

## **Survey: Conference on Sustainability Reporting, Corporate Social Responsibility and Governance**

**Tuesday, January 22, 2013**

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The objective of this Survey was to elicit responses on the changes Pakistani companies would be prepared to make on their path to sustainable development. Responses were solicited from about 50 participants representing a wide variety of firms and industries. The survey comprised eight questions.

## **Survey Analysis**

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### **1. Does your organization have a sustainable development strategy?**

The basis of a successful sustainable development strategy is all four elements, i.e. economy, society, environment and governance – which need to reinforce one another. Sixty two percent of the respondents said their organization had a sustainable development strategy. This suggests there is a growing recognition among Pakistani businesses that sustainable development should be integrated into the planning and measurement systems of their enterprises.

### **2. Does your organization consider environmental protection an important part of its corporate culture and strategy?**

Almost 90 percent of the respondents voted ‘yes’ proving they are aware that a proactive environmental strategy may lead to the development of a sustainable competitive advantage for their business.

### **3. Do you agree that sustainability and corporate social responsibility enhance a company’s brand image and reputation?**

A staggering 100 percent ‘yes’ proving sustainability strengthens brands. The success of ‘sustainable’ branding and marketing rests on the overall credibility of a business. Discerning consumers will not be misled by ‘green packaging’ any longer.

### **4. Does your organization have a policy of evaluating the environmental impact of investments?**

Almost 61 percent of the respondents said their companies had some form of policy in place to evaluate such impact. However, as an emerging investment strategy, investing for environmental and social impact will require long term integration of Pakistan’s capital markets and investment and commercial banking to address critical issues of energy, water, education, health, community development, social enterprises, and sustainable development.

### **5. Sustainability ratings and rankings are gaining importance with international investors. Do you agree that Sustainability Reporting should be mandatory for all listed companies?**

Almost 90 percent of the respondents were in favor of mandatory Sustainability Reporting. This should be an impetus for regulators in Pakistan who are encouraging listed companies to pull up their environmental performance. In 2012, the Securities and Exchange Commission of Pakistan (SECP) has issued CSR Voluntary Guidelines, 2012 for all public listed companies. As the

regulator, the SECP has taken on the task of conveying and codifying the potential benefits to corporations of not only demonstrating, but also communicating, good environmental, social, and governance performance.



6. Do you agree that engaging assurance providers to review Corporate Responsibility programs gives credibility to CR reporting?

Almost 78 percent respondents favored engaging assurance providers. In addition to the selection of assurance providers according to the requirements of the business, the credibility of CR reporting will, to a great extent, also depend on aligning spending on assurance with the

sustainability maturity of the company.

7. Would you agree that there should be a common set of principles and key performance indicators for good corporate sustainability performance?

Almost 90 percent of the respondents agreed to having a set of KPIs since having measurable data to substantiate facts and figures is essential to meaningful sustainability reporting.

8. Are you aware of the Global Reporting Initiative (GRI)?

Almost 54 percent respondents were aware of GRI. The need to advance the sustainable development approach adopted by the GRI guidelines and its potential impact on corporate reporting is apparent; even for GRI reporters, the business appropriation of the GRI concept must be frequently reinforced.

## Conclusion

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The findings of this Survey will help identify how far along Pakistani businesses have come in convening on a common sustainability agenda. One thing seems certain. Pakistani listed companies are actively seeking to integrate sustainability principles and practices into their businesses. What they now need are guiding principles that identify how to pursue sustainability opportunities that hold long term value.

Pakistan Institute of Corporate Governance has established credentials in promoting and creating awareness of corporate governance practices in Pakistan. With this Conference, PICG has come full circle since Sustainability and Integrated Reporting are only reinforced through good governance.

The prospect of a Pakistan Chapter of the International Integrated Reporting Council (IIRC) seems propitious. Both PICG and IIRC believe that businesses are no longer corporate entities that can be sustained through disclosure of financial information, alone. They are corporate ‘citizens’ who must also provide information on their social and environmental impact in an integrated way.

## Survey Questionnaire

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1. Does your organization have a sustainable development strategy?
2. Does your organization consider environmental protection an important part of its corporate culture and strategy?
3. Do you agree that sustainability and corporate social responsibility enhance a company's brand image and reputation?
4. Does your organization have a policy of evaluating the environmental impact of investments?
5. Sustainability ratings and rankings are gaining importance with international investors. Do you agree that Sustainability Reporting should be mandatory for all listed companies?
6. Do you agree that engaging assurance providers to review Corporate Responsibility programs gives credibility to CR reporting?
7. Would you agree that there should be a common set of principles and key performance indicators for good corporate sustainability performance?
8. Are you aware of the Global Reporting Initiative (GRI)?