Leave No One Behind

Citizen's Platform
Briefing Note
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Citizen's Platform for SDGs, Bangladesh
এসডিজি বাস্তবায়নে নাগরিক প্ল্যাটফর্ম, বাংলাদেশ

SUSTAINABILITY REPORTING BY THE PRIVATE SECTOR IN BANGLADESH: Expectations and Experience

About the Platform

The Citizen's Platform for SDGs, Bangladesh was set up as a civil society initiative to contribute to implementing the globally adopted 2030 Agenda for Sustainable Development in Bangladesh. Citizen's Platform was formally launched in June 2016 at the initiative of a group of eminent citizens in Bangladesh. The objective was to track the delivery of the Sustainable Development Goals (SDGs) in Bangladesh and embed accountability and voice in its implementation process. The concept of the Citizen's Platform was informed by a participatory and multi-stakeholder approach, which was conceived as a crucial element if the goals and targets of the SDGs were to be achieved in the Bangladesh context. Citizen's Platform currently includes 124 Partner Organisations working on a range of SDG related issues across Bangladesh. Citizen's Platform's activities include mobilising stakeholders with a particular emphasis on the 'Leave No One Behind' spirit of the SDGs. Citizen's Platform undertakes research, convenes dialogues, organises workshops, arranges public hearings, disseminates SDG relevant information and conducts other activities to enhance accountability and transparency in SDG delivery in Bangladesh.

About the Dialogue

Sustainability reporting is a critical hedge for Bangladesh as the country moves towards LDC graduation. It also has one of the lowest reporting rates in South Asia which is a matter of concern. The highly regulated financial sector has been the best performing, juxtaposed with the highly polluting industries such as the tanneries, which consistently underperformed in this context. Furthermore, the private sector in Bangladesh needs to adequately pursue SDG-based reporting, while the involvement of stakeholders, particularly the customers and community, often needs to be stronger.

Environmental compliance, labour and human rights, and reporting on sustainability will impact Bangladesh's global market access, which is pivotal for Bangladesh's smooth transition out of the LDC. Hence, an institutional framework can support and guide this activity for sustained private sector growth in a globalising Bangladesh. Given this, to discuss the pertinent matters in the discourse, the Citizen's Platform for SDGs, Bangladesh, in partnership with United Nations Development Program (UNDP) Bangladesh and United Nations Environment Program Poverty-Environment Action organised a dialogue titled "Sustainability Reporting by the Private Sector in Bangladesh: Expectations and Experience" on October 29 2022 at the Auditorium, BRAC Centre Inn, Mohakhali, Dhaka with relevant stakeholders from the private sector, government, civil society and academia.

1. CONTEXT AND BACKGROUND

Sustainability Reporting is a standard business practice, either voluntary or sometimes mandatory, that publicly discloses an organisation's economic, social, environmental and governance practices to internal and external stakeholders. It is an instrument for increased transparency and accountability on the part of the private sector, involving data collection, progress evaluation and contributions toward global sustainable development targets. To that end, the most widely used framework has been developed by the Global Reporting Initiative (GRI) based on Standards and Disclosures on a broad range of topics spread across environmental, social and governance fronts. This emerging concept has been on an increasing trend globally, to the effect that it is almost ubiquitous among the corporate spheres.

The 2030 Agenda for Sustainable Development has incorporated the private sector's active participation as a stakeholder in the SDG discourse uniquely. The GRI and United Nations Global Compact (UNGC) have collaborated to develop linkages between accountability-driven and impact-driven initiatives. It opened a new horizon for private sector businesses in revealing their underlying weaknesses and threats and their strengths and opportunities by invoking due diligence on its sustainability. Furthermore, for Bangladesh, this would facilitate a smooth transition from the LDC group in 2026, which crucially pivots around tackling its structural weaknesses, wherein the sustainability discourse can play a catalytic role in softening the blow from the loss of its International Support Measures (ISM).

Consequently, mainstreaming and institutionalising sustainability reporting is paramount for all concerned stakeholders, with set guidelines and frameworks that would allow it to be comparable within and across organisations while ascertaining the quality of reporting, without which the desired long-term benefits would not be availed.

2. WHERE DOES BANGLADESH STAND?

The Environmental Performance Index (EPI), developed by Yale and Columbia Universities, provides a quantitative measurement for assessing a country's environmental performance in several policy categories. The index places Bangladesh at 162 out of 180 countries, ranking it sixth in South Asia. Furthermore, the Private institutions sub-index of the Global Competitiveness Report by the WEF ranked Bangladesh 116th out of 137 in 2018. These global standings highlight Bangladesh's below-par performance, revealing structural weaknesses and the need for improvement in the ESG discourse.

Globally, Europe is the frontrunner in sustainability reporting, including adopting GRI standards and disclosures in reports. In contrast, North America had a lower reporting rate in the world[1]. According to the GRI, 96 per cent of the world's largest 250 companies indulged in sustainability reporting in 2020, and 73 per cent followed the GRI framework. Beyond the largest 250 companies, more than 10,000 companies around the world have issued GRI-referenced sustainability reports, and the number has been increasing yearly. According to KPMG, the practice has been on an upward trend over the past years. Indeed, around 80 per cent of companies worldwide published sustainability reports in 2020.

Following the global pathway, reporting on sustainability has been on the rise in Bangladesh, even though it remains relatively uncharted territory. According to a GRI report[2], out of 320 companies listed in the Dhaka Stock Exchange (DSE) in 2019, 49 submitted sustainability reports to the GRI database, with only 11 among them (3 per cent) conforming to the GRI-based guidelines suggested by the DSE, 46 of them being recurring reports. Unsurprisingly, it is one of the lowest rates in South Asia. In India, the Securities and Exchange Board mandated disclosures for the top 1000 listed companies and their reporting rates, with 498 publicly listed organisations out of 503 in the Bombay Stock Exchange producing sustainability reports in 2019. However, only 74 met the GRI reporting standards (15 per cent). Furthermore, as regards Sri Lanka's Colombo Stock Exchange, 130 organisations produced sustainability reports out of 284 listed companies, 83 of which were compatible with the GRI framework (29 per cent).

Furthermore, according to the GRI report, 35 of the reporting organisations from the DSE were from financial services, four from manufacturing and two from textiles. The worst-performing sectors included the IT sector, automobiles, food and beverages and the chemical sector organisations that made no disclosures in 2019. Additionally, sample analysis by Haque and Khanam (2022) confirms the exemplary performance of the financial sector. Of the non-financial sectors, the cement industry performed best with the highest disclosures. It was followed by the pharmaceuticals, engineering, fuel and electricity, and telecommunications industries. Curiously, the tannery industry made the least disclosures, followed by textiles and the paper

[1]Carrots & Sticks. (2020). Sustainability Reporting Policy: Global trends in disclosure as the ESG agenda goes mainstream.

[2]GRI. (2021). 2020 Sustainability Reporting Trends in South Asia (Bangladesh, India, Sri Lanka).

and printing industries. Highly polluting industries like these were among the lowest regarding environmental sustainability disclosures.

3. HOW SUSTAINABILITY REPORTING CAN CONTRIBUTE TO LDC TRANSITION AND SDG IMPLEMENTATION

Continuing the discussion on the vulnerabilities of Bangladesh in terms of its environmental, social and corporate governance fronts, sustainable business practices, and sustainability reporting can prove to be an impactful tool in hedging its bet against structural weaknesses that make its economy vulnerable to endogenous and exogenous shocks, and hence a smooth transition out of the LDC. Moreover, linking SDGs to corporate sustainability reporting would be a step towards Bangladesh's smooth transition from the LDC, helping to address some of the vital structural vulnerabilities including but not limited to climate change, water scarcity, food insecurity, waste and pollution, inequality, human rights and urbanisation.

Ambitious goals such as no poverty by 2030 call for inclusiveness involving all concerned stakeholders, including the government, civil society, communities and the private sector. To that end, GRI and UNGC have developed universal and sector and topic-specific standards and disclosures to help businesses analyse their existing operations by identifying, assessing, and measuring how they contribute to or detract from each SDG goal. In the end, the contributions of businesses will be paramount in bridging the estimated USD 2.5 trillion financing gap for SDG-related sectors faced by developing countries alone per annum, including Bangladesh[3].

Climate-related Vulnerabilities

Sustainability reporting unveils the environmental impacts of companies, which in turn acknowledges the financial risks arising from climate change. This should help Bangladesh to deal with shocks to its economy from climate risks, as companies locally and globally are called upon to reduce their carbon footprint, encourage responsible consumption and assist in meeting global climate goals.

As may be noted, upon graduation, the LDCs stand to lose their assistance from the United Nations Framework Convention on Climate Change (UNFCCC) to alleviate the effects of climate change. The Climate Risk Fund, introduced in 2015, requires banks to commit 10 per cent of their Corporate Social Responsibility (CSR) budget by providing grants or loans at reduced interest rates. According to Bangladesh Bank's annual report (2021), this raised more than BDT 1.85 billion in fiscal year 2021. Furthermore, policies regarding instruments such as "Green Bonds" to finance low-carbon and climate-friendly projects were introduced in 2022. While not replacing the UNFCCC funds, such provisions provide a vital lifeline for Bangladesh, given its loss, as mentioned earlier, of support and would assist in tackling vulnerability concerns from environmental shocks.

Access to International Markets

Upcoming stronger European Union regulations for sustainable business practices means businesses must comply because of market access, particularly to remain competitive as

[3] DSE. (2019). Guidance on Sustainability Reporting for Listed Companies in Bangladesh.

Bangladesh loses its preferential access. At the same time, tariffs for other major exporters, such as China, India, and ASEAN economies, among others, continue to remain the same.

Duty-Free Quota Free access to the EU, thanks to the Everything But Arms (EBA) preferences, will be available for three years, following LDC graduation. After that, Bangladesh's exports face a higher average duty. Bangladesh should strive to qualify for the GSP+ scheme for developing countries to maintain export competitiveness. The scheme allows duty-free access for about two-thirds of the EU’s tariff lines. However, the beneficiary countries must implement 27 international treaties on labour and human rights, environmental and climate protection, child rights and good governance. Bangladesh must comply with International Labour Organisation (ILO) labour conventions and the new EU GSP provisions (2023-2032).

In 2022, the EU passed a corporate sustainability due diligence proposal that aims to promote sustainable business practices, integrating human rights and environmental concerns in business operations and governance. The new laws will also ensure that European companies address the negative repercussions of operations in their supply chains outside Europe.

It is of foremost importance for the private sector in Bangladesh to comply with the ESG metrics if they are to comply with the stricter European sustainability standards and maintain access to the EU markets. This is likely to impact the RMG sector the hardest. The international support measures, which provide a significant share of Bangladeshi garments with Duty-Free-Quota-Free access to the European Union markets, will no longer be available beyond 2029. Therefore, sustainability reporting and data collection for impact assessment on the ESG metrics for the RMG sector should be done on a priority basis. This is necessary for Bangladesh to retain buyers and avoid reduced export earnings.

4. CURRENT CHALLENGES IN THE BANGLADESH NARRATIVE

Lack of Awareness

The initial challenge lies in more awareness in developing countries like Bangladesh. The concept is new and has emerged as an issue in the last decade, with hidden viability concerns including, but not exhaustively, the higher costs to businesses over their lifetime, leading to higher costs of sustainable goods. Further concerns regarding assurance quality of reporting include management incompetency, lack of quality and comparable data, etc. Therefore, as discussed earlier, lack of awareness and availability of adequate data remain significant challenges. This is reflected in the low number of reporting companies and even fewer companies that follow international guidelines.

Deficit of Capacity

Sustainability reporting, unlike financial reporting, does not follow hard guidelines. The company management is more familiar with non-financial reporting and data collection than they are with financial reporting and data. Moreover, the company must own the data for sustainability reporting without overreliance on external parties with limited knowledge about company culture and policies. There are varying capacities among the companies, with multinationals being frontrunners in compliance capacities. In-house capacity to gather and track data for the ESG metrics of companies, especially those with a low market capitalisation in Bangladesh, needs to catch up. Their management capacity to engage stakeholders in the process also leaves more to be desired.

Absence of Culture

The trend of sustainability reporting in Bangladesh is positive as awareness is spreading. Regulators such as Bangladesh Bank with their CSR and green banking policies, among others Bangladesh Securities and Exchanger Comission (BSEC) with its corporate governance guidelines; and DSE’s voluntary guidelines in partnership with the GRI, have become more sensitive to sustainability reporting in recent years. Highly regulated sectors, such as financial services, are participating more due to more stringent guidelines being issued. However, the culture of sustainability reporting needs to be stronger in Bangladesh’s private sector. Efforts to build capacity to gather data for disclosures and involvement of all relevant stakeholders have been significantly lacking in many cases. Some companies produce reports only to tick the box rather than for long-term assessment of the sustainability of the concerned business.

Weak Corporate Governance

Even though the Bangladesh Bank has mandated GRI-based sustainability reporting for the financial sector, some banks do not produce sustainability reporting. Of the ones that report on sustainability through stand-alone or integrated reports, only a handful follow the GRI-prescribed guidelines. Non-financial industries fared worse, with the DSE only providing voluntary guidelines to listed companies. Moreover, discretion over relevant disclosures pertinent to the company and the sector is also observed in some cases. Non-disclosure of relevant information defeats the purpose of unpacking the impact businesses have on environmental, social and governance fronts from their business activities, which makes the reports of questionable value. Such reports fail to identify the most essential sustainability concerns which could bring the most value or eliminate the most risk concerning a business's sustainability. It was found that companies tend to highlight their positive contributions and maintain silence as regards. This approach results in reports that need to be more balanced. Most reports are required to follow guidelines and establish linkages to the SDGs. Consequently, there needs to be more clarity between the quality of corporate governance in Bangladesh and global best practices because of sustainability reporting.

Unavailability of Strong Regulatory Guidance

The lack of appropriate guidelines and reliable data sustains the prevailing practice of smoke and mirrors in Bangladesh’s sustainability reporting by the private sector. There is no single regulatory authority to monitor reporting practices, assure quality and reliability, and ensure adherence to good practices in sustainability reporting in Bangladesh. Furthermore, there needs to be authority to review and compile the reports and provide national policies for reporting that are being complied with. There needs to be a dedicated platform that could help private sector reporters to exchange best reporting practices. As mentioned, Bangladesh Bank has mandated reporting by employing the GRI framework since 2011. However, most banks do not follow the guidelines for reporting, while some do not report on sustainability at all. Follow-ups and punitive procedures for non-compliance have yet to be visible for non-reporters.

Unclear Incentives for the Private Sector

The value of a sustainability report extends beyond the report itself. Quality reporting should be viewed and rewarded from the perspective of a learning curve. Systematic sustainability reporting assists organisations in measuring the impacts they make, and it helps to set necessary targets, manage better, communicate, and undertake essential change. It makes it possible to improve the business's management quality and performance, which generates positive long-term outcomes. However, the benefits from quality reporting need to be adequately communicated to the private sector, which often needs more motivation to undertake the exercise on its own. Market-driven rewards are evidenced by a PWC (2021) survey, which finds that 83 per cent of consumers think companies should follow ESG best practices, while 86 per cent of employees prefer to work for compliant companies. Disclosures ensure transparency, accountability and credibility, which in turn builds trust among existing customers and attracts an increasing base of sustainability-conscious customers. It can also assist upstream companies in reaching companies more downstream in the supply chain, positively impacting the sustainability of their products and services. This is likely to have positive results in higher market share. Importantly, this would attract investors who better understand the company's entire risk profile, with the ESG metrics also exhibiting improvements over time. The final analysis also builds employee pride and loyalty, aiding companies to acquire and retain talent, especially among the environmentally conscious and socially aware Gen Z (28 per cent aged between 15 to 29 years). This is crucially important given the challenges of reaping the benefits of Bangladesh's ongoing demographic dividend.

These incentives are significant for small and medium enterprises, start-ups and the informal sector, which need to take advantage of every available market advantage to compete profitably and grow. Sustainability reporting would enable them to identify their internal and external sustainability risks and threats sooner than their peers, giving them an early advantage. However, the need for incentives for start-ups and disruptive technologies is especially evident in Bangladesh. Indeed, the country's IT sector has one of the lowest reporting rates.

5. MOVING FORWARD

Ensuring Standardisation and Quality in Reporting

Standardisation of sustainability reporting could be helpful for policymakers to compare across organisations and sectors while developing relevant policies at the sectoral and national levels. To do so, specific considerations will need to be met.

The following principles need to be incorporated to maintain the standard GRI format.

- *Sustainability Context*—Contextualise the performance of the business and compare performance to sustainability concepts.
- *Materiality*—Consider the risks businesses are likely to face, such as strategic risk, compliance and regulatory risk, financial risk, operational risk, as well as other sources of risks such as environmental risks, political and economic instability in any foreign markets being exported to, health and safety risks, commercial risks, including the failure of key suppliers or customers and workforce risks.
- *Stakeholder Inclusiveness*—All stakeholders, including primary (investors, employees, customers, and suppliers) and secondary stakeholders (communities, governments, and trade associations), should be part of the discussion.
- *Completeness*—It is generally characterised by the dimensions of scope, boundary, and time. It also relates to information collection procedures and whether information is presented reasonably and suitably regarding economic, environmental and social impacts, internally and externally.

For quality considerations in reporting, the following should be considered.

- *Accuracy*—Information should be accurate and complete enough to judge the performance of the reporting organisation.
- *Balance*—Reports should include favourable and problematic aspects involving economic, environmental, or social impacts and ensure transparency.
- *Clarity*—Information and reporting should be intelligible and accessible.
- *Comparability*- Information should be comparable over time and with other organisations.
- *Reliability*—The report should disclose data collection and analysis methodology.
- *Timeliness*—The report should be released promptly.
- *Accessibility*—Reports should be user-friendly, accessible and widely disseminated through a website. The podcasts, documentaries and a downloadable PDF may also supplement these.

The Dominance of the Global North

The international standards of sustainability reporting are hegemonised by the global North, which dominates the policy design and framework formation. The frameworks of GRI and ISSB are considered the two primary pillars of sustainability reporting. In 2022, these two organisations reached an understanding to coordinate in order to harmonise reporting at the international level. As previously mentioned, the Northern institutes paint the future trajectory of sustainability reporting, which risks the loss of Southern colours on the canvas.

This calls for an interruption, where Bangladesh's regulatory bodies should capture the local context in a precise way by following appropriate guidelines. All local stakeholders should be engaged in the process, and global frameworks and best practices should be balanced. Furthermore, provisions that make it affordable to SMEs and start-ups should be taken into account to transform the practice of sustainability reporting from being 'nice to have' to 'need to have' across Bangladesh's private sector.

Regarding incorporating start-ups and SMEs, the GRI framework needs to have the methodology for approaching the specific needs of their essential sectors. Collaborating with external consultants and third-party verifications may be relatively inexpensive at the inception stage. Therefore, designing national policies with enough leeway would allow such businesses to start tracking ESG metrics while progressively building capacity to harness the advantages of the full-fledged GRI Standards and Disclosures.

Profit Motive and Market-driven Motivations

Incentivising the private sector through its bottom line is a necessary step that significantly impacts the development of a reporting culture across all business sectors. The private sector is highly motivated by the profit incentive. Therefore, the social discourse of them cannot ignore their profit-seeking nature; these are also answerable to their shareholders. Sustainable business practices can be incentivised through financial rewards via tax rebates and other benefits. According to the NBR, companies involved in CSR activities of 22 types intended to promote social welfare can avail of a 10 per cent income tax exemption. However, one notes that bureaucratic red tape and extensive paperwork may often undermine the benefits being provided, and it is alleged that because of this, companies frequently choose to do without them.

Reporting on sustainability can reach the end consumers, who are becoming increasingly conscious about sustainability and expect transparency from businesses. Moreover, due to Bangladesh Bank regulations, commercial banks are now liable for their clients' business practices. Hence, they are paying more attention to their clients' business practices while assessing credit risks. These banks are also developing environment-friendly financing products in line with policy requirements from the central bank. Thus, there are market-driven rewards for businesses that exercise sustainable business practices which can improve their bottom line and profitability. It can be advantageous for a business operating within a competitive environment, fostering investor confidence, consumer trust, and staff loyalty. All these bear financial rewards.

Reporting requirements as motivation

For sustainability reporting to be done at scale, a step-by-step process needs to be followed to move from voluntary measures to making disclosures mandatory. Putting ad hoc but assertive measures in place may not allow reporters to build the required capacity and gain management experience. This often leads to half-hearted and low-quality report-making. Indeed, a “Comply or Explain” approach can be introduced as an interim measure to smoother unintended shocks by making reporting mandatory for business in one go. A similar approach was taken by the disclosure guidelines of the Warsaw Stock Exchange, Poland and Ho Chi Minh Stock Exchange, Vietnam, in 2016 and the 2018 versions of the UK and Singapore corporate governance codes.

A gradual transition needs to be made to legislate the Sustainability Act based on wide-ranging dialogues and simultaneously building the capacity of the private sector. Regular guidelines and policy leadership from the stock exchanges and other regulatory authorities should steer the operation in a time-bound, inclusive and practical manner. Furthermore, it is also essential to go beyond the listed companies. Chambers and business associations could play a decisive role in this context.

Ensuring the legitimacy and enforcement mechanisms of the Sustainability Act should be examined closely and verified. Additionally, the capacity of the private sector has to be guaranteed over the short and medium run so that sustainability reporting is not resorted to as a box-ticking exercise by companies. A genuine commitment of businesses to ensure sustainability reporting will be needed through sustainability.

Ameliorating Sustainability Reporting through Policy Interface

Following the discussion on the public listing debate and its nexus with financing sustainable practices, aside from debt financing, equity financing for sustainable business practices and reporting requirements needs to be explored. Many companies in Bangladesh may need more financing capacity to gather data and information and evaluate progress as required by international frameworks like the GRI. However, in the case of publicly-listed companies, transparency, accountability, and future sustainability should be considered to be a must. It is a reality that some companies which should be publicly listed do not do so to avoid being liable to additional regulations and scrutiny.

According to a survey by the WEF (2022)[4], 68 per cent of start-ups integrated ESG reporting into their business strategy from day one. These are likely to produce the most well-developed reports as they scale up. However, only 2 per cent of companies prepared such reports following public listing. Hence, policymakers must bring start-ups, SMEs and the informal sector into the conversation; this is largely neglected in the North-centric GRI framework. The national policy

[4]WEF. (2022). ESG Pulse Check: Getting the Basics Right for Start-ups and Venture Capital Firms — Insight Report.

interface should be complemented with reasonable guidelines and financing instruments so that the practice of sustainability reporting can be affordable to all businesses.

Private policy/regulatory entities, such as the DSE, chambers and associations, can take initiatives to actively promote sustainability reporting in view of emerging demands through appropriate guidelines and proper guidance to unlisted companies. Furthermore, other than playing key roles in mandating, facilitating and endorsing reporting practices, the regulatory authorities need to partner with the private sector to raise awareness about its benefits.

The use of sustainability reports at the policy level should be promoted. To this end, there should be a central mechanism to compare and analyse the reports, both at the sectoral stages and national policy levels. The reports can inform policymakers regarding the state of the sectors and contribute to developing sectoral and national policies in the form of a formal instrument as the country prepares for a smooth LDC transition.

Analysis of sustainable reports on a regular basis can also help SDG reporting from the private sector's perspective. More importantly, the government should establish an institutional framework for regular monitoring and analysis of sustainability reporting in Bangladesh.

Intervention by the Chief Guest

The profit-seeking private sector has to be given the right profit-based motivations to mainstream the ESG discourse into their business strategy and be socially responsible at both the national and local levels. To this end, justifying the benefits and building a business case for the private sector regarding sustainability reports would be a more effective way to proceed rather than discussing reporting policy specifics. The cost of inaction and the benefit of action have to be balanced because of Bangladesh's economy in the short and medium run. Building a culture of sustainability makes businesses innovative and agile from the vantage point of adapting to changes in a dynamic business environment.

Disruption in the current supply chain arrangement might be a way out for organisations upstream with limited access to the end customer. Such policies could be pursued because of the falling trend of retail business, the rise of e-commerce, and reaching out to the end customers. These are the increasingly sustainability-conscious Millennials and Gen Z who will be ready to pay a premium to the businesses for doing the needful. Therefore, the government must provide the necessary incentives and policies to support the private sector to encourage it to practise sustainability. Incorporating sustainability in the national budget as a particular focus area, taking cognisance of the needs of the private sector, has to be emphasised.

Bangladesh needs to move from a linear economy, where resources are extracted to make goods and services and, in the process, create waste, to a circular economy by recycling and utilising the by-products. Leapfrogging and taking advantage of global best practices, such as the extended producer responsibility, may be looked into. This will ensure that the cost of making products and services sustainable is reflected in the cost of the product.

Intervention by the Chair

Tying Bangladesh's economic growth with the practice of sustainability reporting is essential in going forward. The status quo is unacceptable; pertinent domestic stakeholders should no longer be complacent with things as they are. On the other hand, there is no denying that Northern values dominate the sustainability discourse, while the local context in countries such as

Bangladesh is being ignored. There is a need to focus on this aspect at the policy level. It is crucial to collect data and track progress as regards sustainability factors at the organisation level, not just at the sectoral and national levels. Access to real-time data and information will be important in this backdrop.

The Failures in the Sustainability Reporting Scenario Tend to be Twofold:

Regulatory Failures

Public policy needs to be adequately strong to encourage and improve sustainability reporting. There is scope for tariff rationalisation and improvement of the efficiency of the tax management system. Government spending has emerged as an essential issue in the sustainability discourse. Overspending in areas such as energy and transport has challenges in this discussion.

Market Failures

International markets are prone to fluctuations and volatility, and learnings from how market leaders manage these through supply chain management and how they align with the Bangladesh context need to be closely examined. Moreover, the lexicon of reporting has to be sharpened regarding how it provides long-run benefits to businesses (long-run sustainability and profits), investors, customers and other stakeholders. Raising awareness about spending on sustainable products among clients and customers is required, backed by a harmonised framework and necessary data for reporting. Good processes deliver good outcomes.

The Round Table Discussion

Discussants from the private sector included Barrister Vidiya Amrit Khan, Director, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) & Deputy Managing Director, Desh Garments Ltd., Mr Amitabh Chakraborty, Additional Director, Sustainable Finance Department, Bangladesh Bank, Mr Asif Ibrahim, Chairman, Chittagong Stock Exchange, Mr Fazlul Haque, Former President of BKMEA, Mr Lutfar Parvez, Director, Supply Chain Operations, American & Efird (Bangladesh) Ltd., Mr Shams Mahmud, Former President, Dhaka Chamber of Commerce & Industry (DCCI), Mr M S Siddiqui, CEO, Bangla Chemical & Legal Economist, Mr Tarikhul Kabir, Head of CSR, BSRM, Mr Zaved Akhtar, CEO of Unilever Bangladesh Ltd., Mr Kamran T. Rahman, Senior Vice President, of the Metropolitan Chamber of Commerce and Industry (MCCI), Ms Ferdaus Ara Begum, Chief Executive Officer, of Business Initiative Leading Development (BUILD).

Participants present from the civil society included Mr Farkrul Ahsan, Chief Technical Advisor, Strengthening Institution Capacity for SDGs Achievement in Bangladesh (SC4SDG), UNDP, Mr Prasenjit Chakma, Assistant Resident Representative, United Nations Development Programme (UNDP) Bangladesh, Mr Sadruddin Imran, CEO, Innovision Consulting, Professor Mustafizur Rahman, Distinguished Fellow, CPD.

Those present, among other experts from the academia, included Dr M Abu Eusuf, Executive Director, RAPID and Professor, Department of Development Studies, University of Dhaka. Dr Sakib Bin Amin, Associate Professor, North South University; Mr Raquibul Amin, Country Representative, International Union for Conservation of Nature (IUCN); Ms Sharmind Neelormi, Associate Professor, Department of Economics, Jahangirnagar University, Sajid Amit, Associate Professor, Executive Master of Business Administration (EMBA), ULAB.

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Chief Guest

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Chairman, Standing Committee on Ministry of Environment, Forest and Climate Change; and Member, Standing Committee on Ministry of Planning, Bangladesh Parliament

Special Commentator

Mr Prasenjit Chakma
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Organised by	In partnership with
Citizen's Platform for SDGs, Bangladesh এসডিজি বাস্তবায়নে নাগরিক প্ল্যাটফর্ম, বাংলাদেশ	UNDP UN environment United Nations Environment Programme

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October 2022

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