

**Annexure 1**

**National Guidelines on the Economic,  
Social and Environmental Responsibilities  
of Business**

**2018**

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## Chapter 1: Introduction

The National Guidelines on the Economic, Social and Environmental Responsibilities of Business (Guidelines) presented herein are the outcome of a process initiated by the Ministry of Corporate Affairs (MCA) in September 2015. After extensive discussions between the MCA and the Indian Institute of Corporate Affairs (IICA), it was decided to update the National Voluntary Guidelines on the Social, Environmental and Economic Responsibilities of Business (NVGs), which were released in 2011.

**Mandate & Rationale:** The primary rationale for the update was to capture key national and international developments in the development agenda and business responsibility field that had occurred over the five years that have elapsed since the release of the NVGs. In addition to this primary rationale, it was felt that the updated version would also benefit by a more comprehensive resources section that would strengthen the overall guidance to the leadership and owners of businesses, large and small, in their efforts to implement the NVGs within their organisations. It was further decided that the process of updating the NVGs should be completed at an early date to enable further processes of public comment and its launch within 2016. It is pertinent to note that, as in 2011, these Guidelines are designed to assist businesses to perform above and beyond the requirements of regulatory compliance.

**Process:** It was decided to entrust the task of updating the NVGs to a Two-person Committee. The process commenced with a meeting in December 2015 between the IICA and the Two-person Committee at which key areas of update and processes and timelines for the exercise were discussed and agreed upon. The team started its work in January 2016 and was generously assisted by domain experts, many of whom were members of the erstwhile Guidelines Drafting Committee (GDC) that had developed the 2011 version of the NVGs. The names of those who contributed to the process of updating the NVGs is provided at the end of this document.

The Two-person Committee submitted its report to the IICA in July 2016, in the form of an updated version of the NVGs including a proposed renaming to the National Guidelines on Economic, Environment and Social Responsibilities of Business (Guidelines). The IICA, subsequent to detailed discussions on the draft with the MCA, then placed the draft document in the public domain for public comment and received substantial input from diverse stakeholders. These inputs were comprehensively reviewed, and where necessary, modifications made to the draft document.

**Applicability:** As was the case with the NVG's in 2011, the present Guidelines are designed to be used by all businesses, irrespective of their ownership, size, sector, or location. It is expected that all businesses investing or operating in India, including foreign multi-national corporations (MNCs) will make efforts to follow the Guidelines. Correspondingly, the

Guidelines also provide a useful framework for guiding Indian MNCs in their overseas operations.

As was the case in 2011, the present Guidelines reiterate the need to encourage Businesses to ensure that not only do they follow the Guidelines in business contexts directly within their control or influence, but that they also encourage and support their suppliers, vendors, distributors, partners and other collaborators to follow the Guidelines. In consistency with the 2011 NVGs, a separate chapter of guidance has been once again included for use by MSMEs (Micro, Small & Medium Enterprises).

**Responsibility for Adoption:** Whilst the 2011 NVGs made several references to the critical role of the Governance Structure and Companies' leadership in ensuring adoption and review of the Guidelines, the Guidelines has taken this requirement a step further by identifying specific aspects of each Principle as part of the duty and responsibility of the highest Governance Structure of the Business, irrespective of its form or terminology, to oversee the implementation and adherence to the Guidelines in their Business. Whilst the highest governance structure, in the case of companies and corporations is the Board, the responsibility for adoption of the Guidelines in Proprietorships, Partnerships and other types of business is assumed in the present context to rest with the owner /s, partner/s, and or, any other structure responsible for the highest-level of decision-making and governance functions in the business.

It is worthwhile to emphasize that all Principles of the Guidelines are equally important, inter-related, inter-dependent and non-divisible, and Businesses should adopt them to demonstrate its commitment to being a responsible business, and accrue the full benefits of sustainable business strategies.

**Content & Structure:** As was the case in 2011, the present Guidelines comprise five (5) chapters and an expanded set of annexures. The present Guidelines have retained its articulation and description of updated nine (9) Principles with attendant Core Elements, formulated to enhance actualization of each of the Principles, and is followed by separate chapters devoted to providing practical guidance to businesses on the adoption and implementation of the Guidelines. In continued recognition of the unique socio-economic context of the Micro, Small and Medium Enterprises (MSMEs) Sector, a separate chapter is devoted to commentary and practical guidance for MSMEs to support their uptake of these Guidelines. In recognition of the growing importance and imperatives of transparency, Chapter 5 devotes itself to an updated framework for disclosure and reporting by businesses. The Chapter reflects a greater coherence between the Principles & Core Elements and the information sought in the Disclosure and Reporting Framework, (as also with the Annual Business Responsibility Report (ABRR) requirements of the Securities and Exchange Bureau of India (SEBI)). The Guidelines conclude with an annexure that contains a set of useful references and resources which businesses may consult as part of their efforts to implement these Guidelines.

## Chapter 2: Principle and Core Elements

This Chapter contains the Nine (9) thematic pillars of business responsibility which are referred to as Principles. Each Principle is introduced as a statement and followed by a narration of the essential aspects of the Principle, referred to as the Brief Description. A reading of each Principle and Brief description should provide a clear idea of the essential spirit and intent of the Principle.

Each Principle is accompanied by a set of requirements and actions that are essential to the actualisation of the Principle, referred to as the Core Elements. The information sought in Chapter 5 of the Guidelines (Business Disclosure & Reporting Framework) is derived from the Core Elements.

It is stressed that the Principles are inter-dependent and inter-related, and businesses are urged to address them holistically. Chapters 3 & 4 of the Guidelines provides guidance to business, large and small, on the adoption and implementation of the Principles.

As stressed in Chapter 1, the ultimate responsibility for adoption of the Principles rests with the highest Governance Structure of the business.

## ***Principle 1: Businesses should conduct and govern themselves with integrity in a manner that is Ethical\*, Transparent\* and Accountable\*.***

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### **Brief Description**

The Principle recognizes that ethical\* behaviour in all its functions and processes is the cornerstone of businesses guiding their governance of Economic, Social and Environmental responsibilities.

The Principle emphasizes that disclosures\* form the fundamental basis of operationalizing responsible conduct and that business decisions and actions should be amenable to disclosures\* to all stakeholders\*.

The Principle recognizes that businesses are an integral part of society and that they will hold themselves accountable\* for the effective adoption, implementation and the making of disclosures\* on their performance with respect to the Core Elements of these Guidelines.

### **Core Elements**

1. The Governance Structure\* should develop structures, policies and procedures that promote this Principle, prevent its contravention and effect prompt and fair action against any transgressions.
2. The Governance Structure\* should ensure that the Principles of these Guidelines are understood, adopted and implemented throughout the operations of their business.
3. The Governance Structure\* should also promote the adoption of this Principle across the value chain\* of their business.
4. The Governance Structure\* should disclose and communicate transparently and enable access to information about the policies, procedures, performance (financial and non-financial) and decisions of their enterprise, that impact their stakeholders\*.
5. The Governance Structure\* should take responsibility for meeting all its statutory obligations in line with the spirit of the law, enabling fair competition and ensuring it treats all its stakeholders\* in an equitable manner.
6. The Governance Structure\* should ensure that the business avoids complicity\* with the actions of any third party that violates any of the Principles contained in these Guidelines.
7. The Governance Structure\* should put in place appropriate structures, policies and procedures to address conflicts of interest involving its members, employees\* and business partners.

8. The Governance Structure\* should put in place appropriate structures, policies, and procedures to ensure that the business does not engage in practices that are abusive or corrupt.
9. The Governance Structure\* should ensure that the business contributes to public finances by timely payment of all applicable taxes in the letter and spirit of the laws and regulations governing such payments.

## ***Principle 2: Businesses should provide goods and services in a manner that is safe and sustainable\****

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### **Brief Description**

The Principle recognizes that sustainable\* production and consumption interrelated and contribute to enhancing the quality of life.

The Principle further emphasizes that businesses should design their products\* in a manner that creates value while minimizing its adverse impacts on the environment and society through all stages of its life cycle, from design to final disposal.

In order to do so, the Principle encourages businesses to understand all material sustainability\* issues across their product life cycle\* and value-chain.

### **Core Elements**

1. Businesses should, in designing goods and services, endeavour to ensure that processes and technologies deployed are continually improved upon to minimize adverse environmental and social impacts.
2. Businesses should provide stakeholders\* across the value chain\* with information about environmental and social issues and impacts across product life cycle\* from design to disposal. This may be done through appropriate and relevant tools such as certifications, labels, ratings and other communication and disclosure\* platforms including reports, websites etc.
3. Businesses should make consumers\* aware of and empower them to practice responsible consumption.

### ***Principle 3: Businesses should respect and promote the well-being of all employees<sup>\*</sup>, including those in the value chain<sup>\*</sup>.***

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#### **Brief Description**

The Principle encompasses all policies and practices relating to the equity<sup>\*</sup>, dignity and well-being of employees<sup>\*</sup> engaged within a business or in its value chain<sup>\*</sup> without any discrimination.

#### **Core Elements**

1. The Governance Structure<sup>\*</sup> shall ensure that the business is in compliance with all regulatory requirements pertaining to its employees, and those in its value chain.
2. Businesses should ensure equal opportunities at the time of recruitment, during the course of employment separation without any discrimination.
3. Businesses should respect the right to freedom of association<sup>\*</sup>, participation of workers<sup>\*</sup>, collective bargaining<sup>\*</sup>, and provide access to appropriate grievance redressal mechanisms<sup>\*</sup>.
4. Businesses should not use child labour, coercive or forced labour or any form of involuntary labour, paid or unpaid.
5. Businesses should put systems and processes in place to support the work-life balance<sup>\*</sup> of all its employees<sup>\*</sup>.
6. Businesses should ensure timely payment of fair living wages<sup>\*</sup> to meet basic needs and economic security of all employees<sup>\*</sup>, including casual and contract labour.
7. Businesses should provide a workplace<sup>\*</sup> environment that is safe, hygienic, and which upholds the dignity of the employees<sup>\*</sup>. Businesses should engage and consult with their employees<sup>\*</sup> on this provision and train them on a regular basis with emphasis on employees with special needs.
8. Businesses should ensure continuous skill and competence upgrading of all employees<sup>\*</sup> by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. They should promote career development through human resource interventions.
9. Businesses should create systems and practices to ensure a humane and harassment<sup>\*</sup> free workplace<sup>\*</sup> where employees<sup>\*</sup> feel safe and secure.

## ***Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders\* .***

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### **Brief Description**

The Principle recognizes that businesses operate in an eco-system comprising a number of stakeholders\* , beyond shareholders and investors, and that their activities impact natural resources, habitats, communities and the environment.

The Principle acknowledges that it is the responsibility of businesses to ensure that the interests of all stakeholders\* , especially those who may be disadvantaged, vulnerable and marginalized\* , are protected.

The Principle further recognizes that businesses have an obligation to maximize the positive impacts and minimize the adverse impacts on all their stakeholders\* .

### **Core Elements**

1. Governance Structure\* should ensure that the business acknowledges, assumes responsibility and is transparent\* about the impact of their policies, decisions, products\* and associated operations on all stakeholders\* , and the natural environment.
2. Businesses should identify its stakeholders\* , understand their expectations and concerns, define the purpose and scope of the engagement, consult with them in developing policies and processes that impact them and commit to resolving any differences in a constructive manner.
3. Businesses should enable all stakeholders\* to benefit fairly from the value the businesses generate and any conflicts or differences arising from the impact of business operations or the sharing of the value generated by the businesses are resolved in a just, fair and equitable manner.

## ***Principle 5: Businesses should respect and promote human rights.***

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### **Brief Description**

The Principle recognizes that human rights are the codification and agreement of what it means to treat others with dignity and respect.

The Principle further recognizes that over the years that human rights have evolved under the headings of civil, political, economic, cultural and social rights.

The Principle builds upon the fact that a holistic respect for human rights offers a practical and legitimate framework for business leaders seeking to avail business opportunities and management of risks in a responsible manner.

The Principle imbibes the spirit of Constitution of India, the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.

The Principle further urges businesses to recognize the centrality of, and be responsive to, women's representation and participation in the implementation of all Core Elements

### **Core Elements**

1. The Governance Structure<sup>\*</sup> should ensure that the business understands the human rights content of the Constitution of India, relevant national laws and policies and the International Bill of Human Rights and appreciate that human rights are inherent, universal, inalienable, indivisible and interdependent in nature.
2. The Governance Structure<sup>\*</sup> should create structures, policies and procedures that respect the human rights of all stakeholders<sup>\*</sup> impacted by its business.
3. The Governance Structure<sup>\*</sup> should ensure that their business is not complicit<sup>\*</sup> with human rights abuses by any third party.
4. Businesses should, within its sphere of influence, promote the awareness and realization of human rights across its value chain<sup>\*</sup>.
5. Businesses should ensure that all individuals and groups whose human rights are impacted by their business have access to effective grievance redressal mechanisms<sup>\*</sup>.

## ***Principle 6: Businesses should respect and make efforts to protect and restore the environment.***

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### **Brief Description**

The Principle recognizes that environmental responsibility is a prerequisite for sustainable\* economic growth and for the well-being of society.

The Principle emphasizes that environmental issues are interconnected at the local, regional and global levels which makes it imperative for businesses to address issues like pollution, biodiversity conservation and climate change (mitigation and adaptation) in a comprehensive and systematic manner.

The Principle encourages businesses to understand environmental risks and opportunities material to business.

The Principle encourages businesses to adopt environmental practices and processes that minimise or eliminate the associated impacts thereby enhancing long-term competitiveness across the value chain\* .

The Principle encourages businesses to follow the precautionary Principle in all its actions.

### **Core Elements**

1. The Governance Structure\* should have internal policies, procedures and structures to address the adverse impacts of the business on the environment at all its locations at all stages of its life cycle from establishment to closure. Special care should be taken where these are located in eco-sensitive areas.
2. Businesses should develop appropriate strategies for sustainable\* and efficient use of natural resources and manufactured materials, giving due consideration to expectations and concerns of all stakeholders\* .
3. Businesses should define measureable key performance indicators and targets to monitor their performance on environmental aspects such as water, forest, energy, materials, waste, biodiversity and such like.
4. Businesses should focus on addressing climate change through development of both mitigation and adaptation measures and build climate resilience.
5. Businesses should be informed by industry best practices for promoting reduction, reuse, recycling of resources and encourage and motivate its stakeholders to do the same.
6. Businesses should seek to improve their environmental performance by adopting innovative technologies and solutions resulting in lower resource footprint, lesser material consumption and more positive impact on environment, economy and society.

\* Defined in Annexure C

***Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent\*.***

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**Brief Description**

The Principle recognizes that businesses operate within specified national and international legislative and policy frameworks, which guide their growth and also provide for certain desirable restrictions and boundaries.

The Principle recognizes the right of businesses to engage with governments for redressal of a grievance or for influencing public policy.

The Principle emphasizes that policy advocacy must expand public good, and eliminate exploitation rather than diminish it.

**Core Elements**

1. The Governance Structure\* should ensure that its advocacy positions are consistent with the Principles contained in these Guidelines.
2. Businesses should, to the extent possible, undertake policy advocacy through trade and industry chambers and associations and other similar collective platforms.
3. Businesses should ensure that its policy advocacy positions promote fair competition.

## ***Principle 8: Businesses should promote inclusive growth and equitable development.***

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### **Brief Description**

The Principle recognises the challenges of social and economic development faced by India and builds upon the development agenda that has been articulated in the government policies and priorities.

The Principle recognizes the value of the energy and enterprise of businesses and encourages them to innovate and contribute to the overall development of the country with a specific focus on disadvantaged, vulnerable and marginalised\* communities.

The Principle also emphasizes the need for collaboration amongst businesses, government agencies and civil society in furthering this development agenda.

The Principle reiterates that business success, inclusive growth and equitable development are interdependent.

### **Core Elements**

1. The Governance Structure\* shall ensure that the business takes appropriate actions to minimize any adverse impacts that it has on social, cultural and economic aspects of society.
2. Businesses should understand their impact on social, and economic development, and respond through appropriate action to minimise its negative impacts on society.
3. Businesses should innovate and invest in products\*, technologies and processes that promote the well-being of all segments of society, including vulnerable and marginalized groups.
4. Businesses should be sensitive to the concerns of local communities, especially in regions that are underdeveloped.
5. Businesses should make efforts to minimize the negative impacts of displacement of people and disruption of livelihoods through their business operations and where displacement is unavoidable, take steps to assure appropriate resettlement, compensation and rehabilitation of communities who have been displaced.
6. Businesses should respect all forms of intellectual property\* and traditional knowledge\* and make efforts such that benefits derived from their knowledge are shared equitably.

## ***Principle 9: Businesses should engage with and provide value to their consumers\* in a responsible manner.***

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### **Brief Description**

This Principle is based on the fact that the basic aim of a business entity is to provide goods and services to its consumers\* in a manner that creates value for both. The Principle acknowledges that no business entity can exist or survive in the absence of its consumers\* .

The Principle recognizes that consumers\* have the freedom of choice in the selection and usage of goods and services, and that the enterprises will strive to make available products\* that are safe, competitively priced, easy to use and safe to dispose of, for the benefit of their consumers\* .

The Principle also recognizes that businesses have an obligation to mitigating the adverse impacts that excessive consumption may have on the overall well-being of individuals, society and our planet.

### **Core Elements**

1. Governance Structure\* should ensure that the business is responsive to any adverse impact of its goods and services on consumers, the natural environment and society at large.
2. Businesses should ensure that they do not restrict the freedom of choice and free competition in any manner while designing, promoting and selling their products\* .
3. Businesses should disclose all information accurately, through labelling and other means, including the risks to the individual, to society and to the planet from the use of the products\* , so that the consumers\* can exercise their freedom to consume in a responsible manner.
4. Businesses should manage consumer\* data in a way that does not infringe upon their right to privacy
5. Businesses should also educate their consumers\* on the safe and responsible usage and disposal of their products\* including reuse and recycling
6. Businesses should promote and advertise their products\* in ways that do not mislead or confuse the consumers\* or violate any of the Principles in these Guidelines.
7. Businesses should exercise due care and caution while designing, promoting and selling products\* that result in over exploitation of natural resources or lead to unsustainable consumption.

8. Businesses should provide appropriate grievance redressal mechanisms\* to address consumer\* concerns and feedback that are open, transparent\* and accessible.
9. Businesses that provide essential services should enable access to those whose services have been discontinued, in a non-discriminatory and responsible manner.

## Chapter 3: Guidance on Adoption of Principles and Core Elements

### What does adoption mean?

The Principles and Core Elements contained in these Guidelines are designed to enable businesses to conduct themselves responsibly. Therefore, adopting these Guidelines refers to the integration of the Principles and Core Elements into the core business strategy of an enterprise.

So, how will the Governance Structure of a business know whether it has successfully integrated these Guidelines? Here are some indicators:

- It should have in place, policies and guidance that are approved at the highest level and cover all the Principles
- The key performance indicators of the business should incorporate all the Principles of these Guidelines and those Core Elements that significantly impact or are impacted by the business.
- The operating procedures of the business should also cover those Core Elements that significantly impact or are impacted by the business.

### Key Enablers

Experience suggests that there are some key enablers of businesses that help them successfully integrate sustainability principles into their core processes. These include:

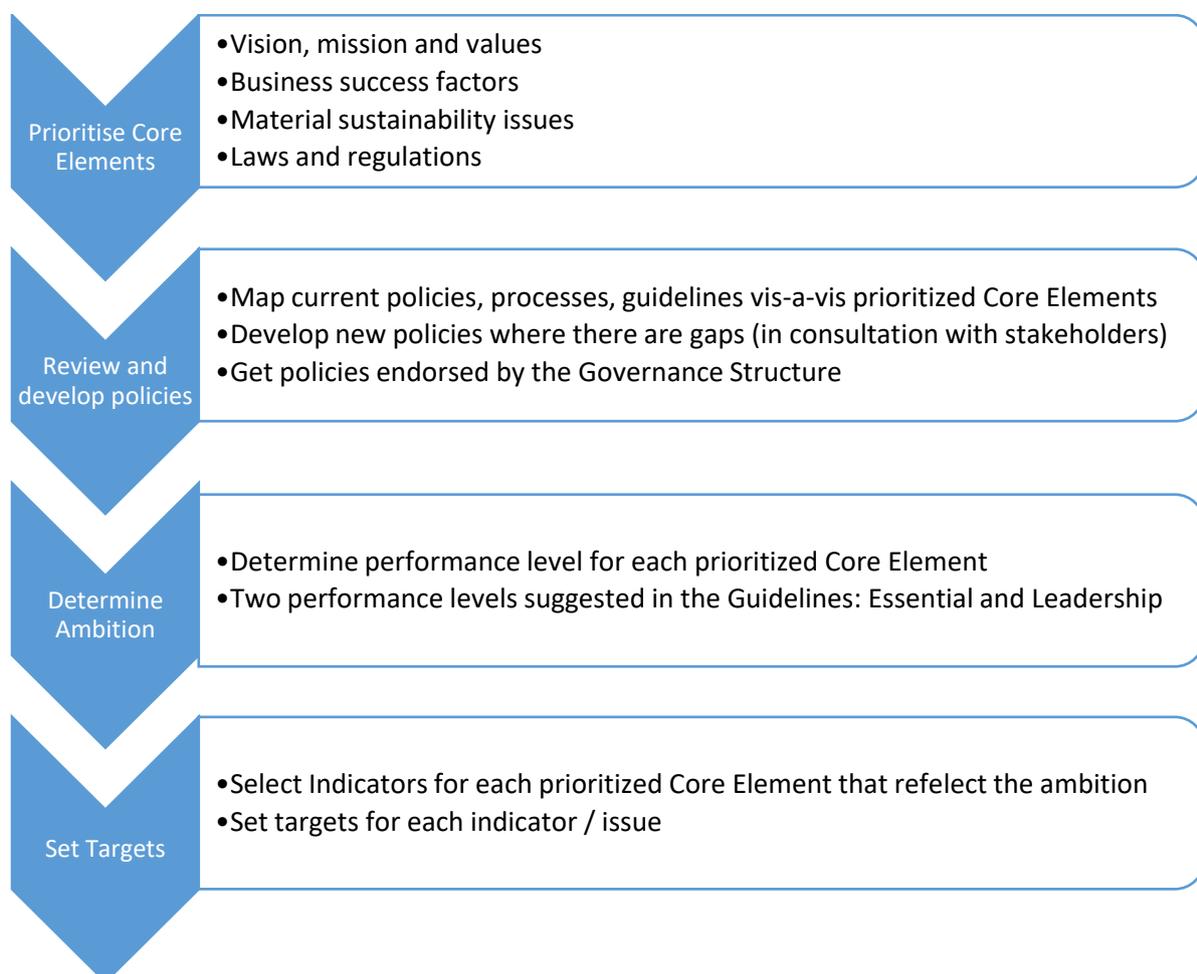
- **Leadership commitment:** The Governance Structure of the Business (Board in the case of companies, owner(s)/partner(s) in other forms) needs to be convinced that the success of the business depends upon adopting these Guidelines. The Chairman/CEO/Owner-Manager needs to play a proactive role in convincing the Governance Structure, which is most effectively done by demonstrating the business benefit of being responsible.
- **Employee engagement:** The employees too must be convinced of the need to be responsible. Again, the Governance Structure and top management must communicate this to all employees so that the Principles are fully understood across the organization and comprehensively implemented.
- **Stakeholder engagement:** Recognising that all stakeholders play a crucial role in a business's success, the top management of the company must map out its stakeholders and proactively engage and build strong relationships with them on a consistent and continuous basis.
- **Disclosure and Reporting:** In continuation of engaging with stakeholders including employees, the proactive public disclosure by companies of their impact on society and the environment is also essential.

## The Business Case for Adoption

It is critical for each business to assess how adoption for these Guidelines will provide a business benefit - in the short term as well as in the long term. To help businesses determine this, they may use a tool called a Business Case Matrix, provided in Annexure A. Every business should develop such a matrix, in its own context, for each Core Element, and thus determine which of them are important to it.

## The Adoption Process

The flowchart below summarises the process businesses may follow to adopt these Guidelines and integrate them with the core business.



Some of the key steps are described in greater detail below,

- **Prioritising the Core Elements:** The first step is that the business must identify those Core Elements that are priority. As a rule of thumb, it is highly likely that each Principle will have at least one Core Element will be of higher priority for the business. In order to do this prioritisation, a business must map all the Core Elements against,

1. **Vision, mission and values:** Those that align with or contribute to these must be considered priority.
  2. **Business Success Factors:** These are typically articulated in its business strategy.
  3. **Material Sustainability Issues:** Many businesses conduct a materiality analysis to determine the environment and social issues that are of high concern to its stakeholders and have a high impact on business success. The Core Elements that align with or contribute to these material sustainability issues must be treated as high priority. A note on Materiality is provided in Annexure B. In cases where the business has not undertaken its own materiality assessment, it should go by suggestions found in globally accepted guidelines.
  4. **Laws and regulations:** Every business must know which are the specific laws and regulations, current and emerging, which pertain to each of the Core Elements. It may be noted that since compliance with the laws of the land is non-negotiable, every Core Element that is governed by a law or regulation must be prioritised. It may also be noted that those businesses that are part of a supply chain are also subject to codes and standards that their buyers may require them to comply with.
- **Integrating Prioritized Core Elements into Core Business:** All the prioritized Core Elements must then be integrated into core business strategy. In order to do this, the business must,
    1. Review its current policies and guidelines to ensure that they cover all the prioritized Core Elements. Where there are gaps, these must be revised.
    2. In the case of those Core Elements where the Governance Structure has a role in ensuring implementation, these policies and guidelines must be endorsed by the Governance Structure.
    3. The business must determine what its ambition is for each prioritized Core Element i.e. the performance level it wishes to achieve for each. As was mentioned earlier, the base performance has to be compliance with the law or regulation, but a business may decide to be more ambitious and take a leadership position by setting itself a higher performance target. Chapter 5 discusses this in greater details and suggests 2 performance levels – Essential and Leadership.
    4. Chapter 5 details out the performance indicators for relevant Core Elements at these 2 levels – Essential and Leadership. Businesses may select the indicators for their prioritized Core Elements that reflect their ambition and set 3-5 year targets.

### **Covering Value Chains**

Value chains, encompassing all upstream sourcing channels and downstream distribution channels, are an integral part of all businesses, have a definitive role in their success and feature in their core strategies. Businesses while integrating these Guidelines with their core

strategies should specifically encourage their adoption by their value chain partners. Responsible businesses should be well placed to understand the social, environment and economic impact their value chain partners have on their own enterprise as well as on the external world.

Suggested steps for this include:

- **Mapping the value chain:** Businesses should create a map of their direct (or Tier 1) value chain partners and also cover, to the extent feasible, indirect members of the value chain who transact with the Tier 1 value chain partners. A value chain map traces the key activities involved in bringing a product from key inputs to the consumer, should be created for all major products of a business and requires collaboration among all functions within the business which work on the specific products. This should provide visibility of physical locations, resource dependencies, contractual / compliance status, financial status and storage / logistics arrangements for value chain partners as well as any interdependencies between the partners. The map will enable the business to ascertain specific sustainability risks or opportunities that may reside in its value chain which may be different from those faced by the business itself.
- **Prioritizing Core Elements for value chain partners:** Using the value chain map and as part of the materiality assessment referred to earlier in this chapter, businesses should prioritize the Core Elements which are important for their value chain partners to align themselves with. This is best done in consultation with their major Tier 1 partners so that ownership is built from the beginning.
- **Setting policy frameworks:** Businesses should have in place, policies and guidelines that facilitate adoption of the Guidelines across their value chain partners. These policies and guidelines, where required, should be endorsed by the Governance Structure of the business. Again, this will be most effective when done in consultation with their Tier 1 partners.
- **Establishing engagement processes:** The prioritized Core Elements should be embedded in processes for all points of engagement with value chain partners including diligence, selection, monitoring, periodic engagement, feedback and recognition of good practice. Such processes are an effective means to build actions around the prioritized Core Elements, signal the business' responsible intent, can be used to incentivize integration of sustainability principles across the value chain and, in the long term, will enhance security of supply for the business through a stronger relationship with their partners.
- **Cascading responsibility:** Businesses should recognize that their value chains partners, direct and indirect, will range from large multinational corporations to Micro, Small and Medium Enterprises (further details on the role of MSMEs in value chains is in Chapter

4), who will have differentiated capacities and considerations while adopting the Principles and Core Elements. Businesses should guide and support them in their efforts to adopt these Guidelines including collaborating with other businesses. Businesses should also support their Tier 1 partners to cascade this process to the subsequent tiers in the value chain.

## Chapter 4: Guidance for Micro, Small and Medium Enterprises

### Significance of MSMEs for Guidelines

MSMEs contribute very significantly to the GDP, employment and social equity of India. They are the 2nd largest employer, after agriculture, employing an estimated 100 million people which is almost ten times that of the employment in the government and large private sector put together. MSMEs are present in almost all economic activities, ranging from crafts to services and high end industrial activities. The product range spreads across sectors from handicrafts, handlooms, textiles, garments, leather, plastics, engineering, IT & IT enabled services, hospitality, tourism, health care and several others. In terms of markets, these enterprises are connected with rural markets to global value chains. Together they contribute to 37% of industrial output, 40% of manufactured exports and 37.54% of the GDP for 2012-13 (Annual report of Ministry of MSME, Govt. of India, 2015-16) with a considerable multiplier effect on the economy.

Another remarkable feature of the MSMEs in India is that almost two third of them are naturally organised around approximately 6000 geographic clusters, as a part of local, regional, national and global value chains. These clusters in groups of contiguous villages, blocks or districts are known for a range of crafts, industrial products or services.

MSMEs are, therefore, not a residual segment but a very significant component of the larger social & economic system, inter-connected with a variety of stakeholders. Hence, for these Guidelines to succeed, widespread buy-in and adoption by the MSME sector is necessary.

### Classification of MSMEs

The Indian MSME sector that can be broadly categorised into two types:

1. MSMEs organised around local & regional value chains: These comprise a large number of very small enterprises and is estimated to contribute between half to two thirds of the total MSME output. Their share is however shrinking over the years making way for integration across national and global value chains.
2. MSMEs that are part of national & global value chains: These can be further broken into three distinct although not mutually exclusive sub-groups:
  - a. **Global value chains linked:** This group accounts for increasing exposure of MSMEs in global business environment since 1990s. Those in product categories like garments, sports goods, furniture, chocolates, beverages & other food products are well exposed to individual & collective buyer standards across environment, labour and other issues and are hence reasonably in tune with guidelines such as these Guidelines.
  - b. **Vendors/Suppliers for large buyers with domestic base:** The MSMEs in this group are linked across several sectors where global players have significant manufacturing or sourcing base in India, such as automobiles, engineering goods,

aerospace, defence, railways and large retail companies. There is also a large range of MSME suppliers for public procurement supplying to Railways, engineering companies, power sector companies and a wide range government services across hospitals, schools etc.

- c. **Emerging high growth start-ups:** The phenomenon of technology based high growth start-ups is beginning to surge that is significant not only for the growth of individual enterprises but also with their power to disrupt the way classical brick & mortar enterprises function. With a more positive socio-economic environment for spawning start-ups with support from academic institutions, private funding for risk capital and government support, this group is fast emerging as a significant one. To illustrate there are technology based aggregators of MSMEs that include independent taxi operators, e-commerce platforms and credit facilitators. These entrepreneurs have joined the bandwagon of globally integrated Indian MSMEs.

### The Business Case for MSMEs to adopt Guidelines

There is no doubt that smaller businesses have fewer resources and abilities to adhere to multiple laws, regulations and guidelines. But the fact that several of them already do clearly suggests that not only are they capable of doing so but it is worth their while – in other words, it makes business sense to do so. So, what are the business benefits of adopting these Principles and Core Elements? Some of these are outlined here:

- **Increased access to markets and customers:** MSMEs that are a part of national and global value chains know that for them to gain new customers and retain their existing ones, they have to conform to a number of sustainability codes and standards that go well beyond compliance with local laws. These codes and standards, typically relating to issues around environmental and labour, which are almost standard requirements for those exporting to western countries are increasingly becoming universal, with several Indian companies also expecting their supply chains to conform to sustainability requirements. Adopting the Principles herein may enable MSMEs to become preferred suppliers to the increasing number of customers who expect responsible behaviour from their value chains.
- **Better preparedness for compliance:** India was a signatory to 2 global agreements in 2015 – the Sustainable Development Goals and Paris Agreement on Climate Change. As a consequence, businesses will be expected to do more in the social and environmental spheres, and this will, inevitably, lead to tighter regulations over the years. The MSME sector too will face this challenge. Further, there are already a multiplicity of buyer codes and standards that MSMEs are expected to align themselves with and these will only increase. Adopting these Guidelines will enable MSMEs to be better prepared for this future.
- **De-risking operations:** Adopting these Guidelines will enable MSMEs to reduce the risk of their operations being affected due to non-compliance with either regulations or customer expectations (as expressed in their own codes and standards).

- **Cost savings and productivity increases:** There is mounting evidence, even amongst MSMEs, that investing in processes that reduce environment footprint, waste, drudgery and increase the quality of life of employees provides benefits that pays back these investments quickly and in large measure.
- **Access to funds.** Several banks and financial institutions, including in India, are increasingly looking at businesses that do not conform to responsible business practices as risky and either fund them at a premium or do not fund them at all. The Indian Banks Association has recently come up with a set of National Voluntary Guidelines for Responsible Finance which asks members to factor commitment to responsible business in their lending and investment decisions. MSMEs that adopt these Guidelines may find themselves better placed to negotiate better financial terms with banks and financial institutions to meet their growth plans.

### Adopting the Guidelines

Chapter 3 described (a) what “adopting” means and (b) identifying the “enablers” for successful adoption. These are applicable in full measure to MSMEs as well. Owners and Partners have to play a leadership role in understanding the Principles and Core Elements outlined in the Guidelines, adopting them and making their employees, customers and funders aware so that they derive full benefit from this commitment. Reporting their commitments and activities is an effective way of communicating their performance to these key stakeholders.

The steps that MSMEs should take to adopt these Guidelines are also described in Chapter 3. Recognising that some of those steps can be undertaken only by those businesses that are relatively larger and more mature, given below are what MSMEs must do at the bare minimum:

1. **Prioritising the Core Elements.** The first step in adoption has to be prioritising the Core Elements. In order to do this, the MSME must map all the Core Elements against:
  - a. Its own vision, mission, values and business success factors: Those that align with or contribute to these must be considered priority.
  - b. Laws and regulations: All Core Elements that are governed by a law or regulation, current or emerging, have to be prioritised.
  - c. Buyer/Customer codes: All codes adopted by buyers/customers, current and potential, must be studied and understood and those Core Elements that cover these requirements must be prioritised.
2. **Embedding Prioritized Core Elements:** All the prioritized Core Elements must then be integrated into the core business. This process has been detailed in Chapter 3. All MSMEs must set their ambitions at the Essential level but those that set themselves higher ambitions are likely to reap the benefits of this in the medium to long term.

## Chapter 5: Business Responsibility Reporting Framework

As stated in the NVGs of 2011, disclosure and reporting by businesses, of its economic, social and environmental impacts and goals and performance, is an integral aspect of managing and demonstrating its commitment to sustainability, and a basis for engagement with all its stakeholders. A growing number of businesses, irrespective of their ownership, size, sector of business, and the geography of their markets are responding to mandatory compliances as well as voluntary requirements of a standardised disclosure and reporting of their economic, social and environmental impacts. Such businesses are reporting several benefits, internal and external, as a result of their commitment to disclosure and reporting. In many instances, MSMEs, organised as geographical clusters, have prepared 'aggregate reports' as a collective effort, to the benefit of the group and to the individual business. There is also an exhaustive and comprehensive guidance available to businesses on how to prepare and ready their organisations for the preparation of their reports, based on their sector of business, size and other attributes.

Across the world, Governments and market regulators are adopting and encouraging transparency and sustainability disclosure and reporting in recognition of its crucial contribution to the challenges of sustainable development and economic growth. Accordingly, it is noteworthy that in 2012, the Securities and Exchange Bureau of India (SEBI), in recognition of the wider public interest made it mandatory for listed companies (presently, the top 500) to prepare an annual Business Responsibility Report (BRR) based on the 9 Principles of the NVGs. It is encouraging to note the efforts that have been made by various civil society organisations to analyse these annual BRR reports in respect of their completeness, accuracy and usefulness, and this has provided valuable feedback to updating the current chapter.

### Aggregate Reporting – Useful Methodology for MSMEs in Clusters

MSMEs can now imbibe a method of preparing an aggregate report, i.e. the result of applying the Aggregate Reporting (AR) Methodology to combine data from individual units that belong in the same cluster (i.e. region/ location) in order to create one collective sustainability report. The small enterprises of India can benefit from the reporting process that can identify significant issues that can impact the business and can lead to business benefits through the process of measurement, management and change. The methodology is outlined in the learning document for the project, "Scaling Up Sustainable Development of MSME". A link to this learning document and examples of Aggregate Reports are in Annexure D.

The present chapter has been designed to reflect a coherence with chapter 3 and presents an updated Business Responsibility Format comprising 3 sections – (a) General Disclosures, covering operational, financial and ownership related information, (b) Management and Process Disclosures covering the structures, policies and processes to integrate the

Guidelines and (c) Principle wise Performance Disclosures covering how well businesses are doing in pursuit of these Guidelines.

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## Business Responsibility Reporting Format

### SECTION A: GENERAL DISCLOSURES

1. Name of the Company:
2. Corporate Identity Number (CIN) of the Company (if applicable):
3. Registered address, telephone, email and website:
4. Period of the Report:
5. Operations
  - a) Spread of Operations
    - i) National presence: Number of states / union territories operating in:
    - ii) International presence: Number of country / countries operating in (top 5):
    - iii) Name states/districts with manufacturing facilities in rural areas:
    - iv) Name states/districts with manufacturing facilities in notified underdeveloped Indian districts:
  - b) Sector(s) that the business is engaged in (indicate industrial activity code for all sectors):
  - c) Goods / services manufactured/provided (top 3 by revenue):
  - d) Brands (top 5 by respective share of market) owned and percentage of revenue contributed:
6. Employees
  - a) Number of permanent employees:
  - b) Number of permanent employees who belong to the following groups,
    - i) Women:
    - ii) Scheduled Castes:
    - iii) Scheduled Tribes:
    - iv) Persons with Disability:
    - v) Any other vulnerable and marginalized group (refer "Vulnerable and Marginalised Groups" explained in Annexure C):
  - c) Contractual employees (Seasonal, non-seasonal)
  - d) Temporary employees
  - e) Migrant employees as a percentage of non-permanent employees
7. Finance and Economics
  - a) Paid up capital (in `):
  - b) Shareholding Pattern:
    - i) Promoter & promoter group (%)
    - ii) Government / public sector institutions (%)
    - iii) Minority shareholders (% and total number)
  - c) Market Capitalisation as on date of last published balance sheet (in `):
  - d) Total Assets (in `):
  - e) Total Borrowings (in `):
  - f) Other Liabilities (in `):
  - g) Total Revenues (in `):
  - h) Payments made to suppliers (in `):
  - i) Payments made to employees (in `):

- j) Payments to government (taxes, royalties et al) (in `):
  - k) Payments to government (fines et al) (in `):
  - l) Total interest paid (in `):
  - m) Total Profit After Taxes (in `):
  - n) Dividends paid (in `):
  - o) CSR expenditure (in `):
8. Does the business have any subsidiary / associate companies? If yes, provide a list.
9. Has the business set up any Trust, Foundation or Section 8 company to further its CSR agenda? If yes, please provide following details:
- a. Name of the organisation
  - b. Organisation form (Trust, Society, Company) and year of establishment
  - c. Main objects
  - d. Amounts and sources of funds received in the reporting year

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the Principles and Core Elements.

Implementation Pillars	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Leadership</b>										
Policy Deployment and Process management	1) Does the business have policy / policies for the Principle?									
	2) Has the business identified its Priority Core Elements (refer Chapter 3)?									
	3) Does the policy / policies cover all Priority Core Elements related to the Principle?									
	4) Has the policy / policies been translated into guidelines and procedures?									
	5) Has manpower, planning and financial resources been allocated for the implementation of the policy / policies?									
Commitment of top management and	6) Have the policies been approved by the Board/top management?									

supportive governance structure.	7) Does the business have a specified committee of the Board/Director/Officer and processes to oversee the implementation of the policy / policies?																		
	8) Has a process for top management reviewing performance against the above strategy been established?																		
<b>Integration</b>																			
	9) Have you conducted a review of your business' alignment with the Principles and Core Elements?																		
<b>Stakeholder Engagement</b>																			
	10) Do you have a process to identify your business' key stakeholders?																		
	11) Do you have a process to engage with your stakeholders on the Principles?																		
	12) Do you communicate the results of stakeholder engagement in public domain?																		
<b>Communication and Disclosures</b>																			
	13) Do you have a process of communicating performance against these Guidelines to relevant stakeholders?																		
	14) Have disclosures and reporting helped in improving business performance / strategy?																		
<b>Inclusion</b>																			
	15) Do you have processes to identify groups that are vulnerable and marginalised stakeholders as outlined in Annexure C of the Guidelines?																		
	16) Do you have processes to identify issues related to inclusion and impact of adopting the Principles on vulnerable and marginalised																		

	stakeholders, as outlined in Annexure C of the Guidelines?									
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If answer to question (1) above is “No” against any Principle, please explain why: (Tick up to 2 options)

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The company has not understood the Principles									
The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
The company does not have financial or manpower resources available for the task									
It is planned to be done within next 6 months									
It is planned to be done within next 12 months									
Any other reason (please specify)									

### SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping businesses demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential level is expected from every business that has adopted these Guidelines, the leadership level is expected of businesses which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

#### PRINCIPLE 1

Essential Indicators	Leadership Indicators
<ol style="list-style-type: none"> <li>How often in the year does the Governance Structure review performance of the business across the Principles and Core Elements of the Guidelines?</li> <li>What percentage of the leadership team was covered by awareness programmes on the Guidelines in the year?</li> </ol>	<ol style="list-style-type: none"> <li>What percentage of all employees was covered by awareness programmes for the Guidelines in the year?</li> <li>What percentage of suppliers and distributors (by value), in the year were covered by audits on social and environmental issues?</li> </ol>

<ol style="list-style-type: none"> <li>3. What percentage of suppliers and distributors (by value), in the year,;:             <ol style="list-style-type: none"> <li>a. Were covered by awareness programmes for the Guidelines?</li> <li>b. Had responsible/sustainable business policies?</li> </ol> </li> <li>4. How many meetings/ dialogues with minority shareholders were organized in the year?</li> <li>5. How many complaints / suggestions were received in the year from:             <ol style="list-style-type: none"> <li>a. shareholders</li> <li>b. lenders</li> </ol> </li> <li>6. How many of the above complaints were pending resolution at close of year?</li> <li>7. How many fines / penalties were imposed on your business by regulatory and judicial institutions in the year?</li> <li>8. How many complaints / cases were of corruption were registered in the year?</li> <li>9. How much fiscal benefits and concessions did you receive from the government in the past year?</li> </ol>	<ol style="list-style-type: none"> <li>3. Was a business responsibility report made, in the year:             <ol style="list-style-type: none"> <li>a. As per global reporting frameworks.</li> <li>b. Available in the public domain.</li> <li>c. Assured by a third party</li> </ol> </li> <li>4. Have details of the fines/penalties imposed on your business by regulatory and judicial institutions in the year made available in public domain?</li> <li>5. Provide examples (up to 3) of corrective action taken on the above fines/penalties imposed.</li> <li>6. Provide examples (up to 3) of corrective action taken on the complaints / cases of corruption to prevent recurrence.</li> </ol>
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## PRINCIPLE 2

Essential Indicators	Leadership Indicators
<ol style="list-style-type: none"> <li>1. Provide a list of key goods and services (top 3 by revenue in the year) which incorporate environmental and social concerns, risks, and/or opportunities in their design.</li> <li>2. What percentage of input material and services (by value), in the year, were sourced from suppliers adhering to internal or external sustainability standards / codes / policies / labels.</li> <li>3. What percentage of input material and services (by value), in the year, were procured from local and small vendors / producers?</li> <li>4. What proportion of your total raw material</li> </ol>	<ol style="list-style-type: none"> <li>1. What percentage of your local and small vendors/producers were covered by capacity and capability development initiatives?</li> <li>2. For goods and services that incorporated environmental and social concerns, give details of:             <ol style="list-style-type: none"> <li>a. Resource use (energy, water, raw material) per unit produced in the year.</li> <li>b. Reduction in resource use covering sourcing, production, and distribution in the year.</li> <li>c. Sustainability standards/codes/ labels adhered to.</li> <li>d. Product life cycle assessment</li> </ol> </li> </ol>

<p>consumed in the year by value consisted of material that was recycled or reused? &lt;5%, between 5% and 25%, &gt; 25%. Provide details in 50 words</p>	<p>completed.</p> <p>3. Was the information on the impacts of your products across the value chain communicated in the year to your stakeholders? If yes:</p> <ol style="list-style-type: none"> <li>To which stakeholder groups?</li> <li>By which channels for each group?</li> <li>At what frequency?</li> </ol> <p>4. Provide examples (up to 3) on how the feedback received from stakeholders is used for improvements?</p>
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### PRINCIPLE 3

Essential Indicators	Leadership Indicators
<ol style="list-style-type: none"> <li>How many complaints were received on cases arising out of discrimination in the last year? How many of the above complaints were pending resolution at end of the last year?</li> <li>Do you have employee association(s) recognised by management? What percentage of permanent employees are part of the employee association(s) recognised by the management?</li> <li>What percentage of your establishments / value chain has been inspected for child labour in the last year?</li> <li>How many cases of child labour in your establishments/ value chains identified during the year, <ol style="list-style-type: none"> <li>Were resolved?</li> <li>Are pending resolution?</li> </ol> </li> <li>What percentage of your 'establishments' / supply chain have been inspected for forced / bonded labour in the last year?</li> <li>How many cases of forced / bonded labour identified during the year, <ol style="list-style-type: none"> <li>Were resolved?</li> <li>Are pending resolution?</li> </ol> </li> <li>What percentage of your employees were paid above the legal minimum wage in the last year?</li> </ol>	<ol style="list-style-type: none"> <li>Which categories of employees (list up to 3) are supported by affirmative action, and has there been any change from last year?</li> <li>Have you supported or facilitated the formation of any standing platform/association for non-permanent employees? If yes, what percentage of non-permanent employees are linked to this platform?</li> <li>What percentage of children identified as employed in your establishments / value chain have been remediated in the last year?</li> <li>What percentage of forced/bonded labour identified in your 'establishments' / supply chain have been remediated?</li> <li>How much above the minimum wage on average did you pay your employees last year?</li> <li>What percentage of your suppliers adhered to minimum wages last year?</li> <li>For complaints of harassment received during the year, give (up to three) examples of steps taken to prevent adverse consequences to the complainant.</li> <li>What percentage of supply chain partners were assessed for adherence to health and safety norms?</li> </ol>

<p>8. How many cases of delay in payment of wages during the year,</p> <ol style="list-style-type: none"> <li>Were resolved?</li> <li>Are pending resolution?</li> </ol> <p>9. How many complaints related to harassment during the year,</p> <ol style="list-style-type: none"> <li>Were resolved?</li> <li>Are pending resolution?</li> </ol> <p>10. How many instances of the following occurred during the year,</p> <ol style="list-style-type: none"> <li>Accidents at the workplace?</li> <li>Fatalities caused?</li> <li>Disability caused?</li> </ol> <p>11. What percentage of employees (all categories) were trained on health and safety issues and measures in the year?</p> <p>12. What percentage of employees were provided training and skill upgradation in the year?</p>	<p>9. Provide (up to 3) examples of where identified work-life balance topics have been implemented.</p> <p>10. What is the number of accident affected persons integrated back into employment?</p> <p>11. Describe the work-life balance issues that were brought up by employees</p>
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**PRINCIPLE 4**

<b>Essential Indicators</b>	<b>Leadership Indicators</b>
<ol style="list-style-type: none"> <li>Which stakeholders groups have been identified as key for your business?</li> <li>Which positions / departments / functions are responsible for engagement with each stakeholder category identified above?</li> </ol>	<ol style="list-style-type: none"> <li>Provide a list of the vulnerable and marginalised groups (refer Annexure C of the Guidelines) in each stakeholder group.</li> <li>Provide examples (up to 3) of how the business has incorporated inputs from stakeholders?</li> <li>Provide examples of decisions and actions taken by the business to address the interests of vulnerable/marginalised groups.</li> <li>Have the impacts and non-mandated benefits of the business on stakeholders been described in its business responsibility report?</li> </ol>

## PRINCIPLE 5

Essential Indicators	Leadership Indicators
<ol style="list-style-type: none"> <li>1. What percentage of employees have been provided training on human rights issues in the year?</li> <li>2. Which employee categories are covered by the human rights policies of the business?</li> <li>3. How many business agreements and contracts with third party partners were reviewed in the year to avoid complicity with adverse human rights impacts in the last year?</li> <li>4. How many stakeholders reported human rights related:               <ol style="list-style-type: none"> <li>a. Grievances and/or complaints in the last year?</li> <li>b. What percentage of these complaints have been resolved?</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. What percentage of contractual employees and value chain partners have been made aware / provided training on human rights issues?</li> <li>2. Which external stakeholder groups and representatives are covered by the human rights policies of the business?</li> <li>3. List (up to 3) corrective actions taken to eliminate complicity with adverse human rights impacts in the last year.</li> <li>4. Provide (up to 2) examples of a business process being modified / introduced as a result of addressing human rights grievances/complaints.</li> </ol>

## PRINCIPLE 6

Essential Indicators	Leadership Indicators
<ol style="list-style-type: none"> <li>1. Which environmental risks identified have been identified as material to the business? What are the mitigation and adaptation measures put in place for the above environmental risks?</li> <li>2. Provide good practices (up to 3) in reduction, recycling, and reuse initiatives that contributed to lowering the adverse environmental footprint of your business activities. Figures included should be for the last 2 years.</li> <li>3. Provide details of top three investments (by value) in specific technology measures, if any, to improve the environmental impacts of your business.</li> <li>4. Provide examples of any collective action by your business with other businesses / NGOs / government agencies / International partners / development institutions undertaken to address any of the environmental risks / opportunities identified above.</li> </ol>	<ol style="list-style-type: none"> <li>1. In case of any environmental impact assessments undertaken in the year:               <ol style="list-style-type: none"> <li>a. Have the results been communicated in the public domain?</li> <li>b. Provide details of any actions taken to mitigate any negative social impacts.</li> </ol> </li> <li>2. Provide details of risk management strategies and measures for each material environmental risk identified for the business, giving target and achievement values for last and current year.</li> <li>3. Provide details of your specific contribution to India's Nationally Determined Contributions (submitted at UNFCCC COP21 in 2015)?</li> <li>4. Provide examples, if any, of the creation of a new business line based on actions on the material environmental risks identified. What percentage do they contribute to your overall portfolio in terms of revenue</li> </ol>

<p>5. Provide details of any show cause / legal notices from CPCB/NGT/SPCB pending/unresolved at the end of the year.</p>	<p>earned? 5. Have the good practices cited in reduction, recycling, and reuse initiatives been benchmarked against industry best practice? If yes, provide details.</p>
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## PRINCIPLE 7

Essential Indicators	Leadership Indicators
<ol style="list-style-type: none"> <li>1. Has the governance structure reviewed its public policy advocacy positions for consistency with Principles of these Guidelines? If yes, provide up to 3 examples.</li> <li>2. Which trade and industry chambers and associations are you members / affiliates of?</li> <li>3. Provide details of any notices received from regulatory authorities for anti-competitive conduct by the business.</li> </ol>	<ol style="list-style-type: none"> <li>1. Have the outcomes of a review of the business' public policy positions for consistency with these Guidelines been communicated in the public domain?</li> <li>2. Provide examples (up to 3) of any policy changes in the past year as a result of your advocacy efforts?</li> <li>3. Provide details of corrective action taken based on notices from regulatory authorities for anti-competitive conduct by the business.</li> </ol>

## PRINCIPLE 8

Essential Indicators	Leadership Indicators
<ol style="list-style-type: none"> <li>1. How many social impact assessments have you conducted for your business operations in the year? Was the above assessment conducted by an independent external agency? (Y/N). Provide details in 50 words.</li> <li>2. Provide examples (up to 3) of products, technologies or processes that contribute for the benefit of the vulnerable and marginalized sections of society?</li> <li>3. With respect to projects during the year for which R&amp;R is applicable, please indicate: <ol style="list-style-type: none"> <li>a. How many persons were affected / displaced by these projects?</li> <li>b. What was the gross amount paid out to project affected and displaced persons?</li> </ol> </li> <li>4. Provide the number of grievances / complaints received from local community representatives and the numbers pending at the end of the year.</li> </ol>	<ol style="list-style-type: none"> <li>1. With respect to these social impact assessments: <ol style="list-style-type: none"> <li>a. Have the results been communicated in the public domain?</li> <li>b. Provide details of any actions taken to mitigate any negative social impacts.</li> </ol> </li> <li>2. Specify the number of persons covered by such beneficial products, technologies or processes?</li> <li>3. Was the R&amp;R policy and package developed in consultation with project affected people?</li> <li>4. Has the information on gross amounts paid project affected and displaced persons been communicated in the public domain?</li> <li>5. List the channels/platforms through which information regarding resolution of grievances / complaints has been</li> </ol>

<p>5. Provide list of investments (top 3 by value) in regions which are underdeveloped?</p> <p>6. Provide examples (up to 3) of goods and services which incorporated local traditional knowledge.</p> <p>7. Provide a list of intellectual property rights disputes related to traditional knowledge during the year, if any.</p> <p>8. Provide a summary (up to 100 words) of the key themes covered by CSR (as per Section 135 of Companies Act 2013) initiatives or linked to the CSR Policy of the business.</p>	<p>communicated in the public domain.</p> <p>6. Provide examples (up to 3) of economic and social value addition in these underdeveloped regions.</p> <p>7. Provide examples where benefits of this local traditional knowledge being used by the business are shared with the community.</p> <p>8. Provide the total number of beneficiaries covered under your CSR projects (as per Section 135 of Companies Act 2013), disaggregated by the vulnerable and marginalised group categories (refer Annexure C of the Guidelines).</p> <p>9. Provide examples of how the impact of your community initiatives contribute to local and national development indicators?</p>
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## PRINCIPLE 9

Essential Indicators	Leadership Indicators
<p>1. Provide examples (up to 3) where adverse impacts of goods and services of your business have been raised in public domain in the last year.</p> <p>2. What percentage of goods and services of the business carry information about:</p> <ol style="list-style-type: none"> <li>Environmental and social parameters relevant to the product?</li> <li>Information on their safe and responsible usage?</li> </ol> <p>3. How many consumer complaints in respect of data privacy were:</p> <ol style="list-style-type: none"> <li>Received during the year?</li> <li>Remain pending at the end of the year?</li> </ol> <p>4. How many consumer complaints in respect of advertising were:</p> <ol style="list-style-type: none"> <li>Received during the year?</li> <li>Remain pending at the end of the year?</li> </ol>	<p>1. Provide details of corrective actions taken, if any, on adverse impacts of goods and services of your business? Were details of the above corrective actions communicated in the public domain?</p> <p>2. Provide a list of national / international product labels / certifications being used by the business?</p> <p>3. Provide a list of channels / platforms where information on goods and services of the business can be accessed.</p> <p>4. Describe (not more than 50 words) the steps taken to inform and educate vulnerable and marginalised consumers about safe and responsible usage of products.</p> <p>5. In case of any complaints received in respect of data privacy and advertising, indicate in 50 words what corrective actions were taken to ensure that these do not get repeated?</p>

5. How many consumer complaints in respect of delivery of essential services were: a. Received during the year? b. Remain pending at the end of the year?	6. Describe (not more than 50 words) the processes in place to inform consumers of any risk of disruption/discontinuation of essential services.
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Signature of the designated official responsible for this report.

Sd/-

Name:

Designation:

Address:

Telephone Number:

Email id:

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## Annexure A: Business Case Matrix

The Business Case Matrix (BCM) is designed as a tool to map the business benefits of integrating these Guidelines. The BCM here highlights some significant benefits which may accrue to businesses from integrating the Principles from these Guidelines. This is not exhaustive and it is critical for each business to assess the benefits in their respective contexts.

Principle	Revenue growth and market access	Cost savings and productivity	Access to capital	Risk management/ license to operate	Human capital	Brand value/ reputation
1. <b>Integrity, Ethics, transparency, accountability</b>	New customers; Business partner of choice		Good governance practices are attractive to investors, banks, financial markets	Positively seen by communities, NGOs, local governments, regulators	Attract and retain quality employees	Positively seen by customers, regulators, media
2. <b>Safe and sustainable goods and services</b>	New customers; Customer loyalty	Efficiency gains in supply chain and production	Lower risk perception is attractive to investors and lenders	Reduced risk of action from regulators and consumer activists	Attract and retain quality employees	Enhanced brand value
3. <b>Well-being of employees</b>		Increased productivity; high morale; reduced absenteeism		Improved labour relations leading to less disruptions	Attract and retain quality employees	Employer of choice
4. <b>Respect and responsiveness to all stakeholders</b>	New customers; Customer loyalty	Efficiency gains across procurement, production distribution, after-sales	Good governance practices are attractive to investors and banks	Positively seen by stakeholders communities, NGOs, governments, regulators	Attract and retain quality employees	Positively seen by customers, regulators, media

Principle	Revenue growth and market access	Cost savings and productivity	Access to capital	Risk management/ license to operate	Human capital	Brand value/ reputation
<b>5. Respect and promote Human rights</b>	Access to international capital and developed country markets	Enhanced productivity	Good governance practices are attractive to investors, banks, financial markets	Positively seen by communities and NGOs; Lower risk of non-compliance	Attract and retain quality employees	Positively seen by customers, regulators, media
<b>6. Respect, protect and restore the Environment</b>	Business partner of choice, especially for sustainability oriented buyers	Lower operating costs in the long term; less danger of “externalities” emerging as liabilities.	Lower risk perception is attractive to investors, banks, financial markets	Positively seen by communities, NGOs, governments, regulators; Lower risk of non-compliance	Attract and retain quality employees	Positively seen by customers, regulators, media
<b>7. Responsible and transparent policy advocacy</b>				Positively seen by governments, regulators, NGOs		Positively seen by customers, regulators, media
<b>8. Promote inclusive growth and equitable development</b>	Potential for market expansion and acquisition of new customers	Lower costs of ensuring business continuity	Lower risk perception is attractive to investors and lenders	Enhanced governmental support to initiatives; improved relations with communities	Potential source of trained employees	Positively seen by customers, regulators, media
<b>9. Provide value to consumer responsibly</b>	New customers; Customer loyalty		Growth prospects attractive to investors	Lower risk of consumer action	Talent will be drawn towards growing firm	Customers perceive brand and firm favourably

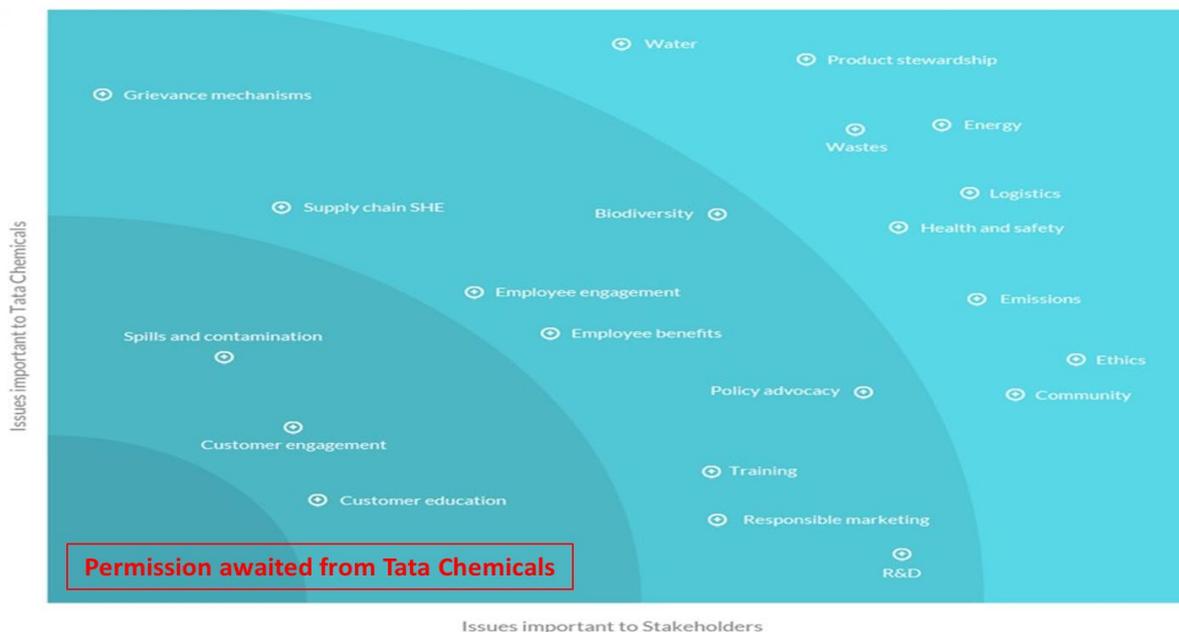
## Annexure B: Note on Materiality

It is becoming increasingly apparent, and many corporate leaders recognise this, that long-term success depends upon how a business understands and manages its interactions with society and the environment. And an essential ingredient to doing this successfully is how well the business is governed. Businesses refer to this as Sustainability while investors prefer to call this ESG (Environmental, social and Governance).

A **Sustainability Issue** is an environment or social issue that impacts or is impacted by the business. Identifying these sustainability issues is critical for business success as it essentially provides a systematic basis for determining the risks and opportunities for a business arising out of sustainability factors. There are a number of ways of identifying these sustainability issues, ranging for building them up from a basic understanding of the business, analysing what peers are tracking, asking stakeholders to published sources.

Experience suggests that there may be anywhere from 30 to 50 Sustainability Issues relevant to a business. Clearly, not all of them can be equally important to a business, neither is it feasible for a business to address so many of them thoroughly. There is, therefore, a need to prioritise; to arrive at what are the most critical or *material* issues. This process of prioritisation is called **Materiality**.

The most widely used tool to determine Material Sustainability Issues is a Materiality Map, This map attempts to map each Sustainability Issue along 2 dimensions – what are stakeholder expectations



and how important it is to business success. An illustrative map is given below:

As can be seen, issues that appear in the top right hand corner are obviously high priority both from the stakeholder and business impact point of view and are hence most material. The reverse is true of those in the bottom left corner. The leadership and Governance Structure of the business would analyse such a Materiality Map and determine which Sustainability Issues the business should focus on.

## Annexure C: Suggested Description and Explanation of Terms

Some of the key terms used in this document are described here. It may be noted that these descriptions are intended to be indicative. These have been selected based on a scan of Indian and international definitions and their applicability to the context of these Guidelines.

**Accountable:** Being responsible for their actions and willing to explain them to others if so required.

*Adapted from IS 16001:2007*

**Collective Bargaining:** Negotiating between the employees organization and employer's organization / Management in good faith with a view to agree on terms and conditions of work and / or settlement of disputes and grievances of employees represented by a representative body of employees

*Adapted from Indian Trade Union Act 1926*

**Complicity:** Refers to involvement of the business in violations of any of the Principles and Core Elements by third parties connected with its operations. It is generally made up of the following,

- An action or omission (failure to act) by a business, or individual representing a business, that 'helps' (facilitates, legitimises, assists, encourages et al.) another, in some way, to perpetrate a violation;
- The business was or should have been aware that its action or omission could provide such help;
- Complicity may be direct, beneficial or silent.

*Adapted from the United Nations High Commissioner for Human Rights; e-learning module*

**Consumer:** A person or business that buys products or services for personal use, resale or use in production and manufacture. It also includes the user of the product or service other than the buyer.

*Adapted from [www.investorword.com](http://www.investorword.com)*

**Disclosure:** Practice of measuring, reporting and being accountable to internal and external stakeholders so as to provide a balanced and reasonable representation of performance.

*Adapted from GRI G3 Guidelines*

**Employee:** A person employed, directly or by or through any agency (including a contractor), whether for remuneration or not, for carrying out activities of the organization or any part thereof, incidental to or connected with those activities, in pursuance of the organization's stated objectives.

*Adapted from IS 16001:2007*

**Equity:** An approach which recognizes the need, plans and delivers a fair and equivalent opportunity across stakeholders to engage gainfully from their interactions with the business.

**Ethical:** Individual or collective behaviour that is in accordance with accepted written and / or unwritten codes of principles and values that govern decisions, actions and conduct within a business in the context of a particular situation and is consistent with accepted norms of behaviour.

*Adapted from Final Draft ISO 26000 and [http://business.lovetoknow.com/wiki/A\\_Definition\\_for\\_Business\\_Ethics](http://business.lovetoknow.com/wiki/A_Definition_for_Business_Ethics)*

**Fair Living wages:** A wage sufficient for a family to meet its basic needs and which provides some ability to deal with emergencies.

**Freedom of Association:** Workers and employers, without distinction whatsoever, have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization.

*Adapted from Final Draft; ISO 26000*

**Governance:** Relates to "how" an organization makes decisions, how it operates to achieve its objectives and how stakeholders have their say in the processes.

*Adapted from [http://www.pqaframework.org/pqaframework\\_pqadiagnostic.asp](http://www.pqaframework.org/pqaframework_pqadiagnostic.asp)*

**Governance Structure:** The formalized individual or group of individuals charged with the ultimate responsibility of oversight of a business. This would refer to the equivalent of the Board for companies, the partners for partnership firms and the owner of the business for sole proprietorships.

**Grievance Redressal Mechanism:** Mechanism for any stakeholder individually or collectively to raise and resolve reasonable concerns affecting them without impeding access to other judicial or administrative remedies. The mechanism should be:

- Clear, transparent and have independent governance structures.
- Accessible
- Predictable
- Equitable
- Based on dialogue and mediation

*Adapted from Final Draft ISO 26000 and [www.epaw.co.uk/csr/grievance.html](http://www.epaw.co.uk/csr/grievance.html)*

**Harassment:** Wide range of offensive behaviour that is unwanted by the recipient and which the perpetrator knows or ought to know is threatening or disturbing.

**Intellectual Property:** refers to creations of the mind, such as inventions, literary, musical and artistic works, and symbols, names, images, and designs used in commerce, for which the IP owners are granted certain exclusive rights under the corresponding national IP laws. Common types of IP include patents (inventions), copyrights, trademarks, industrial designs, software, geographic indications and trade secrets, etc.

*Adapted from World Intellectual Property Organisation*

**Participation of workers:** Situation where workers are involved in some way with decision-making in a business organization. Worker participation can take many forms. There might be a consultative council in the company where trade unions and management meet regularly to discuss points of mutual interest. Workers can be organized in quality circles and meet regularly in small groups to discuss ways in which their work could be better organized.

*Adapted from <http://www.talktalk.co.uk/reference/encyclopaedia/hutchinson/m0038239.html>*

**Product:** Any good and / or service produced for introduction to trade or commerce, possessing intrinsic value and capable of delivery to a consumer in tangible form, intangible form or a combination thereof.

*Adapted from [www.businessdictionary.com](http://www.businessdictionary.com) and The Consumer Protection Bill 2015*

**Product Life Cycle:** This refers to all the stages of a product from extraction or acquisition of raw materials through manufacturing and processing, distribution and transportation, use and reuse, recycling and disposal. In the case of services, it refers to all activities and processes from the design to delivery.

*Adapted from World Business Council for Sustainable Development*

**Stakeholder:** Individual or group concerned or interested with or impacted by the activities of the businesses and vice-versa, now or in the future.

*Adapted from IS 16001:2007*

**Sustainability:** The outcome achieved by balancing the social, environmental and economic impacts of business. It is the process that ensures that business goals are pursued without compromising any of the three elements.

**Sustainable:** Being aligned with the tenet of meeting the needs of the present without compromising the ability of future generations to meet their own needs.

*Adapted from Our Common Future, the report of the World Commission on Environment and Development*

**Traditional Knowledge:** This refers to any indigenous technical, ecological, scientific, medical or cultural knowledge which is not necessarily documented but is in use by or generally known to communities. Typical examples include antiseptic properties of neem, turmeric, etc.

*Adapted from www.legalserviceindia.com*

**Transparent:** Being open about decisions and activities that affect society, the environment and the economy and the willingness of businesses to communicate information in clear, accurate, honest timely and complete manner.

**Value Chain:** Refers to both the supply chain as well as the value created by the distributed channel for end use customers.

*Adapted from "Unchaining Value" Published by Sustainability*

**Vulnerable and Marginalised Groups:** Group of individuals who are unable to realize their rights or enjoy opportunities due to adverse physical, mental, social, economic, cultural, political, geographic or health circumstances. These groups in India can be identified on the basis, inter alia, of the following,

- Gender (women, girls et al)
- Age (children, elderly et al)
- Descent / Identity (caste, religion, tribals, dalits et al)
- Occupation (displaced, landless small / marginal farmers, migrants workers et al)
- Persons with Disability

**Work Place:** Place(s) where activities of the organization are carried out in pursuance of its stated objectives.

*Adapted from IS 16001:2007*

**Work-life balance:** Broad concept including proper balancing "work" (career and ambition) on one hand and "life" (pleasure, leisure, family and spiritual development) on the other. Related, though broader, terms include "lifestyle balance" and "life balance".

*Adapted from [http://en.wikipedia.org/wiki/Work%E2%80%93life\\_balance](http://en.wikipedia.org/wiki/Work%E2%80%93life_balance)*

## Annexure D: Resources

### Domestic Resources

1. Constitution of India  
(<https://india.gov.in/my-government/constitution-india/constitution-india-full-text>)
2. Guidelines on Corporate Governance for Central Public Sector Enterprises  
*Issued by the Ministry of Heavy Industries and Public Enterprises in May 2010*  
([http://dpe.nic.in/sites/upload\\_files/dpe/files/gcgcpsse10.pdf](http://dpe.nic.in/sites/upload_files/dpe/files/gcgcpsse10.pdf))
3. National Action Plan on Climate Change  
*NAPCC, under the Prime Ministers Council on Climate Change, brings together the existing national plans on water, renewable energy, agriculture and others into a set of eight missions.*  
([http://www.moef.nic.in/sites/default/files/Pg01-52\\_2.pdf](http://www.moef.nic.in/sites/default/files/Pg01-52_2.pdf))
4. India's Intended Nationally Determined Contribution  
*Intended contribution of India towards the international climate agreement signed at the UNFCCC Conference of the Parties (COP21) in Paris in December 2015.*  
(<http://www4.unfccc.int/submissions/INDC/Published%20Documents/India/1/INDIA%20INDC%20TO%20UNFCCC.pdf>)
5. The Companies Act 2013  
*Base regulation for incorporation of a company in India including responsibilities of the Board and section 135 on corporate social responsibility mandated for companies.*  
([www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf](http://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf))
6. The Micro, Small and Medium Enterprises Development Act 2006  
*Base regulation for promotion and development of MSMEs in India.*  
(<http://msme.gov.in/WriteReadData/DocumentFile/MSMED2006.pdf>)
7. IS 16010: Guidance on Good Governance by Bureau of Indian Standards  
*Standard specifies principles and governance structures for a value based management approach.*  
(<http://www.standardsbis.in/Gemini/home/Home.action>)
8. Affirmative Action for Scheduled Castes & Scheduled Tribes: A CII-ASSOCHAM Action Plan  
*Proposed concrete steps by Indian industry on affirmative action.*  
(<http://www.cii.in/PolicyAdvocacyDetails.aspx?enc=IFXLRvnZcDACwloqWArEXIcvuANvzgDxEESJWHB7rz5wGOZZgeDEwFRE76IKC5mfH1eO+UwMGUryNJwTMQk1Bg>)
9. Indian Companies with Solutions that the World Needs: Sustainability as a Driver for Innovation and Profit - WWF & CII-ITC CESD  
*Report focusing on climate change and how businesses develop strategic responses.*  
([http://sustainabledevelopment.in/uploads/pdf/1445612272Indian\\_Companies\\_With\\_Solutions\\_That\\_the\\_World\\_Needs.pdf](http://sustainabledevelopment.in/uploads/pdf/1445612272Indian_Companies_With_Solutions_That_the_World_Needs.pdf))
10. A Guidebook for Biodiversity Management – IBBI and CII-ITC CESD  
*Insights on biodiversity and its links with businesses across seven major sectors.*  
(<http://www.sustainabledevelopment.in/uploads/pdf/1469421072IBBI%20BOOKLET%20FOR%20WEB.pdf>)
11. Corporate Governance in India @ 2016: Where Do We Stand - FICCI  
*A report on the state of corporate governance in India post introduction of Companies Act, 2013*  
(<http://ficci.in/spdocument/20739/Corporate-Governance-report-2016.pdf>)
12. Inclusiveness and Accessibility Index - FICCI  
*A Toolkit to promote Inclusiveness of Persons with Disabilities.*  
(<http://ficci.in/publication-page.asp?spid=20718>)
13. Scaling Up Sustainable Development Of MSME Clusters In India: Learning Document  
([https://www.globalreporting.org/SiteCollectionDocuments/LearningDocument\\_SAI.pdf](https://www.globalreporting.org/SiteCollectionDocuments/LearningDocument_SAI.pdf))
14. Stakeholder Engagement: Good Practice Handbook - IFC

*Overview of good practice in stakeholder engagement, with a focus on groups that are "external" to the core operation of the business.*

[http://www.ifc.org/wps/wcm/connect/938f1a0048855805beacfe6a6515bb18/IFC\\_StakeholderEngagement.pdf?MOD=AJPERES](http://www.ifc.org/wps/wcm/connect/938f1a0048855805beacfe6a6515bb18/IFC_StakeholderEngagement.pdf?MOD=AJPERES)

## 15. Aggregate Reports – Samples from Ajmer and Punjab clusters

<http://database.globalreporting.org/reports/view/35253> | <http://database.globalreporting.org/reports/view/35252>

## International Resources

### 16. Corporate Responsibility: Private Initiatives and Public Goals by OECD

*Analysis of the results of an OECD fact-finding project on business approaches to corporate responsibility*

<https://www.oecd.org/daf/inv/corporateresponsibility/35315900.pdf>

### 17. Final Draft ISO 26000: International Standard

*Guidance on how businesses and organizations can operate in a socially responsible way.*

<http://www.iso.org/iso/home/standards/iso26000.htm>

### 18. Global Reporting Initiative (GRI) G4 Guidelines

*Guidance for businesses to prepare and publish sustainability reports as per the GRI G4 framework.*

<https://www.globalreporting.org/standards/g4/Pages/default.aspx>

### 19. International Integrated Reporting Council (IIRC) Guidelines

*Guidance for businesses to prepare and publish an Integrated Report as per the IIRC framework.*

<http://integratedreporting.org/wp-content/uploads/2013/12/13-12-08-THE-INTERNATIONAL-IR-FRAMEWORK-2-1.pdf>

### 20. UN Sustainable Development Goals

*17 goals with 169 targets adopted by the UN as part of its sustainable development agenda and replacing the erstwhile Millennium Development Goals.*

<http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

### 21. Forging a path for business in the UN 2030 development agenda

*Resources for businesses to map their initiatives within the UN 2030 development agenda including the SDGs.*

<http://www.businessfor2030.org/>

### 22. International Covenants on Civil & Political Rights and Economic, Social & Cultural Rights

*Multilateral treaty adopted by the UN, committing its parties to work toward the granting of economic, social, and cultural rights.*

<http://www.ohchr.org/EN/ProfessionalInterest/Pages/CESCR.aspx>

### 23. Social Capital Protocol - WBCSD

*A collation of tools for businesses to measure and value their interactions with people and society.*

<http://www.wbcsd.org/SocialCapital.aspx>

### 24. Natural Capital Protocol and Sector Guides - Natural Capital Protocol

*Draft framework to help inform and support business decisions by including their impact on natural environment.*

<http://naturalcapitalcoalition.org/protocol/development/>

### 25. Public Sector Roles in Strengthening Corporate Social Responsibility - World Bank

*Report on roles that public sector agencies have played in providing an enabling environment for CSR.*

[http://siteresources.worldbank.org/INTPSD/Resources/CSR/Taking\\_Stock.pdf](http://siteresources.worldbank.org/INTPSD/Resources/CSR/Taking_Stock.pdf)

### 26. Strengthening Implementation of Corporate Social Responsibility in Supply Chains – IFC

*A World Bank commissioned study on barriers to the achievement of better sustainability performance in suppliers*

[http://siteresources.worldbank.org/INTPSD/Resources/CSR/Strengthening\\_Implementatio.pdf](http://siteresources.worldbank.org/INTPSD/Resources/CSR/Strengthening_Implementatio.pdf)

### 27. Towards Responsible Lobbying: Leadership and Public Policy - Accountability and UNGC

*A study to understand how organizations influence goals of sustainable development through lobbying processes*

[https://www.unglobalcompact.org/docs/news\\_events/8.1/rl\\_final.pdf](https://www.unglobalcompact.org/docs/news_events/8.1/rl_final.pdf)

### 28. Universal Declaration of Human Rights

*Adopted by the UN General Assembly as a common standard of achievement for all peoples and all nations.*

[\(http://www.un.org/en/universal-declaration-human-rights/\)](http://www.un.org/en/universal-declaration-human-rights/)

## 29. Developing Value” by Sustainability and IFC

*Report on identifying opportunities to increase profits by making progress on sustainability.*

[http://www.ifc.org/wps/wcm/connect/84a59480488559ca842cd66a6515bb18/Developing\\_Value\\_full.pdf?MOD=AJPERES](http://www.ifc.org/wps/wcm/connect/84a59480488559ca842cd66a6515bb18/Developing_Value_full.pdf?MOD=AJPERES)

## 30. Beyond Supply Chains Empowering Responsible Value Chains - World Economic Forum

*Report on the case for and issues within sustainable supply chains of businesses*

[http://www3.weforum.org/docs/WEFUSA\\_BeyondSupplyChains\\_Report2015.pdf](http://www3.weforum.org/docs/WEFUSA_BeyondSupplyChains_Report2015.pdf)

## Annexure E: Indian Laws & Principles (Indicative)

This annexure is only an indicative/suggestive mapping of each of the Principles against laws enacted in India.

<i>Principles</i> (briefs) <i>List of Laws</i> (indicative) <sup>1</sup>	<i>Principle 1</i> Integrity, Ethics, Transparency & Accountability	<i>Principle 2</i> Safe and Sustainable goods & services	<i>Principle 3</i> Well – being of Employees	<i>Principle 4</i> Respect for and responsiveness to all stakeholders	<i>Principle 5</i> Respect and Promote Human Rights	<i>Principle 6</i> Respect, protect and restore the Environment	<i>Principle 7</i> Responsible and transparent policy advocacy	<i>Principle 8</i> Promote inclusive growth and equitable development	<i>Principle 9</i> Provide value to consumer responsibly
Factories Act, 1948	✓		✓		✓		✓		
Companies Act, 2013	✓			✓			✓	✓	
Bureau of Indian Standards Act, 2016		✓					✓		✓
Prevention of Corruption Act, 1988	✓			✓			✓		
Trade Marks Act, 1999		✓					✓		✓
Patents Act, 1970							✓	✓	
Designs Act, 2000		✓					✓		✓
Competition Act, 2002	✓						✓	✓	✓
Prevention of Money Laundering Act, 2002	✓								
Right to Information Act, 2005	✓		✓	✓			✓		
Micro, Small and Medium Enterprises Development Act, 2006								✓	
The Lokpal and Lokayuktas Act, 2013	✓								
Industrial Disputes Act, 1947	✓		✓		✓		✓		
Trade Union' Act, 1956			✓	✓	✓		✓		
Plantations Labour Act, 1951			✓	✓	✓				

<b><i>Principles</i></b> (briefs) <b><i>List of Laws</i></b> (indicative) <sup>1</sup>	<b><i>Principle 1</i></b> Integrity, Ethics, Transparency & Accountability	<b><i>Principle 2</i></b> Safe and Sustainable goods & services	<b><i>Principle 3</i></b> Well – being of Employees	<b><i>Principle 4</i></b> Respect for and responsiveness to all stakeholders	<b><i>Principle 5</i></b> Respect and Promote Human Rights	<b><i>Principle 6</i></b> Respect, protect and restore the Environment	<b><i>Principle 7</i></b> Responsible and transparent policy advocacy	<b><i>Principle 8</i></b> Promote inclusive growth and equitable development	<b><i>Principle 9</i></b> Provide value to consumer responsibly
Equal Remuneration Act, 1976	✓		✓		✓				
Consumer Protection Act, 1986		✓	✓					✓	
National Commission for Backward Classes Act, 1993			✓		✓			✓	
Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995	✓		✓		✓		✓	✓	
Juvenile Justice (Care and Protection of Children) Act, 2000			✓		✓		✓	✓	
National Commission for Minority Educational Institutions Act, 2004							✓	✓	
Commissions for Protection of Child Rights Act, 2005			✓		✓		✓		
National Rural Employment Guarantee Act, 2005							✓	✓	
Protection of Women from Domestic Violence Act, 2005					✓		✓		
The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006				✓	✓		✓	✓	
Protection of Human Rights (Amendment) Act, 2006			✓		✓		✓		
Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013	✓	✓		✓	✓	✓	✓	✓	
The Scheduled Castes And The Scheduled Tribes (Prevention Of Atrocities) Act 1989				✓	✓				

<b>Principles (briefs)</b> <b>List of Laws (indicative)<sup>1</sup></b>	<b>Principle 1</b> Integrity, Ethics, Transparency & Accountability	<b>Principle 2</b> Safe and Sustainable goods & services	<b>Principle 3</b> Well – being of Employees	<b>Principle 4</b> Respect for and responsiveness to all stakeholders	<b>Principle 5</b> Respect and Promote Human Rights	<b>Principle 6</b> Respect, protect and restore the Environment	<b>Principle 7</b> Responsible and transparent policy advocacy	<b>Principle 8</b> Promote inclusive growth and equitable development	<b>Principle 9</b> Provide value to consumer responsibly
The Protection Of Women Against Sexual Harassment At Work Place Bill, 2010	✓			✓					
Environment (Protection) Act, 1986	✓	✓		✓		✓	✓		
Public Liability Insurance Act, 1991	✓		✓			✓		✓	✓
Biological Diversity Act 2002						✓		✓	
Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016		✓				✓			✓
E-waste (Management), Rules, 2016		✓				✓			✓
Laws in 'Section A' * (Labour Laws)			✓		✓		✓		
Laws in 'Section B' ** (Environmental Laws)		✓				✓	✓		✓
Laws in 'Section C' *** (Economic/Finance Laws)							✓	✓	

<b>* 'Section A'</b>	<b>**'Section B'</b>
Workmen's Compensation Act, 1923	Wildlife Protection Act, 1972
Children (Pledging of Labour) Act, 1933	Water (Prevention and Control of Pollution) Act , 1974
Payment of Wages Act, 1936	Water (Prevention and Control of Pollution) Cess Act, 1977
Industrial Employment (Standing Orders) Act, 1946	Air (Prevention and Control of Pollution) Act, 1981
Employees State Insurance Act, 1948	Forest (Conservation) Act, 1980 – Amendments in 1988
Minimum Wages Act, 1948	National Environment Tribunal Act, 1995
Employees Provident Fund and Miscellaneous Provisions Act, 1952	National Environmental Appellate Authority Act, 1997
Maternity Benefits Act, 1961	Energy Conservation Act, 2001

Payment of Bonus Act, 1965	Coastal Aquaculture Authority Act, 2005
Contract Labour (Regulation & Abolition) Act, 1970	Special Economic Zones Act, 2005
Payment of Gratuity Act, 1972	
Bonded Labour System (Abolition) Act, 1976	
Inter- State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979	
Child Labour (Prohibition & Regulation) Act, 1986	
Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996	
Vishaka v. State of Rajasthan, (1997) 6 SCC 241	
<b>*** 'Section C'</b>	
Essential Commodities Act, 1955	
Union Duties of Excise (Distribution) Act, 1979	
Central Excise Tariff Act, 1985	
Customs (Amendment) Act, 1985	
Taxation Laws (Amendment and Miscellaneous Provisions) Act, 1986	
Direct Tax Laws (Amendment) Act, 1988	
Foreign Trade (Development and Regulation) Act, 1992	
Securities and Exchange Board of India Act, 1992	
Customs and Central Excise Laws (Repeal) Act, 2004	
National Tax Tribunal Act, 2005	

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