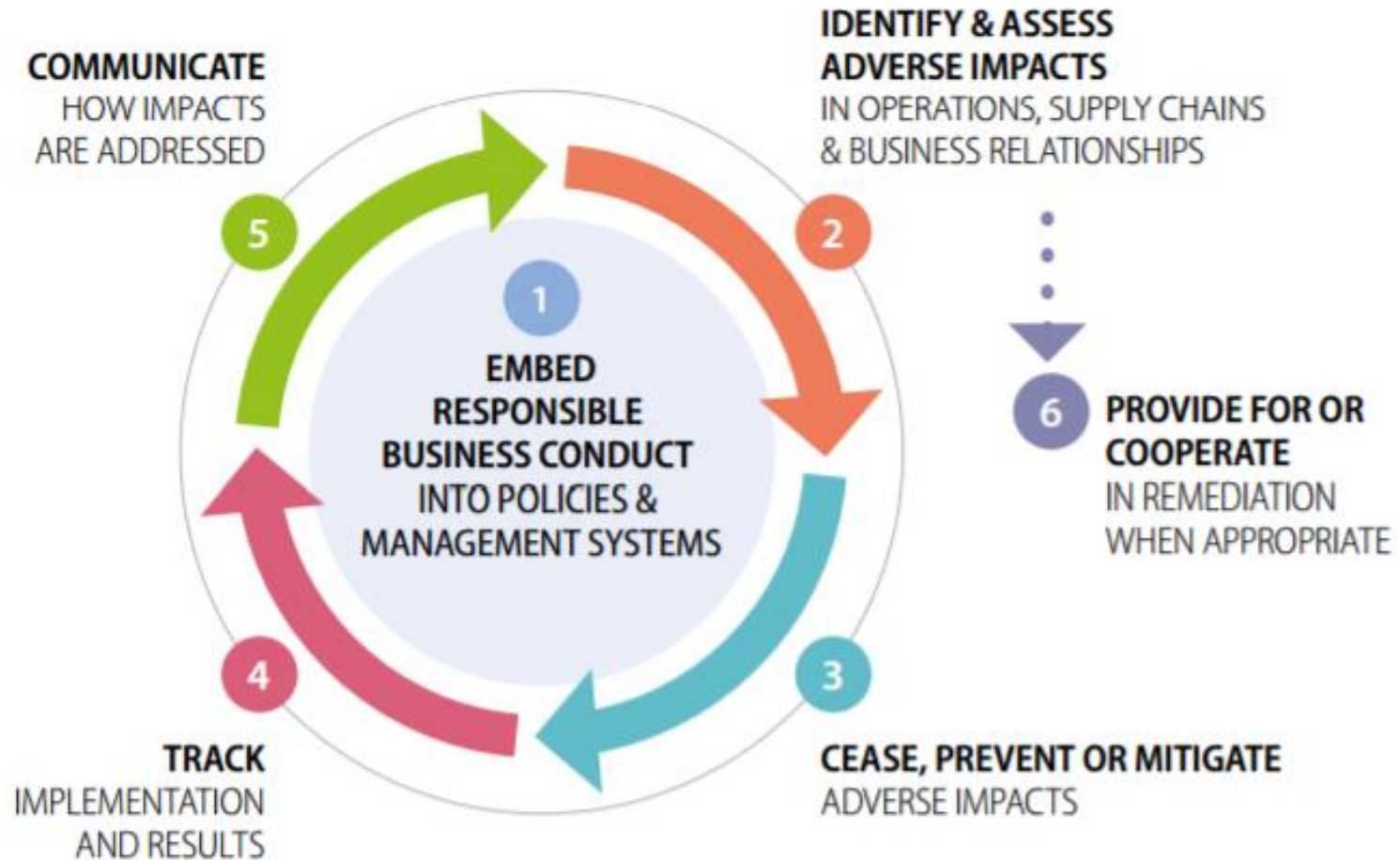
Key tool: supply chain due diligence

OECD guidance for responsible supply chains in key sectors





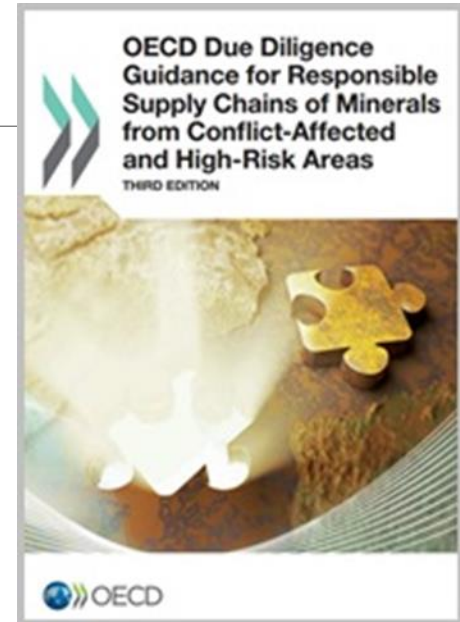
Steps of Due Diligence for RBC





Society is demanding more and better reporting

- Users, consumers, are asking for more information – social media are powerful tool to put pressure
- Investors are under increasing pressure to ensure they invest responsibly – and avoid investing irresponsibly
- Demand is moving away from CSR reporting to meaningful disclosure of company related action to identify and address risks through entire value chains is growing (TFCD; EU Directive on NFI; domestic legislation)
- Mandatory reporting is giving teeth to “soft law”





Further information

<http://mneguidelines.oecd.org>.

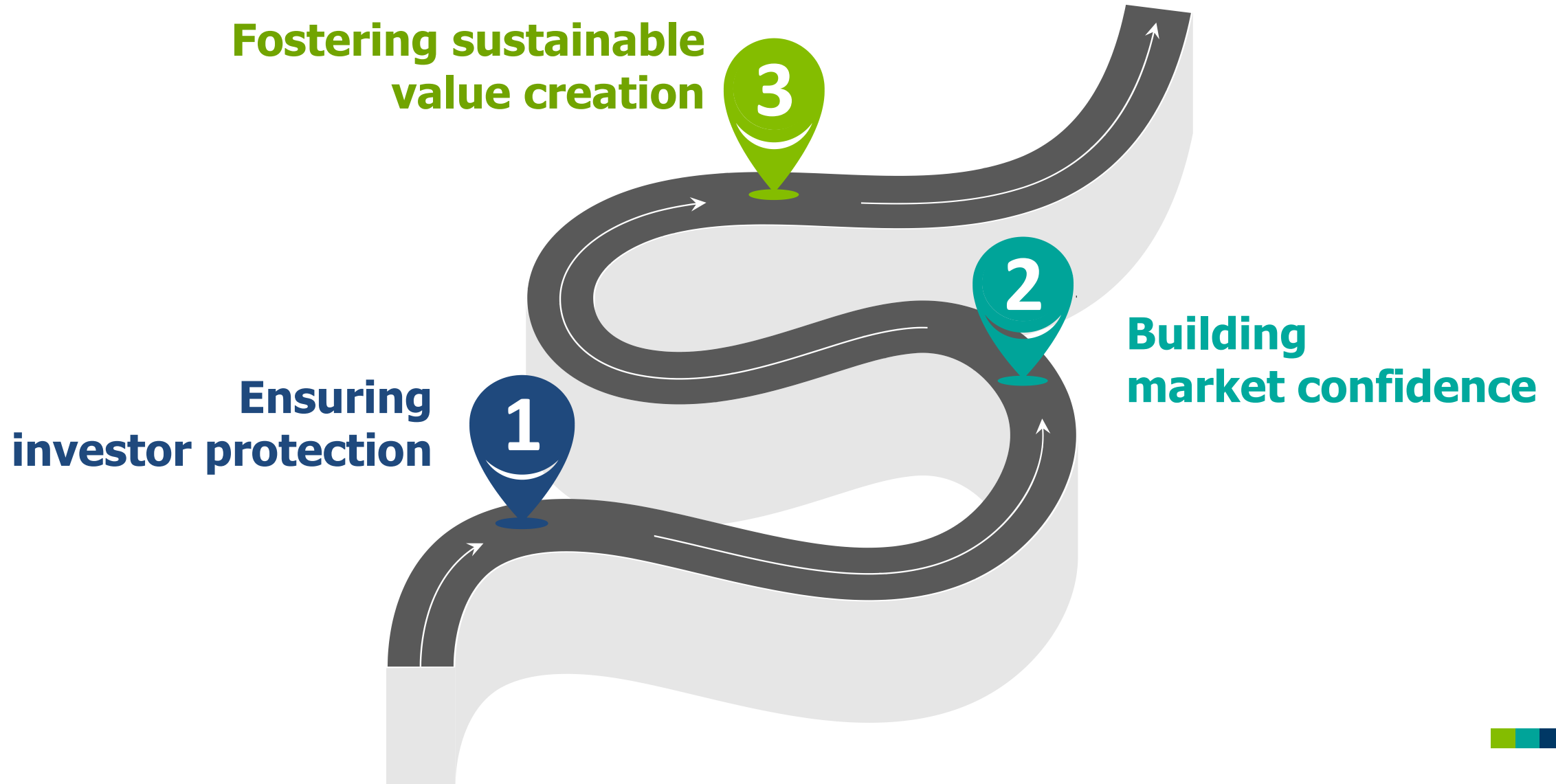
<http://mneguidelines.oecd.org/duediligence>

Contact

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WHAT WE DO

Overall Corporate Governance and Sustainable Development in Thailand



HOW WE DO

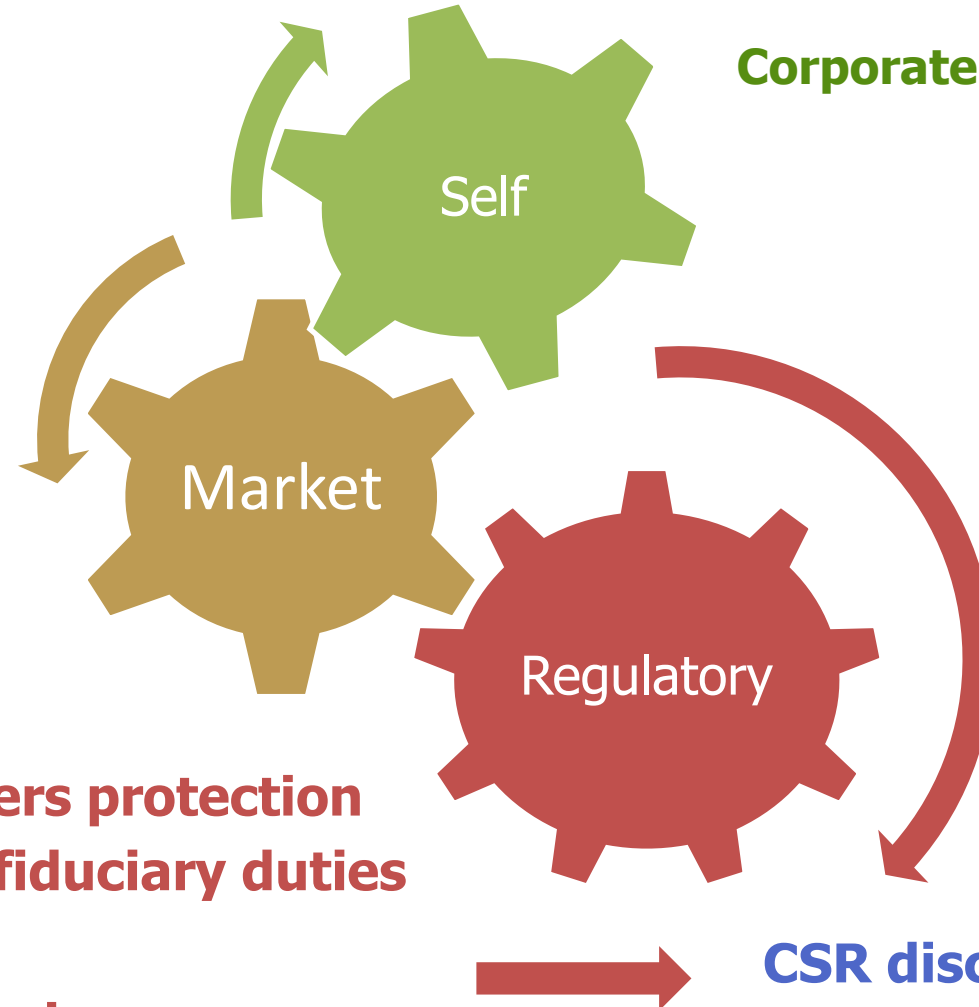
Building good corporate governance need 3 pillars of discipline

Regulatory Tools: Essential but not Enough

Investment Governance Code ("I Code")



- shareholders protection
- directors' fiduciary duties
- disclosure
- enforcement



Corporate Governance Code ("CG Code")



CSR disclosure requirement

WHERE WE ARE



Target 12.6

99

% of listed co.
report on
sustainability as
Form 56-1 required

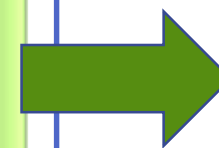
**678 out of 683
listed co.**

82

listed co. referred to
SDGs in their
reporting

89

listed co. prepared
sustainability
reports according to
GRI



9

**Ranked by GRI:
reports from the market
as a % of all GRI reports**

**Top 10
Reporting
Markets***

1	Taiwan	6	Colombia
2	Brazil	7	Germany
3	USA	8	Italy
4	Sweden	9	Thailand
5	Spain	10	Finland

*Reports from the market as a % of all GRI reports.

GRI Reporting Worldwide

January's sustainability reporting data

Source: The Stock Exchange of Thailand, report on progress of Target 12.6 to the ONEP (Office of Natural Resources and Environmental Policy and Planning), as of December 31, 2018.



Sustainability Reporting: Experience of Shree Cement

R Bhargava

Chief Climate & Sustainability Officer

- ▶ Our Profile
 - ▶ Sustainability & its aspects
 - ▶ Our Experience
 - ▶ Our Sustainability reporting Journey
 - ▶ Key awards & Recognitions
 - ▶ Conclusion
-

Our Profile



Shree Cement Limited is a rapidly growing and one of the most efficient and environment friendly Companies in India.

41.9 million
tons per
annum
Cement
production
capacity

646 MW total
power
generation
capacity

Among the top
3 cement
groups in India

Largest WHRP
in the global
cement
industry
excluding
china

Highest 5 - star
rating - first
time to any
cement
company in the
world by
Whitehopelman
, UK

5 star rating
for Beawar
and Ras
limestone
mines for
sustainable
development
by IBM



An Energy & Environment Conscious Sustainable Organization

Our Vision



“Lead in Creating Prosperity & Happiness for all Stakeholders through Innovation & Sustainable Practices”





Our Values, Our Operating Strengths

Passion for Efficiency

- Ensuring optimum outcomes in everything we do at work
- Achieve our targets consistently with minimal costs

Dynamism

- Prioritizing opportunities and challenges to enable swift decision making
- Being flexible in our approach to find effective business solutions

Creativity & Innovation

- Experimenting with new ideas to improve continuously
- Striving to take risk for adding value to the business

Simplify

- Extracting the essence and keep communication simple

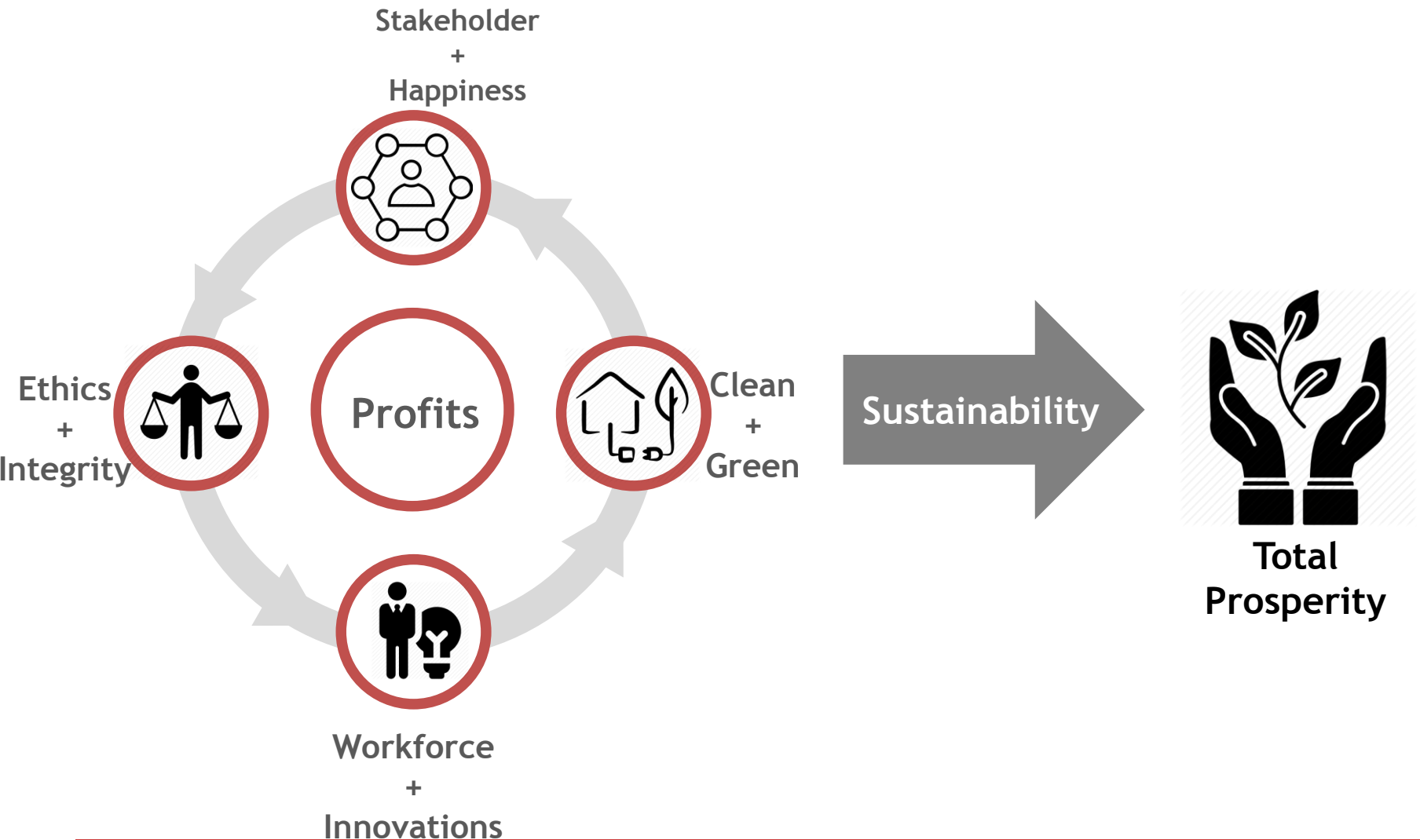
Care

- Being compassionate towards our communities and our environment
- Working together as one family, connect personally with each other
- Demonstrating humane touch in the way we work

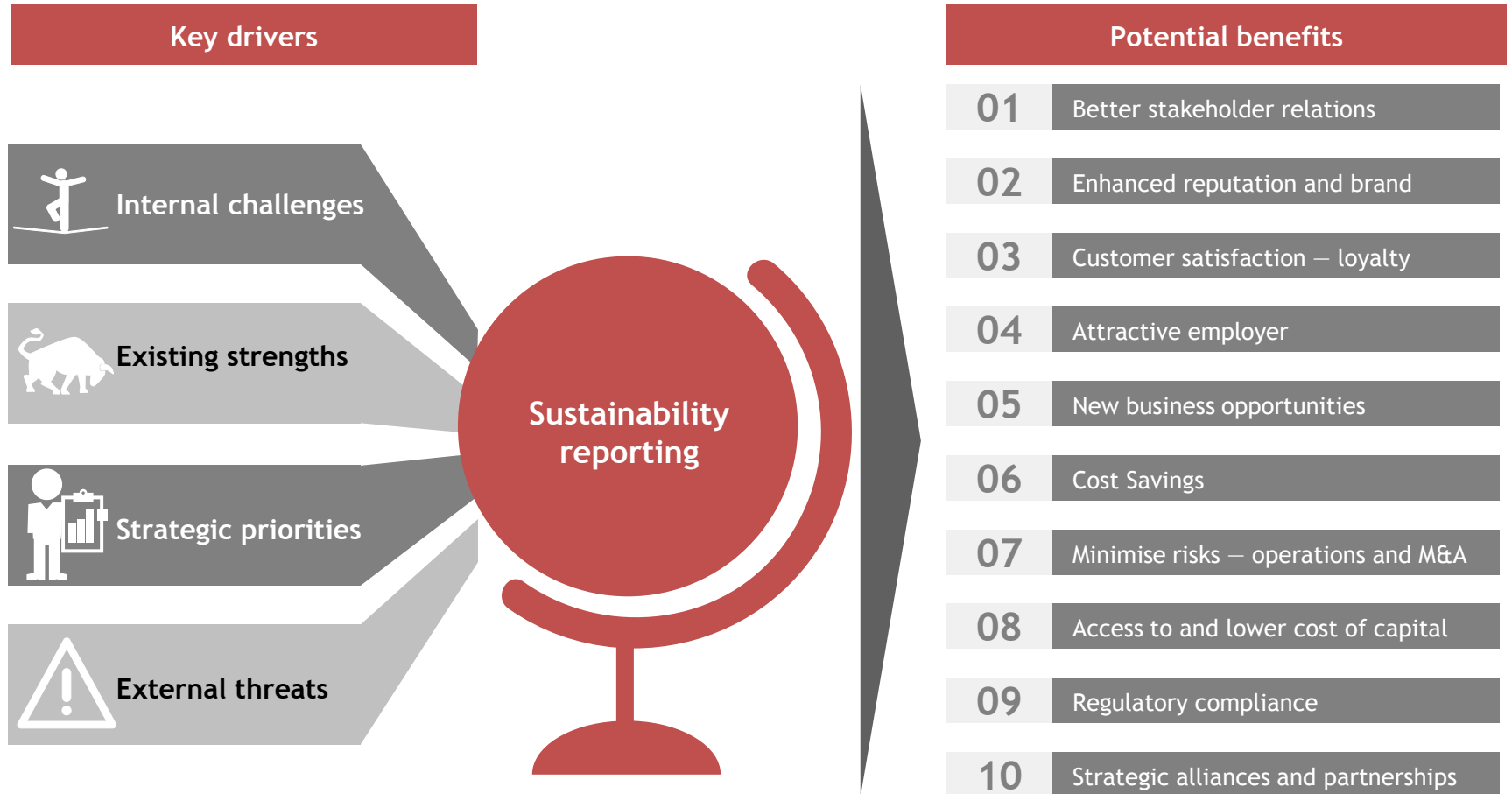
Trust and Support

- Believing in each other with mutual respect
 - Promoting honest and open communication
 - Building an environment of freedom with responsibility
-

Sustainability and its Aspects



Sustainability as a strategic enabler for businesses



Our Sustainability Policy



SHREE CEMENT LTD.



SUSTAINABILITY POLICY

- To produce quality products in an eco-friendly, healthy & safe working environment in a socially responsible manner with continual improvement in performance and profitability to the satisfaction of all stakeholders by ensuring:
 - Customer satisfaction
 - Use less Produce More
 - Clean and green environment
 - Sound health and safe working practices
 - Compliance to the applicable laws and respecting the international instruments
 - Implementation of systems and continually improving their effectiveness
 - Safety of company assets through proper system of checks, audits and inspection
 - Adoption of cost-effective technologies and practices for improved productivity and profitability
 - Encourage adoption of Low carbon Economy for reducing carbon footprints and addressing global warming and climate change
 - Mutually beneficial stakeholders' relationship and equitable sharing of benefits.
 - Human resource satisfaction and succession planning mechanism for sustainability
 - Promotion of innovations and research and development for continual improvement in quality, profitability and productivity.
 - Promoting Free competition and freedom of choice to consumers
 - Encourage recognition and respect for rights of owners of intellectual property including traditional knowledge.
 - Transparent communication to relevant stakeholders of impact of policies, products and operations.
 - Implementation of suitable Grievance handling mechanism, wherever required.
- Identify stakeholders to understand their concerns and engage with them in a just, fair and equitable manner with special attention to Inclusive growth,
- Promote sustainable consumption including recycling of resources over the lifecycle of product and ensure everyone involved in value chain are aware of their responsibility.
- Respect and promote human rights, of all stakeholders, including vulnerable and marginalized sections, as specified in the Constitution of India and other laws across our business value chain and avoid complicity with human rights abuse by third party.

Signature 
Ramakant Sharma, Director

Date: 10th April, 2014

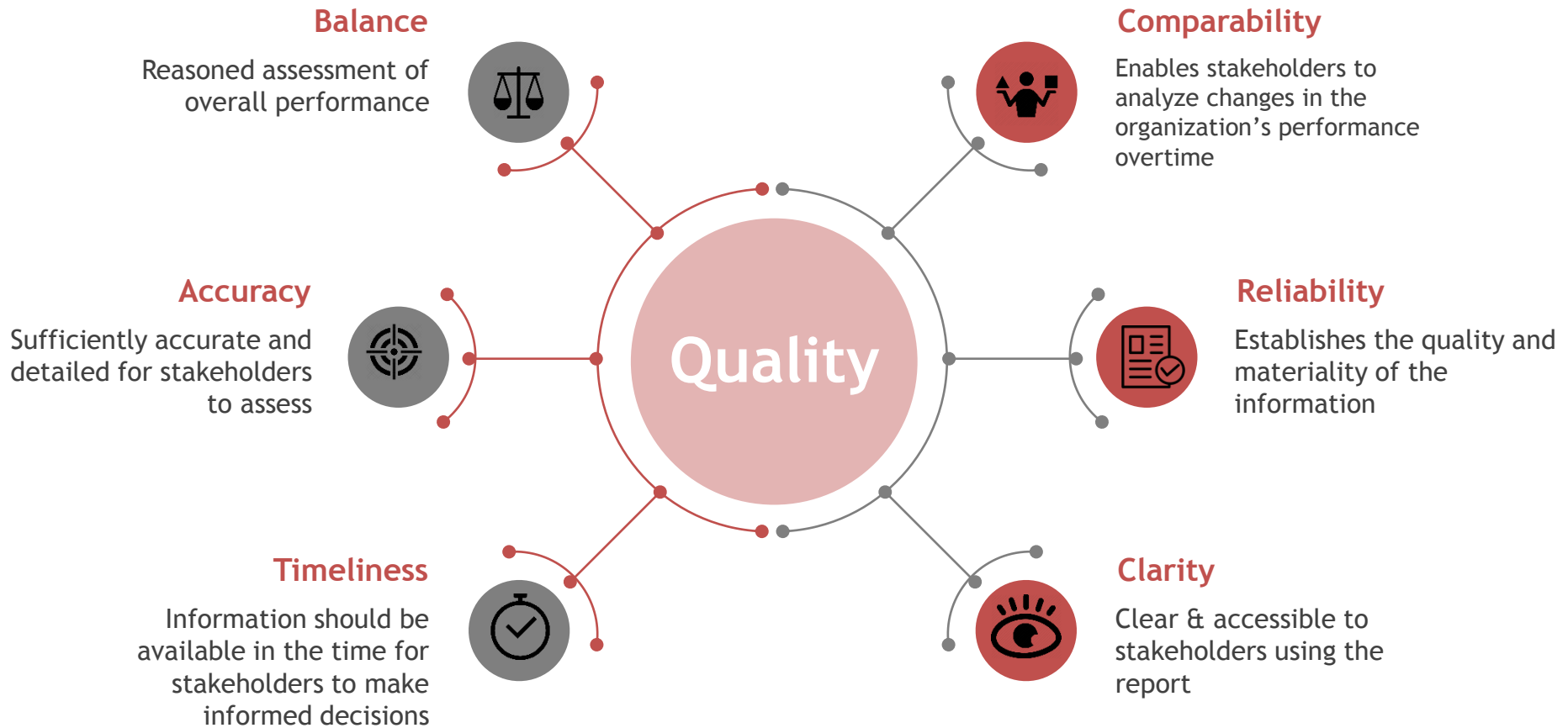
What is the purpose?



Reporting Framework & Standards

- ▶ Sustainability reporting has been increasingly adopted by corporations worldwide given the demand of stakeholders for greater transparency on both environmental and social issues
 - ▶ Popularity of such reporting is evidenced by the development of a range of tools in the last two decades -
 - Global Reporting Initiative (GRI),
 - AA1000,
 - Dow Jones Sustainability Index (DJSI)
 - Carbon Disclosure Project (CDP).
-

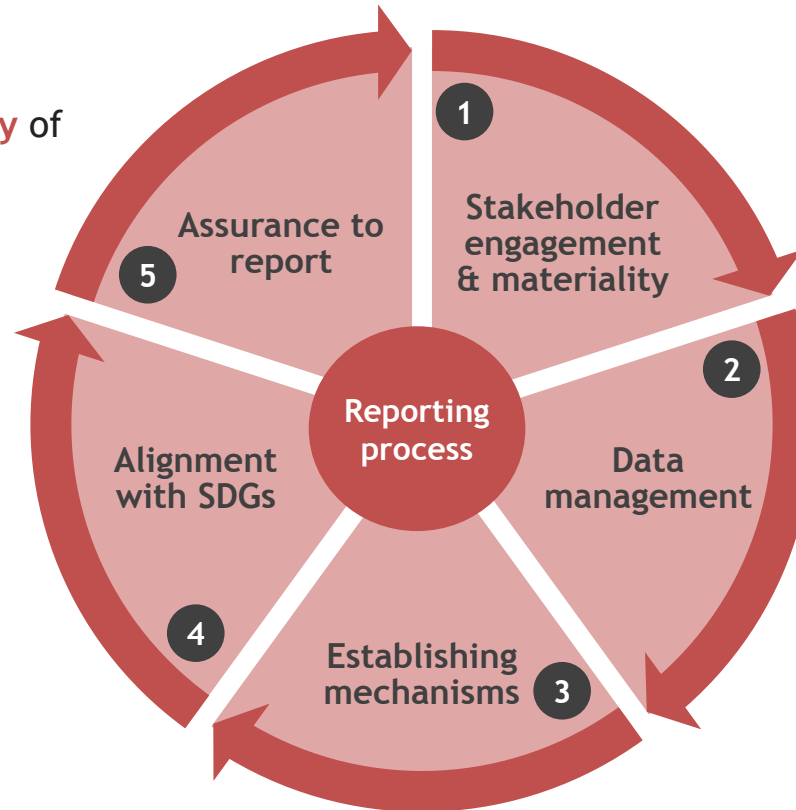
Quality of Report



The reporting process

An assurance to sustainability report is aimed at **ascertaining relevance**, **completeness** and **accuracy** of data. Assurance statement attached to the report **enhances credibility** and **stakeholder confidence**

Align Sustainability Report with the global **sustainable development goals**

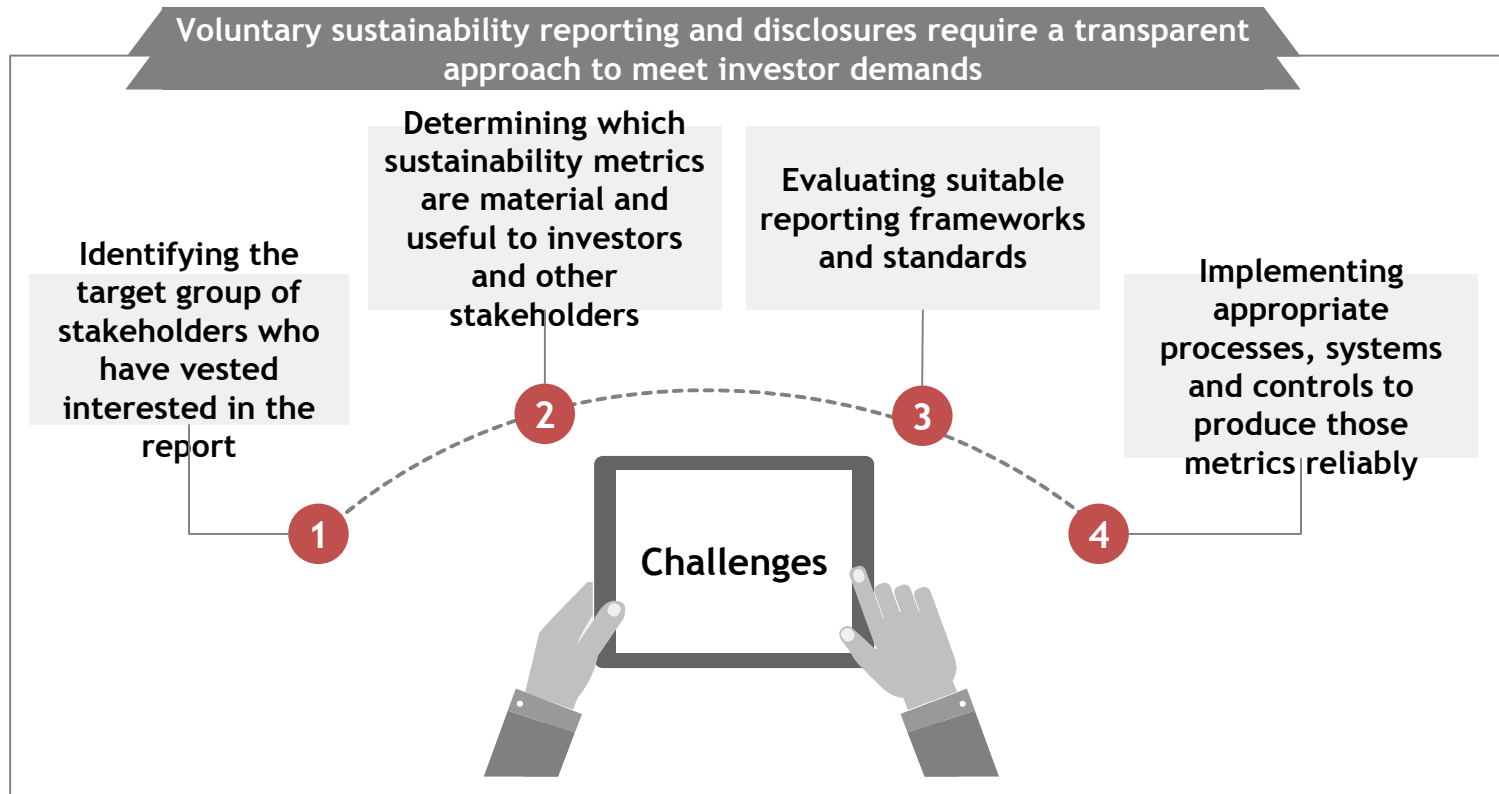


The process of sustainability reporting involves **engaging** with the **stakeholders** to identify '**material**' issues for the business thereby taking actions to manage these issues

Establishing **sustainability data management** practices within the organization

In the process of preparing the sustainability report, various **gaps** are highlighted which leads to **setting** up of **systems** and **processes** to address these gaps

Challenges in sustainability reporting



► Continued.....

Stakeholders Engagement Process

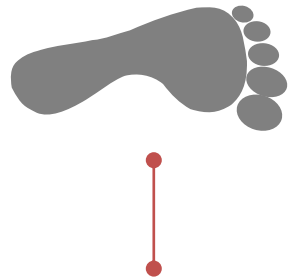


Step 2: Identification

- Identification of internal and external stakeholders.
- Inviting key functional heads of the organization.

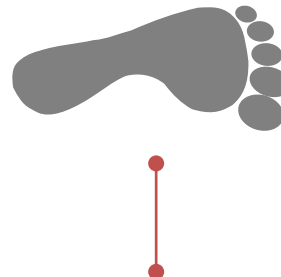
Step 4: Review and Improve

- Ensuring documentation of the consultation process.
- Exercising transparency in collation of responses from internal stakeholders.
- Assessing learning points from the diverse range of views collected from stakeholders.
- Reporting back to stakeholders on the commitments and performance with regard to the material issues identified during the consultation process.



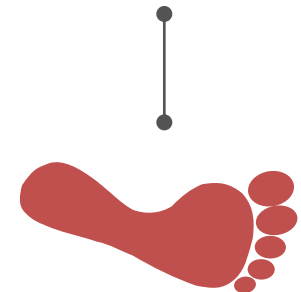
Step 1: Planning

- Establishing the objectives and scope of engagement
- Allocation of time and resources.
- Setting up the means of engagement workshop and questionnaires.



Step 3: Engagement

- Capacity building of internal stakeholders on stakeholder engagement process and materiality.
- Ensuring the stakeholder engagement process is material to environmental, economic and social issues.

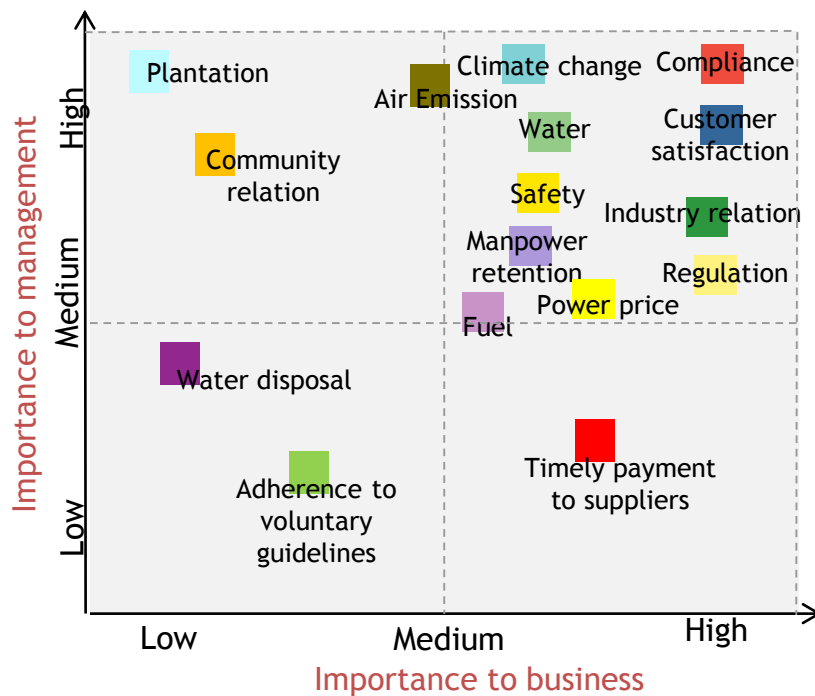


Our Key Stakeholders Identified

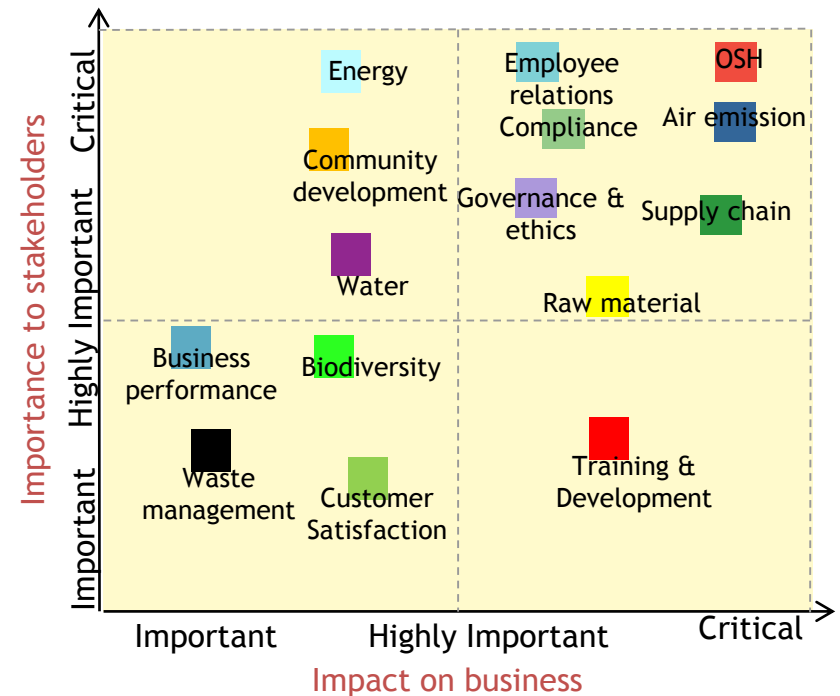


Issues that matter for Shree Cement

- To get strategic about sustainability, a company needs to focus on what matters
- Conducting a materiality assessment is a systematic way to know about which ESG impact areas should be actively managed
- Shree Cement periodically conducts and reviews materiality assessment as socio-economic, regulatory landscape and initiatives taken by the company, changes the relevance of each material topic with time
- The differences between the material topics over the period of 7 years (2009 to 2016) has been shown below

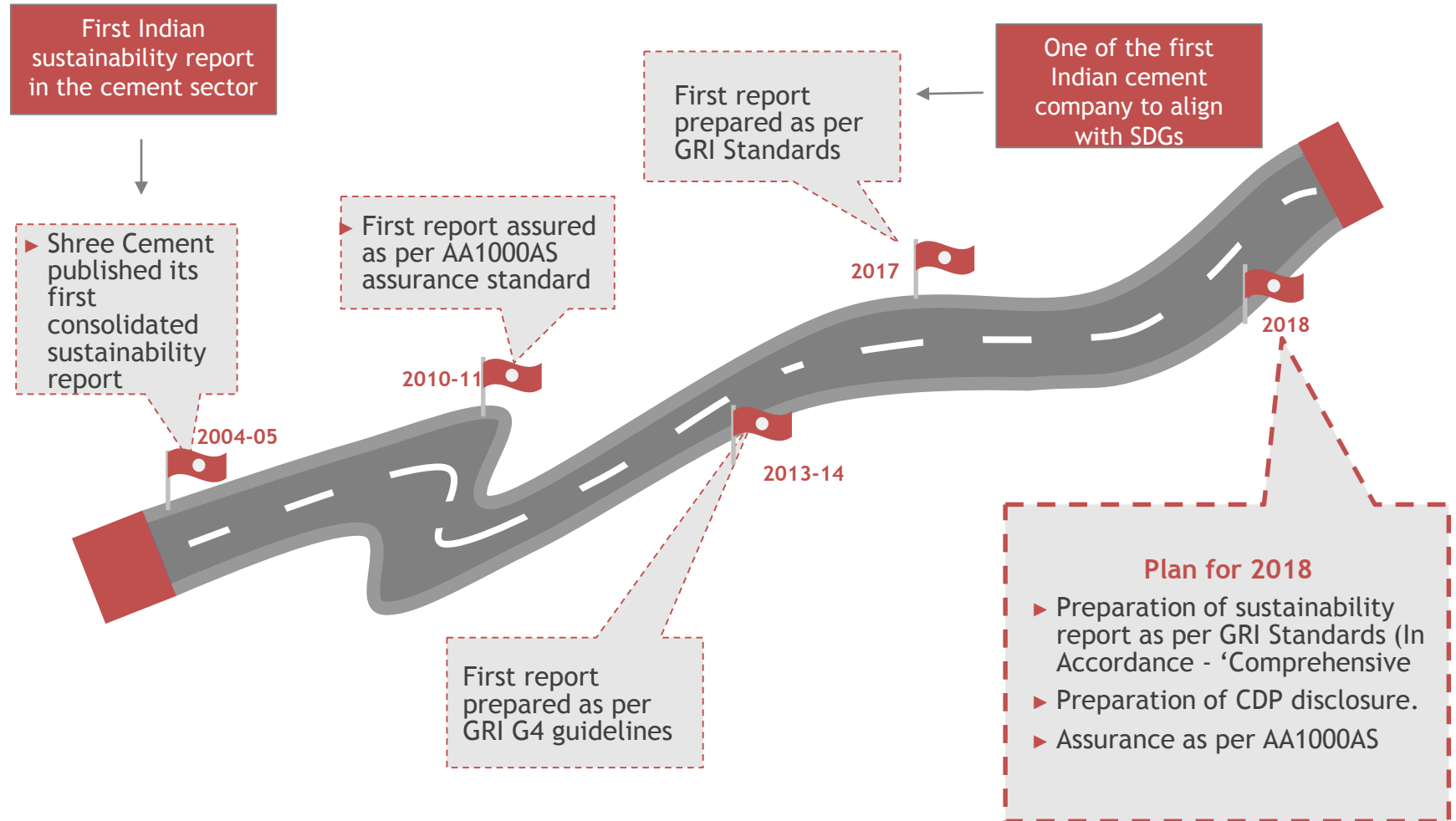


Material topics in 2009-2010 sustainability report (according to G3 guidelines)



Material topics conducted in 2016-2017 sustainability report (according to GRI standards)

Our Sustainability reporting journey



Our sustainability reports

- ▶ Shree Cement is a mature sustainability reporter having prepared and published since 2004



2004-05

- ▶ GRI G2 guidelines (A+ Level)
- ▶ Assured (ISAE 3000)



2006-07

- ▶ GRI G3 guidelines (A+ Level)
- ▶ Assured (ISAE 3000)



2007-08

- ▶ GRI G3 guidelines (A+ Level)
- ▶ Assured (ISAE 3000)



2008-09

- ▶ GRI G3 guidelines (A+ Level)
- ▶ Assured (ISAE 3000)



2012-13

- ▶ GRI G3.1 guidelines (A+ Level)
- ▶ Assured (AA1000AS)



2011-12

- ▶ GRI G3.1 guidelines (A+ Level)
- ▶ Assured (ISAE 3000)



2010-11

- ▶ GRI G3.1 guidelines (A+ Level)
- ▶ Assured (AA1000AS)



2009-10

- ▶ GRI G3 guidelines (A+ Level)
- ▶ Assured (ISAE 3000)



2013-14

- ▶ GRI G4 guidelines (Comprehensive)
- ▶ Assured (ISAE 3000 and AA1000AS)



2014-15

- ▶ GRI G4 guidelines (Comprehensive)
- ▶ Assured (ISAE 3000 and AA1000AS)



2015-16

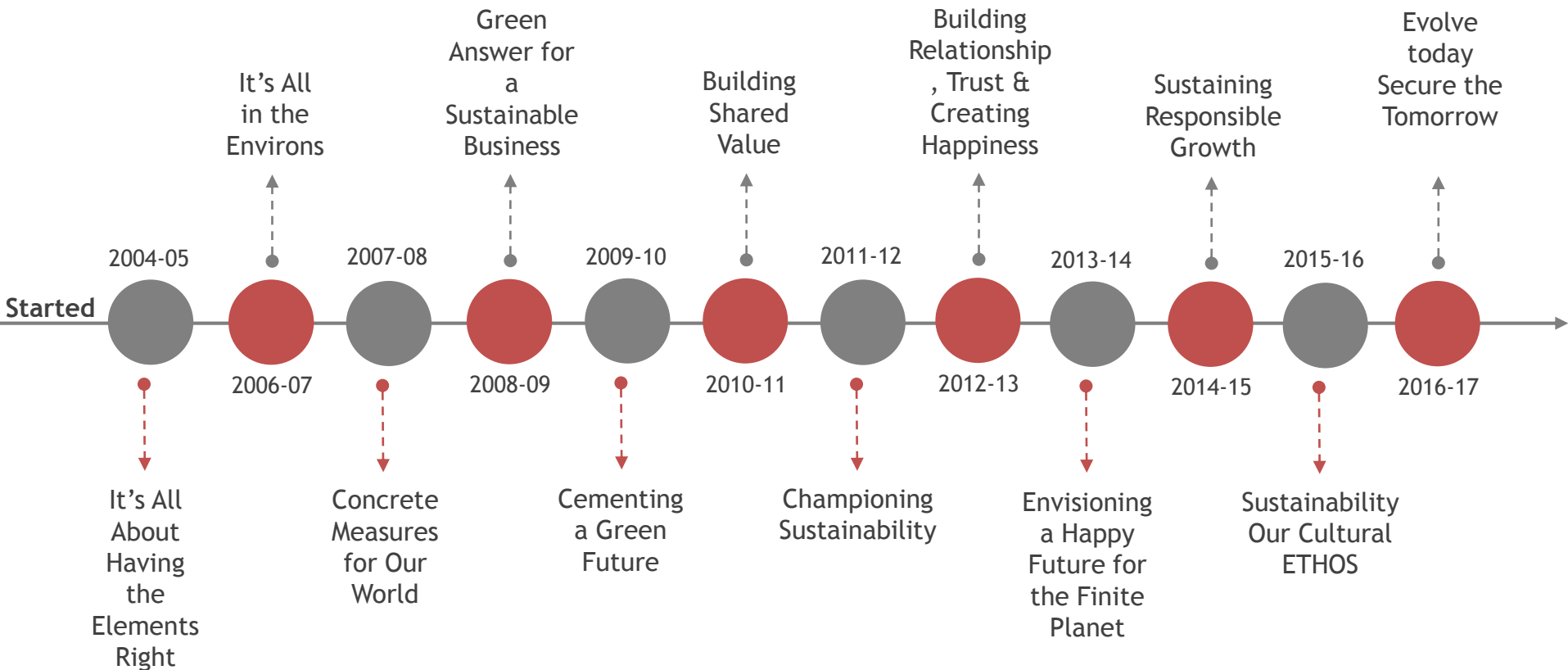
- ▶ GRI G4 guidelines (Comprehensive)
- ▶ Assured (ISAE 3000)



2016-17

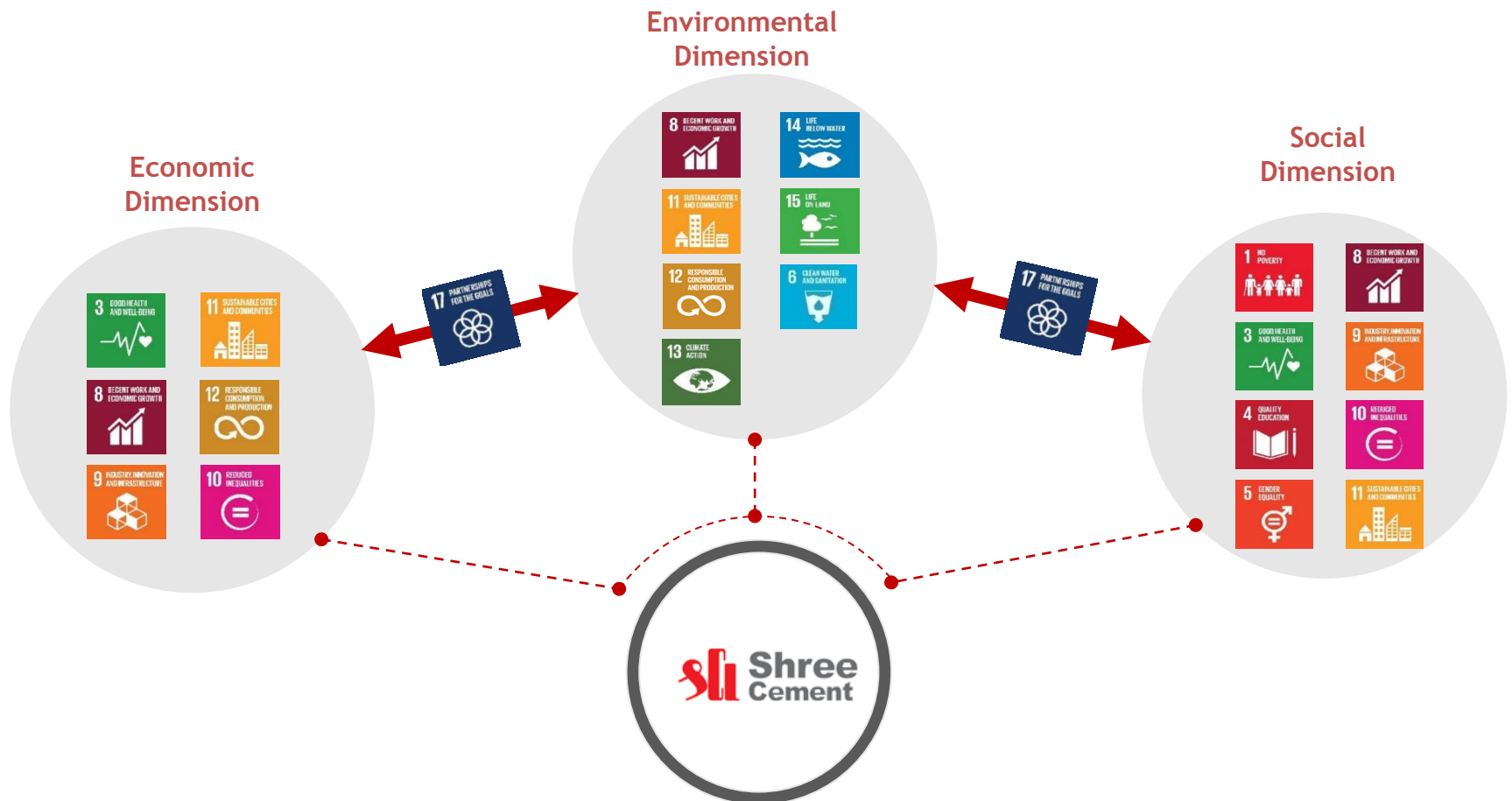
- ▶ GRI Standards (Comprehensive)
- ▶ Assured (ISAE 3000)

Reports based on Themes

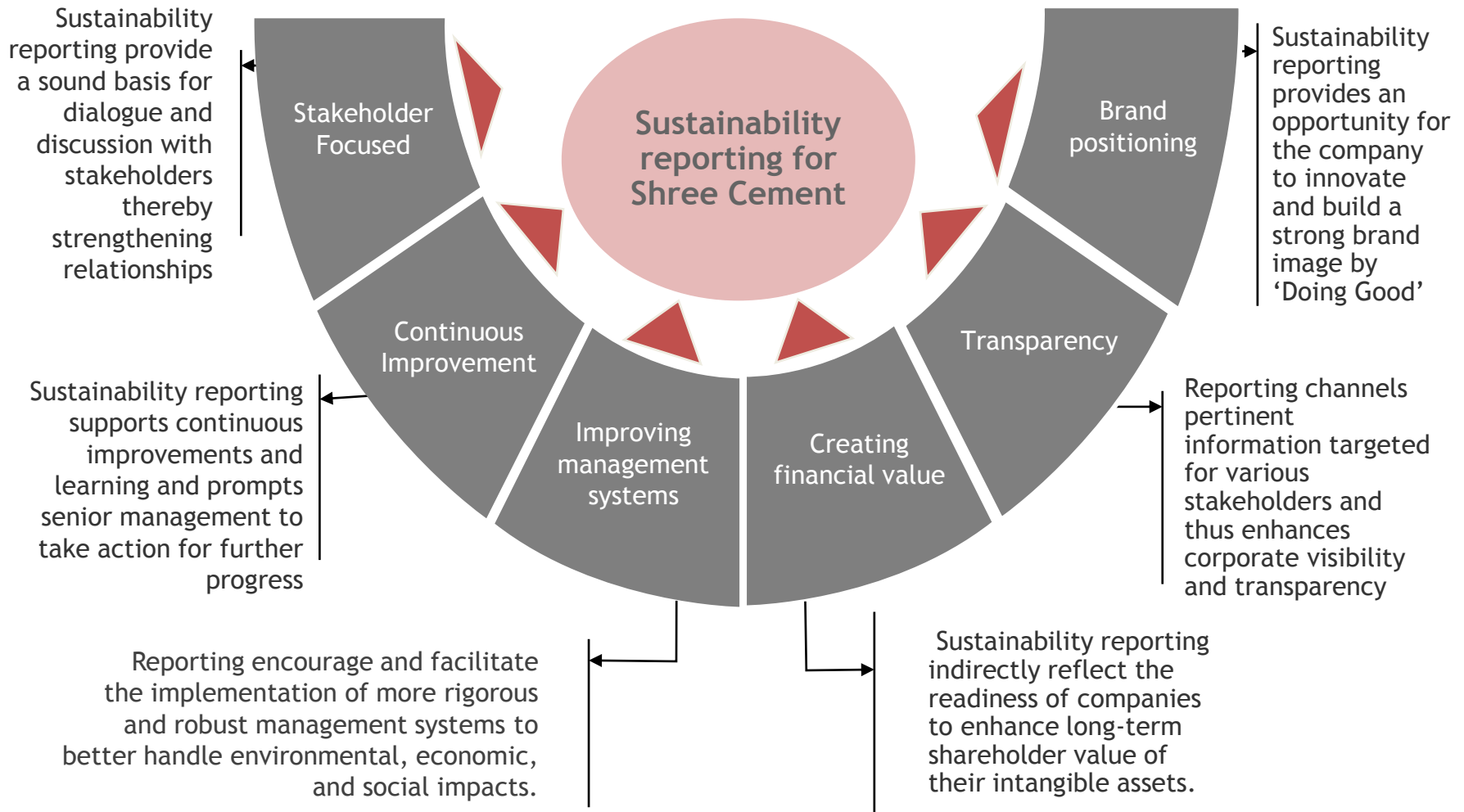


Alignment with the global Sustainable Development Goals (SDGs)

Shree Cement has aligned its activities with the sustainable development goals in last years sustainability report (2016-2017). For this year's sustainability report, Shree Cement has planned to streamline all material aspects with the SDGs so as contribute towards creating measurable progress. The SDGs that Shree Cement has highlighted are shown below.



How sustainability reporting helped us



Key awards & recognitions related to sustainability disclosure



India's Top 100 companies for Sustainability and CSR 2017

Tata Chemicals Ltd.	1	Tata Steel Ltd.	2	Tata Power Company Ltd.	3
Shree Cements Ltd.	4	Tata Motors Ltd.	5	UltraTech Cement Ltd.	6

Shree Cements
Ranked 4th in Indian
Responsible
Business Rankings
2017

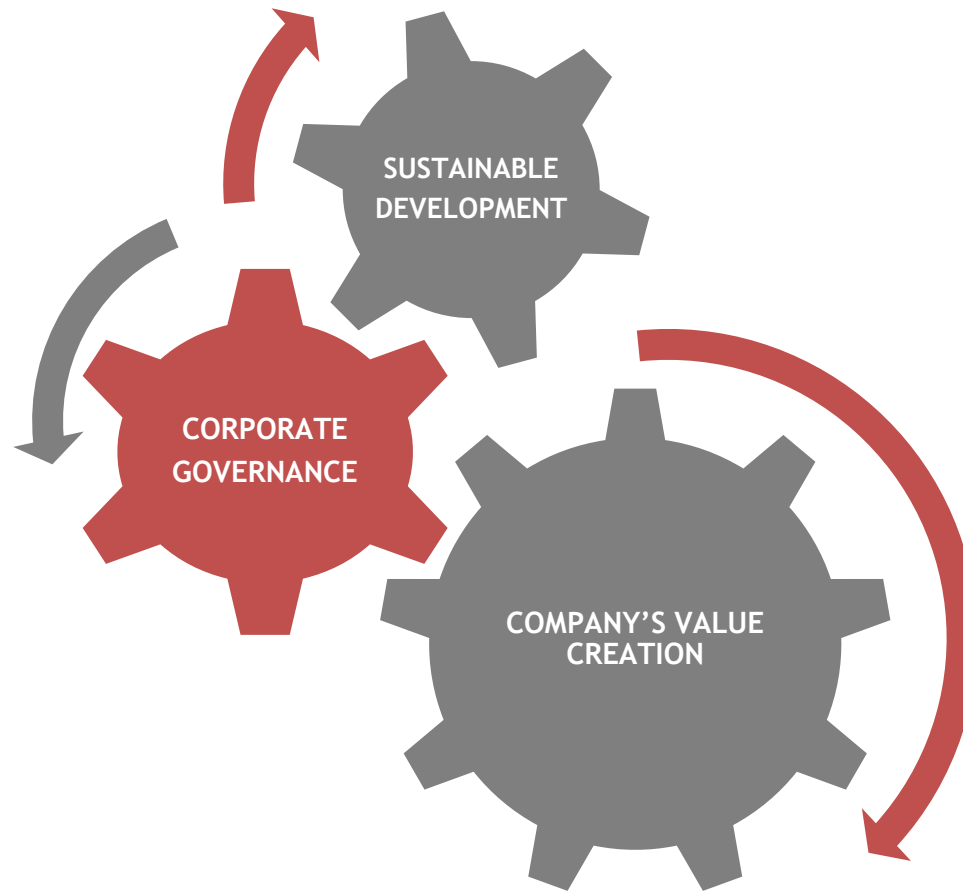
Shree Cements
Ranked 2nd in
CDP Cement
League Table
2015

League Table rank	Company	Country	Market cap 2015 (US\$m)	2015 cement production (m tonnes)	League Table score	Emissions performance	Energy & material management
1	Holcim	Switzerland	21,400	140 (iii)	3.9	A	B
	LafargeHolcim	Switzerland	28,861(ii)	256	4.1		
2	Shree Cement	India	6,002	16	4.5	A	B

Conclusion

- ▶ Sustainability disclosure can serve as a differentiator in competitive industries and foster investor confidence, trust and employee loyalty. Analysts often consider a company's sustainability disclosures which is externally assured in their assessment of management quality and efficiency, and reporting may provide firms better access to capital.
 - ▶ Strong sustainability efforts often leads to innovative ideas to research/ implementation
 - ▶ More transparency through reporting make company more efficient, a better place to work & help to drive long time competitiveness & growth
-

The wheels of Sustainable development & Corporate Governance create Company's value



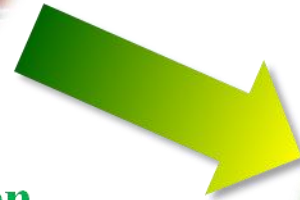
Thanks !



You Green



Company Green



Globe Green



Sustainability Reporting

Charkrit Direkwattanachai
BEC World Plc.
27/03/2019

A background photograph showing a group of people, including children and adults, engaged in an outdoor activity. One child in the foreground is holding a white bag with a colorful logo. The scene appears to be a community or educational project.

Sustainability is more than a REPORT

It gives positive impacts to stakeholders.

- Promise [Social/ community]
- Pride [Staff]
- Tracking [Company management team]
- Value [Share holders]

The background image shows a group of people, likely workers or volunteers, engaged in a community project. In the foreground, a person wearing a white t-shirt with a colorful logo and a yellow and orange safety vest is reaching out. Behind them, another person in a similar safety vest and a hat is visible. To the left, a person in a red and white checkered shirt is partially visible. The setting appears to be outdoors, possibly on a construction site or a community building project.

Partnership will strengthen Social Responsibility Campaign

- Using their specialist [Private Sector]
- Picking what matter to the community [Local Authority/ Community leader]
- Working with related government sector