

Are the Mandated Social Responsibilities of Indian Companies Aligned to SDGs?

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Abstract

The United Nations (UN) sustainable development goals (SDGs) aim to target different stakeholders including businesses and development agencies like Non-Government Organisations (NGO) s into doing more. The SDGs are inspiring many people; society recalls them frequently and the government is also citing them. The implementation of SDGs needs every government and corporate to judiciously prioritize the capacities and resources available. The question for corporations is how the stakeholders can work together more effectively to achieve them. India over the past few years directed its development to meets its priorities in many areas like employment, food, water, education, and energy. In this paper, the researchers are exploring how corporate in India have aligned with SDGs through their Corporate Social Responsibility (CSR). The researchers employ the content analysis approach to study and assess the annual report of each of these Indian companies through their CSR activities. The researchers through a mapping exercise align the CSR activities to the various SDGs. Through the mapping exercise the researchers have explored the specific SDGs to which these companies are focused. The researchers also explored the convergence between SDGs and the existing CSR activities within their companies. The study was performed with a sample of 58 Government-owned companies, various sectors like Energy, Oils, Financials, Telecom and IT.

Keywords

Sustainable Development Goals (SDG), Corporate Social Responsibility (CSR), Central Public Sector Enterprises (CPSE).

Introduction

The United Nations developed and approved the Sustainable Development Goals (SDGs) in 2015 as part of the 2030 Agenda, which is a UN accord to enhance sustainability by 2030(Fleming et al,2018).The General assembly established special commission which later became known as the World Commission on Environment and Development (WCED) distributed “Our Common Future,” further known as “The Brundtland Commission Report” that defines sustainable development as “progression that addresses current problems without endangering people's ability to meet their own future needs ”(WCED, 1987).

Earlier sustainable development was considered as an environmental issue and later considered as a protection of the natural resources. Recent studies show that economic and environmental issue is not separate from social issue. Earlier the responsibility to protect the environmental was on government, which was later considered to be part of society and recently it is looked as a responsibility of the business (Behringer and Szegedi, 2016).

The SDG Compass developed by *GRI*, *UN Global Compact (UN GC)* and *WBCSD* states that the Sustainable Development Goals (SDGs) define worldwide sustainable development needs, preferences and inclinations for the

year 2030. It seeks to muster universal endeavor around a standard set of plans and purposes. The SDGs concern for worldwide activity and deeds from administrations, businesses and civic society to alleviate poverty and to make a living of decency and squeak across all people living in this, the frontiers of this terrene. In contrast to their archetype the Millennium Development Goals (MDGs), the SDGs markedly appeal all trades to use their ingenuity and innovation to unravel sustainable progression threats. The SDGs are concurred entirely through all legislatures, yet their accomplishment depends intensely on activity and joint effort by all entertainers (SDG Compass 2015).

The SDGs comprise of 17 goals covering all parts of sustainability and are venturing towards feasible improvement covering all elements of development and every one sector of the community (Figure 1). However, there are quite a couple of major challenges in identifying with and executing the procedures and policy initiatives required to meet the objectives. Its major obstacle is integrating local, nationwide, and worldwide reactions to obtain information and expertise in order to comprehend the objectives, as well as how to adapt, along with counselling, gauging, including evaluating progress at all dimensions in specific sectors (Fleming et al, 2018). The Sustainable Development Goals (SDGs), which have been widely seen as more of a predecessor to the Millennium Development Goals (MDGs), address a substantial shift within global strategy. About the very first time, governmental policy debates on environmental sustainability have been internationalized as well as greatly expanded into a comprehensive and holistic fashion (McCollum et al 2018).

Sustainable Development Goals (SDGs) of the international organization (UN) is absolutely inspiring many people around the world. They are frequently mentioned in business gatherings. Civil society organisations regularly review them. Government officials frequently refer to them. It appears there is an agreement about the objectives. Anyway, the question is the manner by which the stakeholders might collaborate and cooperate all the more successfully to accomplish them. The SDGs fall into four categories. Human development is directly linked to poverty, hunger, health, education and gender equality. The environmental group includes water energy, climate impacts, aquatic life and terrestrial life. The economy is addressed by the third category which incorporates decent labour and monetary development, decreased disparities, responsible utilization and production, and industrial innovation. The fourth class comprises of the last two SDGs, "harmony, equity, justice and strong institutions" and "associations for development" is the mechanism through which the other objectives will be accomplished (Maria, 2018).

The 17 supportable improvement objectives (SDGs) to change lives and the world are: - goal 1- eradication of poverty in the entirety of its structures from all individuals. Goal 2 means to end malnutrition and hunger continuously by 2030. It is additionally to ensure that that individual particularly have adequate nutritious food the entire year. The Goal 3 is about acceptable wellbeing and prosperity - a guarantee to end the torment of AIDS, tuberculosis, viscus illness and different transferable diseases towards the year 2030. Providing all students with a complete and high quality education confirms the belief that instruction is one of the most obvious and well proven vehicles for acceptable improvement, as stated in objective 4: "Quality education. The SD objective 5 states about equality of gender. This means to finish all other types of brutality against ladies and segregation of all structures against ladies and girls. SDG 6 is as for clear water and hygiene. The seventh goal is concerning reasonable and pure or renewable energy for all and Goal eight is about respectable job and buoyancy of the economy. The goal 9 is regarding industries, innovation and infrastructure and with respect to reduced inequality is in goal 10. Goal 11 mentions ensuring access to secure and decent housing and rehabilitating slum settlements as a challenge of ensuring cities safe and sustainable. Target aim 12 clearly specifies the use and development of resources at an affordable price. Environmental change is causing havoc all over the globe; purpose 13 is all about environmental action. The objectives 14 and 15 refer to existence beneath the sea and above the water, separately. The sixteenth goal depicts peace, justice, and good governance, meanwhile goal seventeen emphasizes collaboration to achieve the objective.

The Sustainable Development Compass developed by GRI, International organization (UN GC) and WBCSD sets out five steps that the companies should follow arguing that doing so will assist the companies in maximizing their contribution to the sustainable development goal. Companies should align with the SDGs to set more meaningful targets and express their commitment to sustainability more effectively, as indicated in the Compass (SDG Compass, 2015). Companies should choose few or more specific goals and should focus on the most promising business opportunities (Kramer et al, 2019). Many companies have already announced about achieving their long term goals with Sustainable Development Goals but still are not sure about how to link between the two –the goal of sustainable development and their long term goals (Weidema et al, 2018). The companies should understand sustainable development goal and should convert these goals to the business goals (Blasco et al, 2018). The contribution of

corporate to the SDGs depends upon their awareness of the SDGs, and their willingness to commit and mold their actions in alignment with the SDGs (Subramaniam et al, 2019).

According to World Business Council for Sustainable Development (WBCSD, 2000) connection between the originations of CSR and sustainable advancement has fortified in ongoing years. CSR is taken into consideration to be an indispensable part of sustainable improvement. Steurer et al, 2005 states "Corporate supportability is the organization rendition of feasible turn of events, while CSR is a deliberate administrative technique to practical turn of events". As per the United Nations Global Compact, 2013, corporeal responsibilities in addition to corporal sustainability are often manoeuvred as synonyms. The enterprise circle was given a greater and bigger situation in practical improvement, and it has become perfect and clear that CSR adds to the economical improvement of the venture circle and without that stable advancement cannot be accomplished. Corporate Social Responsibility could be a planned series of tasks that elevates enterprise responsibilities to Sustainable Development which makes a congruity between monetary interest, ecological and social anticipations by integrating sustainable improvement to enterprise strategy (Behringer & Szegedi, 2016).

Business exercises can adversely affect advancement outcomes (deplete normal assets, dig in or legitimize practices that keep women underestimated, supplant quality positions with problematic positions, fuel debasement) or could obstruct others' opportunity to accomplish SDG targets (Agarwal et al, 2017). The fundamental principle in the field of CSR intends to conduct moral enterprises that increase value to society beyond what is required by law (Sanchez et al, 2021). CSR has been never more an afterthought in business operations, rather an approach that encompasses all capacities and departments. Porter and Kramer (2006) points out that though commended conceptually, inconsistencies in CSR assessment and a lack of strategic direction make it difficult for corporate to implement (Alfy et al, 2020).

Indian companies have effectively taken to SDGs and numerous organisations planning their activities to the SDG. Indian corporate are connecting their current projects and existing programmes to SDGs. Organizations don't appear to put forth explicit attempts in planning or implementing new projects to address the most pertinent objective for their undertaking. Organizations are utilizing the very cycle that they used to foster applicability grid for fostering their arrangement to consolidate SDGs towards their vocation. This may prevent them from taking full advantage the SDG program (Majmudar et al, 2018). Concerning the preparedness level of Indian corporate for helping country to resolve the SDGs, it really is seen how the companies have outlined their strategy. Most of the Indian organizations have set up an approach and steps are likewise being taken to plan the CSR programs connecting them to SDGs, business targets and objectives of the organisation. In India, many leading corporate have begun to think in another manner and to adopt skills, abilities and resources needed to draw in with SDGs. The Indian corporate contribute towards achieving the SDGs is significantly through working with governments, working within the areas that are lined on to their businesses and by giving sectoral expertise and know-how (FICCI survey, 2018).

Corporate sustainability reporting has developed as a significant device for assisting organizations with getting to and deal with their sustainability impacts. Sustainability reporting is used by businesses around the world to better explain their commitments to environmental sustainability and to integrate sustainability into enterprise operations. The company's sustainability report has developed as a significant device for assisting organizations with getting to and deals with their supportability impacts. Supportability detailing or Sustainability reports helps organizations all throughout the planet comprehend their commitments to economical turn of events and incorporate maintainability into their business methodologies (Wokeck, 2019). There has been no specific benchmark that has been accepted as standards as Sustainable development reporting (Subramaniam et al, 2019). Standardized SDG reporting processes and benchmarks for companies are needed in order to reliably assess companies' SDG performance (Mhlanga et al, 2018).

SDG Compass is a guide with related instruments and data assets created by the World Business Council for Development (WBCSD), Worldwide Reporting Initiative (GRI), and therefore United Nations Global Compact (Global Compact) to help enterprises adjust their strategic plans with the SDGs, quantifying and organising one's commitment, as well as a list that focuses around 1500 existing business markers toward the 17 Sustainable Development Goals and the 169 targets that go along with them. GRI and Global Compact have indeed additionally distributed a report to guide in developing in understanding the SDGs and their aspirations. Likewise, counselling enterprises like EY, KPMG, and PricewaterhouseCoopers had also fostered their unique instruments that assist firms keen on seeing how their systems will uphold the SDGs (Betti et al, 2018). Every SDG report is made up

of three steps: Set priority SDG targets; measure and analyse accomplishment; communicate, incorporate, and initiate solutions (Fernandes 2019). Organisations should report their sustainable development goal targets along with their outcomes. Taking action and reporting are not mutually exclusive and, in particular, public declaration of a commitment puts pressure on ensuring that action is in accordance with the ethics (Adams, 2017).

Many organizations are developing tools and communities to help companies to respond, yet there is no established process, bench mark or standard for reporting on SDG. Sustainability professionals at KPMG member firms found that many of their firms are unsure about how to report on their SDG, where to start and what good the SDG reporting looks like (Blasco et al, 2018). The SDG Compass⁷ was made by GRI, UN Global Compact and WBCSD not long after the endorsement of the SDG's, planned to offer organizations as an Initial guide, a User direct, Business Indicator Inventory and a Tools stock. It gives off an impression of being especially useful to adjust the current reports to the SDG's. The SDG Industry framework 9 is another gadget created by UN worldwide compact, upheld by KPMG which centers around 6 industries (Weidema et al, 2018). Corporate social responsibility/ sustainability reports are neither standardized nor audited (Consolandi et al, 2018).

As indicated by the Companies Act of 2013 it is compulsory for organizations to unveil spending on CSR; organizations have been uncovering their CSR go through information with differed levels of detail. Corporate started reporting their CSR spending in 2014, and the level of reporting of this information has increased over the years (Majmudar, et al, 2018). Indian organizations are progressively incorporating conventions outlined in the World Body's 2030 Development Goals (SDGs) throughout their proceedings. Across India, reporting on the Sustainable Development Goals still in its inception. (Fernandes, 2019).

CPSEs are indeed a significant component of the Indian corporate arena, having significant power to influence the climate, communities, and humanity as a whole through their CSR expenditure (Subramaniam et al, 2017). CPSEs make a critical commitment for the social and monetary prosperity of the general public. They are pioneers in the implementation of corporate responsibility programs which contribute areas development even while addressing financial disparities (Kansal et al, 2016). From the above literature review, there is significant evidence that the companies perform activities and link these activities to achieve sustainable development goals. It is clear how CSR activities performed by companies' plays a pivotal role in achieving SD goals and targets. In this regard, this study aims to explore SDG in CPSEs and examine their reporting on SDG.

Objectives

In this paper, the researchers address the following objectives:

- To examine if public listed CPSEs (Government Owned Companies) in India are even exploring SDGs within their business.
- To examine how many public listed CPSEs (Public Sector Companies) are reporting SDG goals and targets and linking them within their businesses

Methodology

The researchers in this study use secondary data which was collected from company's web sites and the company's annual reports for the year 2017-2018. The researcher's employees content analysis method to extract the data, for all the variables that were identified. Basic Statistical methods were used for analysis. A sample of 58 listed CPSEs were taken for this study, from various sectors like energy, industrial, telecommunication, and from other sectors. All the CSR activities performed by the companies for the respective years were collected. In the analysis, the researchers considered all the SDGs and then started to map the CSR activities with relevant SDGs. A basic analysis was done to explore the mapping of CSR activities to the Sustainable Development Goals.

Results and Findings

The authors to address and answer the first research question have analyzed the sample of all the CPSEs. To answer the sample companies were explored through analysis and charts. The below bar graph shown below in fig 1. depicts the all the CSR activities performed by the CPSEs. The authors in the analysis of Figure 1 categorized all the CSR activities by the CPSEs and into 17 SDG goals.

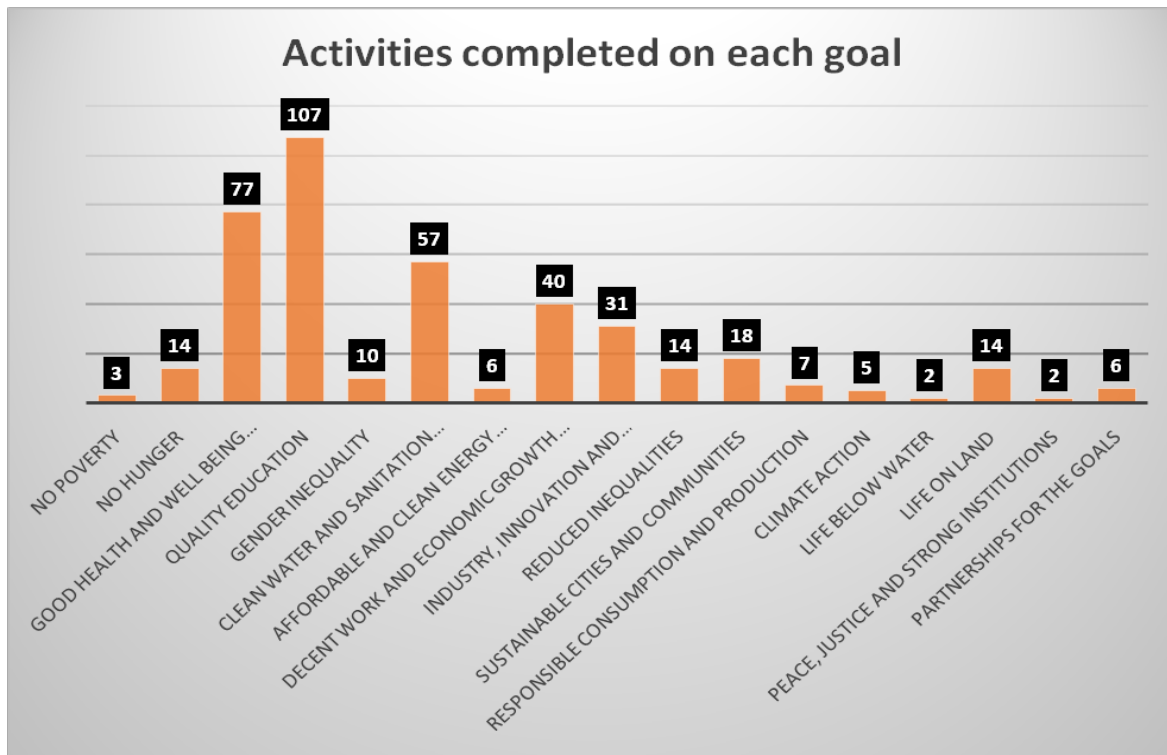


Figure 1. Total number activities done

Figure 1 above shows that the most CSR activities by the CPSEs are in the area of Education, which is 107. After Education, Healthcare is the 2nd most performed activity. We can see above that out of 400+ CSR activities 77 are in the area of Healthcare in form of good health and well-being. Followed by Healthcare, the 3rd most active CSR task is Clean Water and Sanitation. 57 of the CSR tasks in form of Hygiene as sanitation and well-being. The bar graphs shown below in Figure 2 depicts the all the CSR activities performed and contributed by the CPSEs.

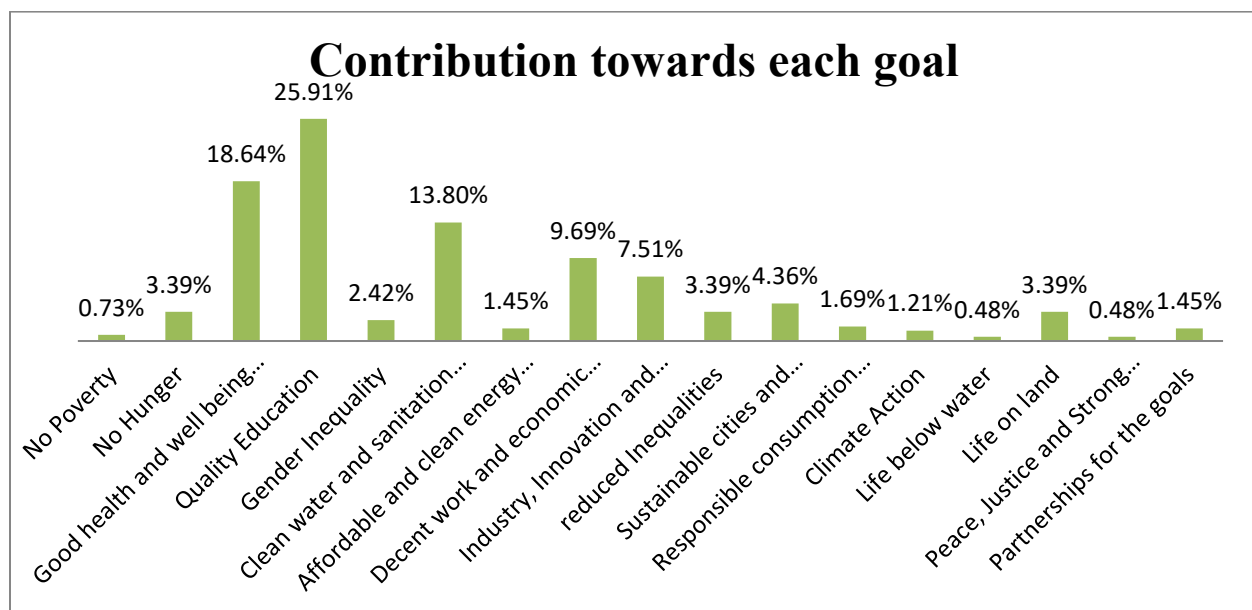


Figure 2. Contribution of all activities towards each goal

In the Figure 2 the authors after analyzing the CSR activities and mapping them to the 17 SDG Goals have presented the CSR activities which are expressed in terms of percentage (%) by the CPSEs. The above bar graph in Figure 2 is an advanced grid of the previous graph in Figure 1. In the above graph, the Top-3 SDG Goals are shown after mapping the CSR activities. The above graph also shows the most mapping of CSR activities to SDG goals in terms of percentages.

The bar graphs shown below in Figure 3 depicts the Top-3 SDG Goals which are executed by the public listed CPSEs in India through their CSR activities performed and contributed. It is quite evident that the most prioritized and concentrated SDG Goals are Education, Healthcare and Sanitation.

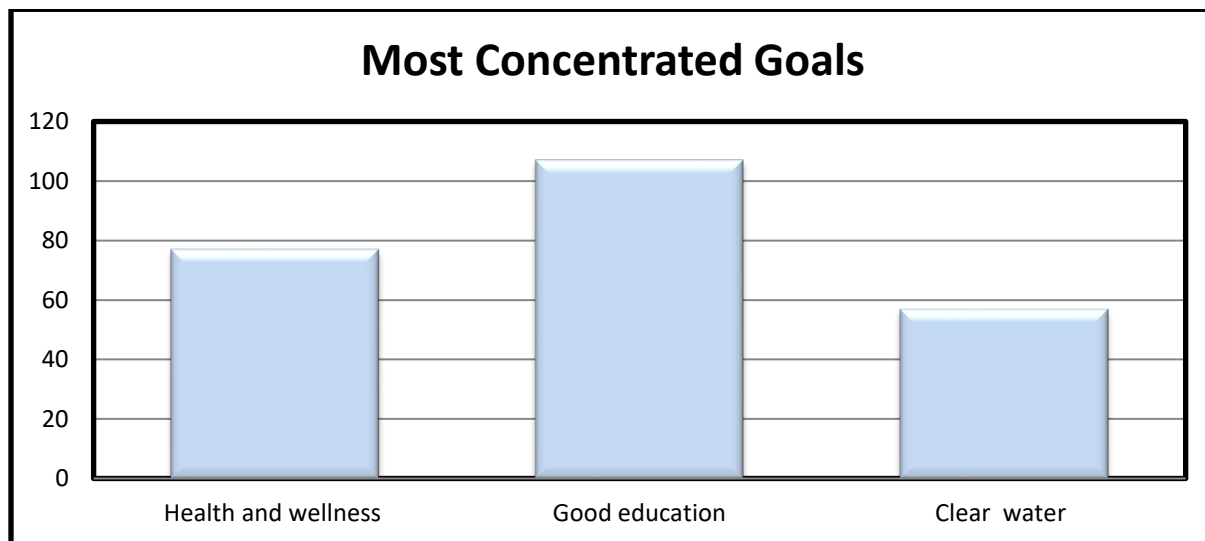


Figure 3. Three most common prioritized SDGs

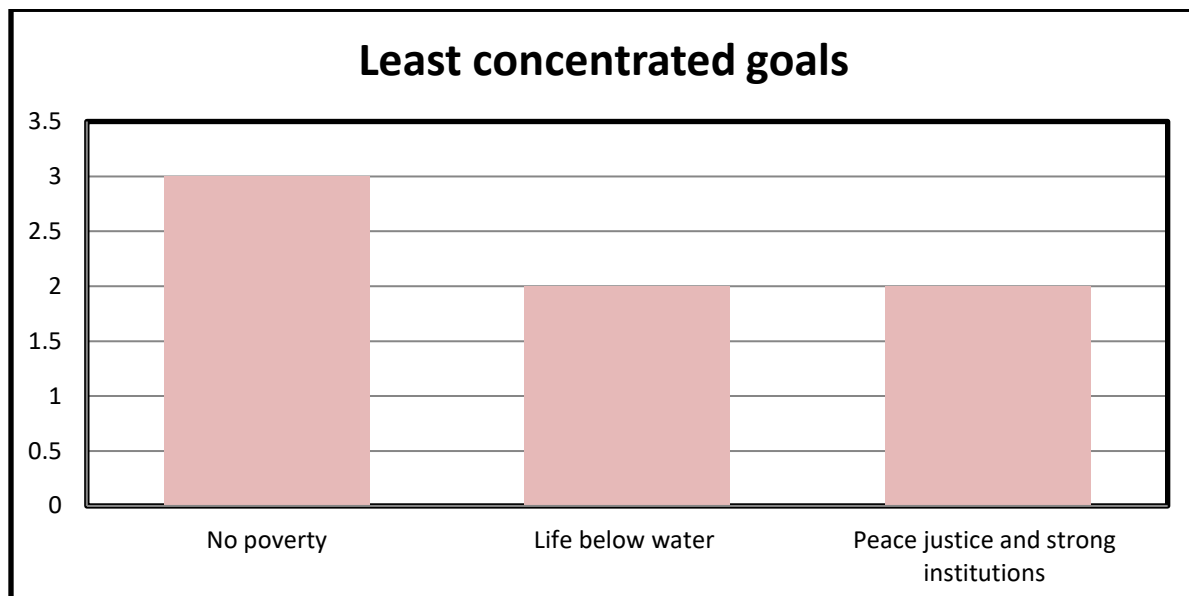


Figure 4. Three least common prioritized SDGs

The bar graphs shown in Figure 4 depicts the Bottom-3 SDG Goals which are executed by the public listed CPSEs in India through their CSR activities performed and contributed. It is quite evident that the least prioritized and least concentrated SDG Goals are Poverty, Marine Resources and Peace Justice.

From the above results, it is evident that Indian CPSEs focus more on improving the quality of education provided and in ensuring healthy lives and well-being for all age groups. It also denotes a majority of companies towards providing clean water, which shows the decrease in the availability of consumable water. It can also be seen that for the elimination of poverty, the activities done are few. The authors using the pie charts below first address the second research question. The below pie chart is the outcome for the second research question. Fig 5 clearly shows that 77% of the public listed CPSEs do mention and contemplate about the SDG goals and in their reports. This shows that the government owned companies are working towards the SDG goals.

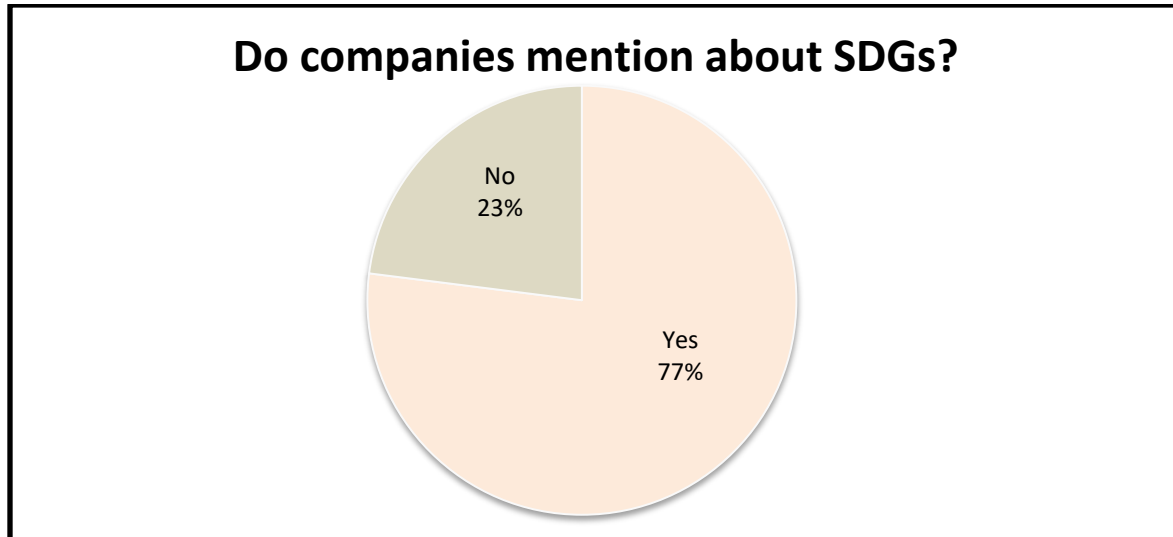


Figure 5. SDGs mention by companies in Annual reports/websites

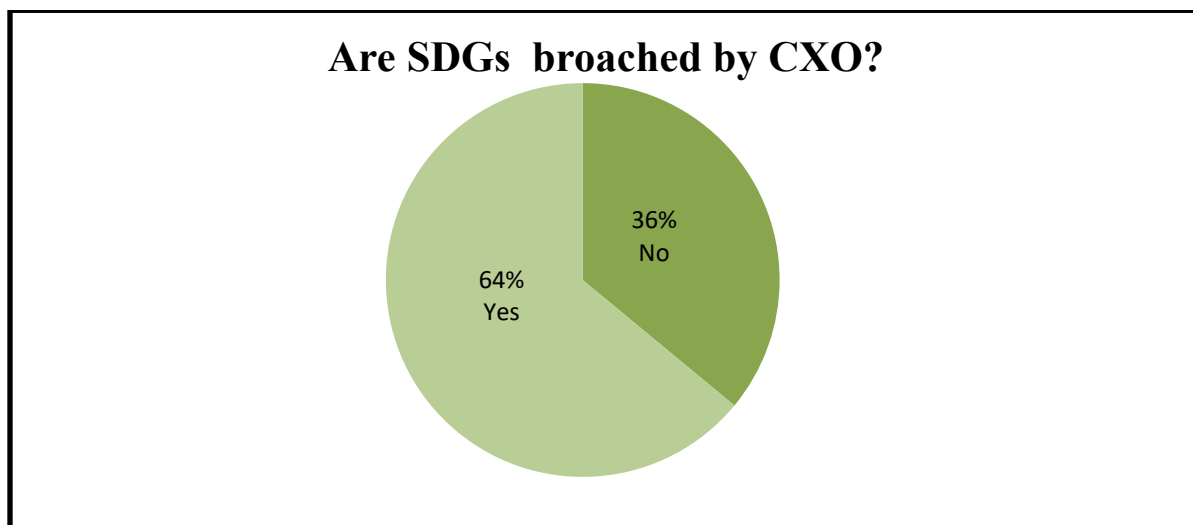


Figure 6. SDGs mention by company CXOs in Annual Reports/websites

Continuing to address the second research question, the chart shown below in Figure 6 depicts that, 64% of company CXO's bring up the goals into their discussion. It is evident that more than half of the top executives mentioned and broach SDGs in their conversation and certainly strategic within their plans and goals. These CXOs also mention the SDGs within their company annual reports.

Findings

Although there was no widely accepted framework or standard for SDG acknowledgment, the business interest in the SDG has grown significantly since its introduction in 2015. Most of the companies mentioned SDG goals in their Annual Reports, whereas some companies are yet to add and announce in their open data.

Limitations

The researchers included only a sample of 58 listed CPSE for this study. Only the data for the year 2017-2018 was collected and analysed. For the study, the mapping exercise was done only with the CSR tasks/activities. The researchers did not include the amount spend by the CPSEs on each task/activity.

Conclusion

This research explored the convergence between SDG and CSR initiatives within the public listed government owned companies in India. The analysis is focused on Government-Owned Public Listed companies in India to ensure if these companies are aligned strategically towards SDGs. The study mapped the SDG goals towards the CSR activities of these listed CPSEs and through the mapping exercise shown in their results explored the specific SDGs which these companies focused on and also the least concentrated goals.

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