

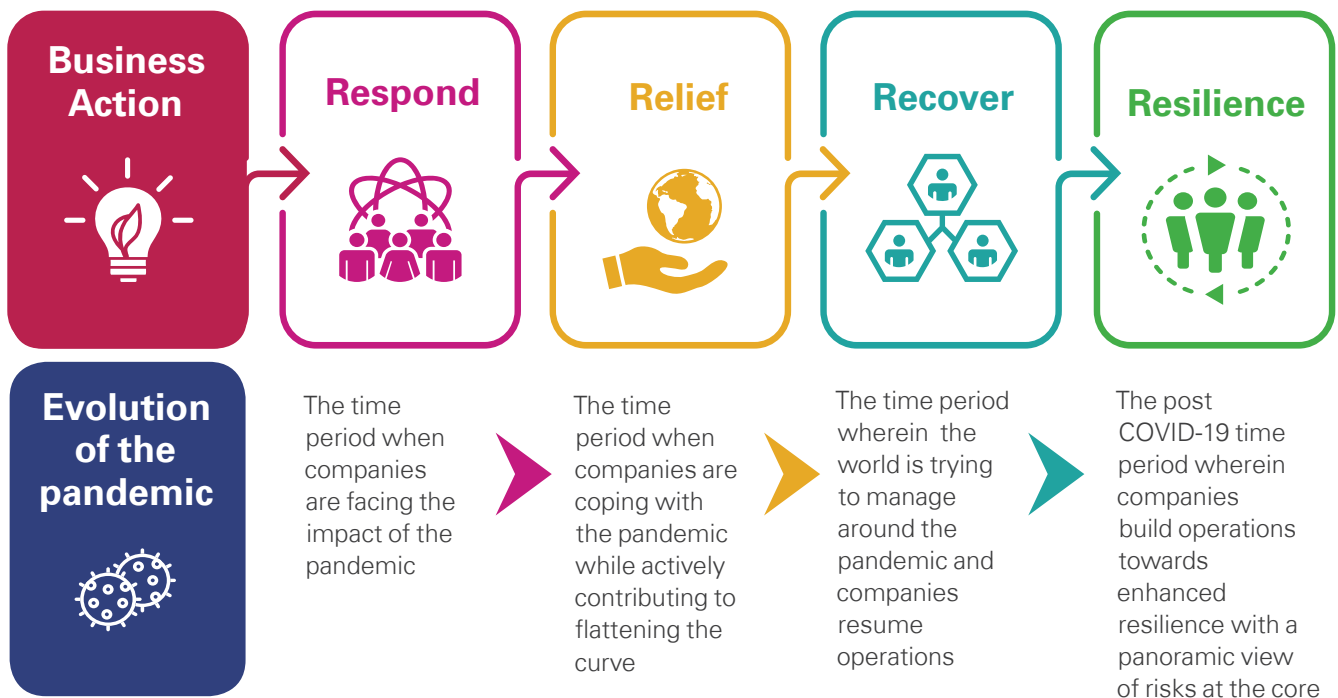
Sustainability reporting during COVID-19 Pandemic

Introduction

The world today has become a stage for a real time stress test of institutions, businesses, governance constructs and our normal ways of life. It has exposed the fragility innate in many of our current practices and constructs. While the world continues to reel under the impact of the crisis, this pandemic has stimulated lateral thinking and has nudged institutions and leaders to rethink and reimagine their vision for success. As businesses gear up to ease into the post COVID-19 world, they are expected to be faced with increased scrutiny from informed minds who now look at the new possibilities for operational optimisation and robustness. Sustainability reporting would be more vital than ever to bolster trust among all stakeholders.

A new approach: Recalibrating to a post COVID-19 compatible reporting strategy

The corporate experience and response through the progression of the pandemic can be bucketed into: Respond, Relief, Recover and Resilience. This approach can anchor a company's transition from the current corporate reporting scheme to a post COVID-19 compatible reporting scheme aligned to the shift in stakeholder requirements.





Respond: In this phase it is important to understand and openly communicate about the impact of the pandemic on every function of the business. A Company's approach towards responding to these identified impacts in terms of their direct actions and coping mechanisms needs to be articulated.

Focus areas from a reporting perspective:

Social	Environment	Economic and Governance
- Awareness building for wellbeing - Monitoring employee health and support systems - Workforce management enabling remote and agile working style - Support to communities in operational vicinity.	- Rapid response management strategy for a new stream of biohazardous waste - Monitoring resource conservation and emission abatement opportunities.	- Realigning Business Continuity Planning (BCP) to the pandemic situation - Integration of IT expertise with governance and crisis management planning - Assessing and managing secondary risks e.g. cybersecurity, data privacy - Financial health evaluation and assessment of resource availability - Supply chain impact assessment and management - Revaluation of contracts and making suitable adjustments to ensure compliance.
		



Relief: Corporates have an indispensable role in contributing to relief measures during and post the pandemic. Companies must communicate on the relief measures provided to internal and external stakeholder groups in terms of health, economic security and public good. This phase gives companies the opportunity to contribute to social good beyond their operational scope.

Focus areas from a reporting perspective:

Social	Environment	Economic and Governance
- Modifications in Employee wellbeing and safety practices - Employment guarantees and livelihood security - Ensuring fair and timely remuneration - Welfare of migrant workers and on contract employee - Relevant Community projects and contributions - Collaboration for devising solutions to meeting urgent societal demand - Leveraging sphere of influence for public good through advocacy and collaboration.	- Monitoring resource conservation and emission abatement opportunities - Environmental sustainability of relief measures - Assessment of environmental risks and impacts arising from relief and recovery measures.	- Leveraging collaborations to explore novel revenue streams by deploying core competencies e.g. workforce sharing - Leveraging core business proposition for social good e.g. increased production of pharmaceutical products and essential goods and services to meet increased demand, etc.
		



Recovery: Stakeholders are closely evaluating the turnaround plans of companies and the Company's strategy for resuming operations in a responsible and sustainable manner. Showcasing a steadfast and astute approach in this regard is imperative to reinforce trust and garner good will.

Focus areas from a reporting perspective:

Social	Environment	Economic and Governance
- Reviving workforce productivity and management of lost time - Redesigning health and safety systems - Employee retention (especially on contract and migrant workforce) - Revision of need assessment and focus areas for CSR - Infrastructural upgradations to support the new work paradigm including IT infrastructure. 	- Natural Resource management (reporting trends and insights from pre and post COVID operations) - Ensuring Environmental compliance and avoiding accidental emissions during operational restart - Ensuring initiatives towards resource conservation, emission reduction, water use, etc. are continued for meeting environment targets and goals. 	- Review of BCP and setting recovery time objectives - Backlog management (relooking sustainability strategy goals/targets which were missed due to the lockdown and revising it) - Ensure alignment with changing regulatory requirements - Review of financial health and revival strategy - Rising above the situation: Maintaining cash flows through unique product or service solutions that enable revenue generation - Initiatives focused on supply chain recovery.



Resilience: It is widely recognised that the pandemic is just one of the many threat multiplying risks. Corporates must prepare to communicate and evidence a long term time horizon embedded in risk management and strategy as a testament of long term sustainability of the business.

Focus areas from a reporting perspective:

Social	Environment	Economic and Governance
- Self-evaluation and upgradation of health and safety systems encompassing Health and safety risk assessment - Business case and impact assessment for community projects - Augmented Stakeholder relationship management - Initialising workforce infrastructural upgradation to support innovative and agile working style.	- Proactive actions to minimise reliance on non-degradable packaging and other materials (the consumption of these materials could have increased to cope with the pandemic). - Incorporation of emission abatement opportunities identified through optimised travel and work from home. - Contribution to global climate action and resource conversation efforts. - Predictive and preventive maintenance of critical operational facilities.	- Management of change strategy based on learnings. - Institutionalizing changes in supply chain constructs. - long term time horizon considerations in governance mechanisms (including policies) and strategic planning. - Environmental, social and Governance (ESG) integration in Enterprise Risk Management (ERM)

Key considerations across reporting cornerstones for upcoming corporate reporting linked activities

Phase	Stakeholder engagement	Materiality	Risk management	Strategy and resource allocation	Governance	Business model
Respond  The time period when companies are facing the impact of the pandemic	Ensuring stakeholder engagement channels are open and easily accessible to all stakeholder groups	Reprioritise material topics through internal discussion to realign communication and strategy to the pandemic response	Communication of measures undertaken to avoid secondary risk impacts e.g. Cyberattacks, decrease in workforce productivity	Communication on rapid response plan and crisis management	- Recording first response of the Company leadership - Communication of Governance oversight and board involvement in the unprecedented situation	Represent Critical evaluation of Short-term amendments made in business model and feasibility of long-term deployment encompassing Supply chain, logistics and operational adjustments
Relief  The time period when companies are coping with the pandemic while actively contributing to "flattening the curve"	Focused stakeholder engagement with most impacted stakeholder groups enabling grievance redressal and anchoring relief	Reclassification of material topics to short, medium- and long-term issues as priorities can change	Communicate Risk mitigation focused on the social dimension i.e. Risks pertaining to labour, workforce, local communities	Evaluating relevance of the company's Current social, environment, health and safety linked strategy and resource allocation to the pandemic situation and suitable realignment	- Governance anchoring agile amendment of social, environmental and health and safety policies to align with requirements of the situation - Leadership involvement in philanthropic activities through collaboration and leveraging networks	Unlocking core competencies of the business towards public good thereby generating revenue while contributing to the pandemic relief
Recovery  The time period wherein company restarts operations	Actively engaging with stakeholder to understand changing needs, perceptions and expectations	Conduct a new materiality assessment with an updated material topic list that captures the organisational experience and learnings from the pandemic	Identification and evaluation of impacts of risks arising from the knock on effects of the pandemic on the value chain and devising appropriate risk mitigation plans	- Reallocation of resources to enable business revival and stimulate demand - Setting recovery time objectives - Balanced business recovery strategy maintaining an equilibrium between value created for the society, economy and the environment	Establishment of new synergies and governance mechanisms for recovery and setting the tone for a "post COVID-19 business as usual"	- Identify avenues for cost and operational optimisation from pandemic experience - Stress testing business model to knock on impacts of the crisis to identify robust operational resumption
Resilience  The post covid-19 time period wherein companies build operations towards enhanced resilience	Establish agile and continuous stakeholder engagement mechanisms based on digital platforms.	Align materiality to long term time horizon and define connections between materiality assessment findings and corporate strategy.	- Risk management approach guided by detailed stress testing and scenario analysis on traditional and ESG linked parameters - ESG integration in ERM.	Future oriented approach to resource allocation and strategy that takes cognizance of ESG risk materialization.	- Enhancing company board competencies on management of change and crisis management - Embed long term time horizon in governance mechanisms including policies.	Business model increasingly reliant on cutting edge technologies, diversification and wider scope of capabilities.

Conclusion

The most important point for consideration in reporting during and post a crisis is to ensure the reliability of the information presented. Stakeholders must be provided with transparent, balanced and complete information which is void of window dressing. As the situation evolves, the stakeholder areas of interest are bound to shift. Companies that keep pace with this shift are likely to succeed in rebuilding and retaining the trust of key stakeholders, thereby sealing an upward growth trajectory for their business.

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