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Corporate Social Responsibility Reporting (CSR Reporting)

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Abstract: *Corporate social responsibility CSR or corporate social impact is a form of international private business self-regulation which aims to contribute to societal goals of a philanthropic, activist, or charitable nature by engaging in, with, or supporting professional service volunteering through pro bono programs*

Keywords: *Corporate social responsibility*

I. INTRODUCTION

1 What is CSR ?
Corporate social responsibility CSR or corporate social impact is a form of international private business self-regulation which aims to contribute to societal goals of a philanthropic, activist, or charitable nature by engaging in, with, or supporting professional service volunteering through pro bono programs

2. CSR In India
Enactment of Companies Act, 2013 by the Ministry of Corporate Affairs, Government of India was one of the world's largest experiments of introducing the CSR as a mandatory provision by imposing statutory obligation on Companies to take up CSR projects towards social welfare activities. This has made India the only country which has regulated and mandated CSR for some select categories of companies registered under the Act. This CSR Initiative will push the nation towards achievement of sustainable development goals and public-private partnership in transforming India.

3. What a company covered under CSR needs to do?
Once a company is covered under the ambit of the CSR, it shall be required to comply with the provisions of the CSR. The companies covered under the Sub section 1 of Section 135 shall be required to do the following activities:
I. As provided under Section 135(1) itself, the companies shall be required to constitute CSR average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. It has been clarified that the average net profits shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013. Also, proviso to the Rule provide 3(1) of the CSR Rules that the net worth, turnover or net profit of a foreign company of the Act shall be computed in accordance with balance sheet and profit and loss Committee. The CSR Committee shall be comprised of 3 or more directors, out of which at least one director shall be an independent director.
II. The Board's report shall disclose the compositions of the CSR Committee.
III. All such companies shall spend, in every financial year, at least two per cent of thAct of Parliament) account of such company prepared in accordance with the provisions of clause
(a) of sub-section (1) of section 381 and section 198 of the Companies Act, 2013.

4. CSR Activities
Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public. By practicing Corporate social responsibility is a business model by which companies make a concerted effort to operate in ways that enhance rather than degrade society and the environment. CSR can help improve various aspects of society as well as promote a positive brand image for companies. Corporate responsibility programs can also raise morale in the workplace.1 CSR is often broken into four categories: environmental impacts, ethical responsibility, philanthropic endeavors, and financial responsibilities. Some examples of

companies that strive to be leaders in CSR include Starbucks and Ben & Jerry's.2Ben & Jerry's. "Socially Responsible Causes Ben & Jerry's Has Advocated For."

5. CSR reporting

Corporate Social Responsibility (CSR) has become an increasingly important aspect of doing business in India. As a rapidly developing economy with a large population and diverse social challenges, India offers a unique environment for companies to engage in CSR activities that not only contribute to social welfare but also create value for their stakeholders. However, compliance with CSR requirements and enforcement of CSR obligations remain major challenges for companies operating in India. Moreover, the evolving nature of CSR in India and the need for innovative solutions to social problems pose significant opportunities for businesses to enhance their CSR performance. This article

Importance of CSR

It's incredibly important that your company operates in a way that demonstrates social responsibility. Although it's not a legal requirement, it's seen as good practice for you to take into account social and environmental issues.As the above statistics show, consumers are increasingly aware of the importance of social responsibility, and actively seek products from businesses that operate ethically. CSR demonstrates that you're a business that takes an interest in wider social issues, rather than just those that impact your profit margins, which will attract customers who share the same values. Therefore, it makes good business sense to operate sustainablyThis is crucial, as consumers assess your public image when deciding whether to buy from you. Something simple, like staff members volunteering an hour a week at a charity, shows that you're a brand committed to helping others. As a result, you'll appear much more favourable to consumers

Benefit of CSR

1. Increased employee engagement
2. Better bottom-line financials
3. More support for local and global communities
4.Increased investment opportunities
5.Press opportunities and brand awareness
6.Increased customer retention and loyalty
7.A stronger employer brand

Type of corporate social responsibility Environmental corporate responsibility Environmental responsibility refers to the organization's commitment to sustainability and environmentally friendly operations. Every year, more companies are prioritizing sustainable practices, pledging to consider their environmental impact at every stage of business. This can mean reducing the company's carbon footprint or greenhouse gas emissions, opting for sustainable resources by avoiding single-use plastics and keeping environmental aspects at the heart of all operations.

2. Ethical/human rights social responsibility Ethical responsibility refers to a company's commitment to operate their business in an ethical manner that upholds human rights principles, such as fair treatment of all stakeholders, fair trade practices and equal pay. To champion ethical responsibility, many businesses will speak up in the name of human rights injustices such as child labor, racial or gender discrimination and the fight for a higher minimum wage. Much like with responsibility to the environment, there are ways to endorse ethics at your company by involving employees in the process.

3. Philanthropic corporate responsibility

Philanthropic responsibility refers to a corporation's aims, goals and objectives for actively bettering society as a whole. One huge aspect of corporate philanthropy is donating money from company earnings to worthy causes within the local community often in the form of a trust or foundation.

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Objective of Corporate Financial Reporting

The major objectives of financial reporting are as follows:

- To provide information about financial performance (i.e. profit earned or loss incurred) of a company in conformity with the generally accepted accounting principles, accounting standards and the law during the reporting period.
- To provide information about financial position (i.e. assets, liabilities, share capital and reserves and surplus) of a company in confirmity with the generally accepted accounting principles, accounting standards and the law as at the end of the reporting period.
- To provide information about cash flows from operating, investing and financial activities of a company during the reporting period.
- To provide information useful to present and potential investors, creditors and other users in making rational investment, credit and similar decisions.
- To provide information on management accountability to judge management's effectiveness in utilising the resources and running a company. Management accountability includes safe keeping of assets entrusted, information about future activities, budgets, forecast financial statements, capital expenditure proposals, etc.

Management accountability is beyond the company's legal responsibilities to shareholders, debenture holders and creditors.

- To provide environment, social and governance (ESG) information. ESG information is important for understanding the long-term future and solvency of business similar to the number in the financial statements. A company's concerns about climate change, employee wellbeing, ethics, product safety sustainability, child labour, data security, etc. are highly relevant to decision makers.
- To provide reliable information about economic resources and obligations of a company so that the users (i) can evaluate its strengths and weaknesses, (ii) know its financial and investment, (iii) can evaluate its ability to meet its commitments and (iv) show its resource base for growth.
- To provide financial information for estimating earnings potential of a company.
- To supply information useful for judging management's ability to company resources effectively in achieving the organizations goals.

Suggestion

Adopt a business code of ethics

A business code of ethics will outline employee conduct on issues such as ethics, values, environment, diversity, employee respect and customer service.

More and more entrepreneurs are choosing to go one step further by changing their governance document to include their commitment to social and environmental goals.

Follow a workplace health and safety program

Creating a clear workplace health and safety program will help you establish reliable systems to protect your employees and prevent accidents and injuries. It will also ensure you are compliant with government legislation on health and safety.

Commit to protecting the environment

Develop policies and practices that allow your company to fulfill your commitment to the environment. For example, you can consider producing a report that documents your activities and results as they relate to your environmental impact. Some companies produce broader "sustainability" reports, which encompass social, economic and environmental activities.

Get your suppliers on board

Ensure your suppliers know and meet your expectations of responsible behaviour regarding issues such as fair pricing, for example. Screen them to determine their past conduct, and tell them what you expect.

Be smart about donating money

Get behind causes that are meaningful for your business. A forestry business, for example, might choose to support organizations that protect the environment. Many manufacturing businesses donate to community organizations in towns where they have plants. The idea is to give back to society, while at the same time sending a message about the values of your brand.

Don't green wash your business

Competitive Advantage and Corporate Social Responsibility

Governments, activists, and the media have become adept at holding companies to account

for the social consequences of their activities. Myriad organizations rank companies on the performance of their corporate social responsibility (CSR), and, despite sometimes questionable methodologies, these rankings attract considerable publicity. As a result, CSR has emerged as an inescapable priority for business leaders in every country. Many companies have already done much to improve the social and environmental consequences of their activities, yet these efforts have not been nearly as productive as they could be for two reasons.

1. They pit business against society, when clearly the two are interdependent.
2. They pressure companies to think of corporate social responsibility in generic way instead of in the way most appropriate to each firms strategy. If, companies were to analyze their prospects for social responsibility using the same frameworks that guide their core business choices, they would discover that CSR can be much more than a cost, a constraint, or a charitable deed it can be a source of opportunity, innovation, and competitive advantage. Mapping Social Opportunities

The interdependence of a company and society can be analyzed with the same tools used to analyze competitive position and develop strategy. In this way, the firm can focus its particularCSR activities to best effect. Rather than merely acting on well-intentioned impulses or reacting to outside pressure, the organization can set an affirmative CSR agenda that produces maximum social benefit as well as gains for the business.These two tools should be used in different ways.

II. CONCLUSION

In conclusion, corporate social responsibility can have significant economic benefits for countries. By attracting investment, improving the business environment, reducing business risks, and creating a more sustainable economy, CSR can help to promote economic growth and development. As such, it is important for companies to consider their social and environmental impact and engage in responsible business practices. Overall, CSR can be important for a country's economy by enhancing brand reputation, attracting investments, promoting innovation, reducing costs, and fostering social stability.

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