

Making Growth Inclusive

Analysing Inclusive Policies, Disclosures and
Mechanisms of Top 100 Companies

Disclosure Matters Series: Part III

October 2015

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Foreword

The 'Make in India' mantra appears incontestable and unarguable from an Indian point of view. The nation's huge population of young people, a large section of who are educationally deprived, needs jobs. And millions of them. Without these opportunities, the well-worn promise of a demographic dividend looks like a distant dream. But there are doubts as to the conditions under which labour will be employed; how the economic rewards of the work will be distributed; and what the wider social impacts will be.

Corporate Responsibility Watch's attempt to inject life into the notion of business responsibility could hardly be more timely. In India, the competing concerns of people, planet and profit have been harmonised effectively in the National Voluntary Guidelines (NVGs) – a landmark document representing different interest groups. But since 2013, with the advent of the Companies Act, another narrative has taken hold, prioritising philanthropy above other expressions of responsible business.

India's continued poor performance in the Ease of Doing Business rankings has led to efforts to improve the situation, with the government aiming to make it into the top 50 at the earliest, and the top 100 by the time of the next ranking. But, as well performing states in India clearly illustrate, a relatively business friendly environment can coexist with failing public health and education systems. For these intractable problems, conventional corporate social responsibility might be a remedy, if not a solution. But these are not all. There are other pressing social concerns which India Inc. has a central role in addressing.

The area of labour and human rights is one such area, especially in the light of recent amendments to labour laws that effectively sanction certain forms of child labour, and the removal of safeguards to ensure decent work for Indian citizens. Companies, responsible for workforces that extend beyond offices and factories and into supply chains, should take careful stock of the nature of their engagement with people across multiple spaces, and the wider impacts. In this context, a renewed debate on business responsibility, as articulated in the NVGs, is an urgent requirement.

By providing tools to analyse companies' discourses around these and other matters of social concern, the India Responsible Business Index represents an important contribution to this debate. The Index is an outcome of a collaborative partnership between Corporate Responsibility Watch, Oxfam India, Change Alliance, Praxis Institute for Participatory Practices and Partners In Change. It invites at least two kinds of action from our corporate partners. One – to use this Index to assess where they stand in terms of the parameters given here and two – to create, where they are not yet developed, policies which align with the NVGs, putting responsibility at the heart of business.

Tom Thomas
Convenor,
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List of Acronyms

ASH:	Anti-Sexual Harassment
BR:	Business Responsibility
BRICS:	Brazil, Russia, India, China and South Africa
BRR:	Business Responsibility Report
BRR:	Business Responsibility Reporting
BSE:	Bombay Stock Exchange
CAG:	Comptroller and Auditor General
CPSU:	Central Public Sector Undertaking
CRB:	Centre for Responsible Business
CRW:	Corporate Responsibility Watch
CSR:	Corporate Social Responsibility
ESI:	Employee State Insurance
FPIC:	Free, Prior and Informed Consent
GDP:	Gross Domestic Product
IICA:	Indian Institute of Corporate Affairs
IHDR:	India Human Development Report
IMF:	International Monetary Fund
IRBI:	India Responsible Business Index
MCA:	Ministry of Corporate Affairs
MNC:	Multinational Companies
MSME:	Micro, Small and Medium Enterprises
NGO:	Non-Government Organisation
NSE:	National Stock Exchange
NVG:	National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business
PPP:	Purchasing Power Parity
PSU:	Public Sector Undertaking
SD:	Sustainable Development
SEBI:	Securities and Exchange Board of India
UN:	United Nations

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TABLE OF CONTENTS

Foreword	3
List of Abbreviations	4
Acknowledgements	5
Executive Summary	9
1. Introduction	14
1.1 Setting the scene	14
1.2 Catalysing business responsibility	18
1.3 India Responsible Business Index	20
2. Designing the India Responsible Business Index	24
2.1 Sample	24
2.2 Data collection tool	24
2.3 Source of information	25
2.4 What the Index measures and what it doesn't	25
2.5 Key steps	26
2.6 Limitations	26
2.7 Design principles	26
3. Findings	30
3.1 Non-discrimination in the workplace	30
3.2 Respecting employee dignity and human rights (employee wellbeing)	33
3.3 Community development	39
3.4 Inclusiveness in supply chain	44
3.5 Community as business stakeholders	48
3.6 Overall trends	53
4. Conclusion	58
Annexure 1: List of companies and sectors	61
Annexure 2: Note on sector categorisation of companies	65
Annexure 3: Analysis framework	67
Annexure 4: Question schedule	73
Annexure 5: Scores of top 100 companies	83
Annexure 6: Company ranks for the five elements	90
Annexure 7: A quick guide to the India Responsible Business Index	95
Appendix 1: The power of inclusion	97
Appendix 2: Stakeholders vs shareholders	100
Appendix 3: India Inc's policies for supply chain not robust	104
Appendix 4: Company policies focus more on health and safety of employees	107
Appendix 5: Policy focus is on women	110

List of Tables

Table 1.1(a): Contracts and contradictions	14
Table 3.1(a): Recognition on non-discriminatory recruitment to services and board level appointments in companies (n=99)	31
Table 3.1(b): Identification of specific groups vulnerable to discrimination at recruitment and career advancement, in policy (n=99)	31
Table 3.1(c): Identification of specific provisions that facilitate diversity in the workplace (n=99)	31
Table 3.1(d): Number of companies that disclosed disaggregated data on social categories in their Board and workforce (n=99)	33
Table 3.1(e): Top ten companies in non-discrimination in the workplace	34
Table 3.2(a): Recognition of basic rights that help realise the principle of employee wellbeing (n=99)	36
Table 3.2(b): Recognition and related knowledge systems that support the creation of an enabling environment for better working conditions	37
Table 3.2(c): Number of companies disclosing data on safety trainings	39
Table 3.2(d): Top ten companies in employee wellbeing	39
Table 3.3(a): Recognition and presence of knowledge systems that enable inclusive community development initiatives (n=99)	41
Table 3.3(b): Top ten companies in community development	43
Table 3.4(a): Recognition of key aspects that contribute to an inclusiveness in supply chain (n=99)	46
Table 3.4(b): Recognition and related knowledge systems that contribute to developing and strengthening of a responsible supply chain (n=99)	46
Table 3.4(c): Top ten companies in inclusive supply chain	47
Table 3.5(a): Recognition of the need to assess business impact on communities and means to minimise the negative impacts (n=99)	49
Table 3.5(b): Recognition and knowledge systems that promote companies to be sensitive to local concerns, culture and environment; and engage with communities (n=99)	50
Table 3.5(c): Number of companies that disclose data on impacts of their business operations on local communities (n=99)	50
Table 3.5(d): Top ten companies in community as business stakeholders	52
Table 3.6(a): Distribution of companies as per bands across the five elements	53
Table 3.6(b): Companies, by sector, scoring more than 0.5 across elements	54

List of Figures

Figure 1.2(a): Pathway to responsible business and corporate citizenship	19
Figure 1.2(b): Companies providing online links for policies as per different NVG principles as part of BRRs 2012-13 and 2014 (n=100)	20
Figure 1.3(b): Elements included in the Index	22
Figure 2.1(a): Sectors represented in BSE top 100 companies	24
Figure 2.5(a): Steps in evolving the Index	27
Figure 3.1(a): Distribution of companies (n=99) as per scores (0 to 1) for non-discrimination at the workplace	33
Figure 3.2(a): Distribution of companies (n=99) as per scores (0 to 1) of employee well-being	38
Figure 3.3(a): Number of companies that have Corporate Social Responsibility policies (n=99)	41
Figure 3.3(b): Distribution of companies (n=99) as per scores (0 to 1) of community development	43
Figure 3.4(a): Distribution of companies (n=99) as per scores (0 to 1) on inclusive supply chain	47
Figure 3.5(a): Distribution of companies (n=99) as per scores (0 to 1) on community as business stakeholders	52

Executive Summary

The contrasting stories of extraordinary wealth accumulation and deep-set, far-reaching poverty provide the perspectives needed to locate the role of business in development. The scope and impact of businesses on larger society is widening and there is a growing recognition that business has a responsibility not just to their shareholders but also to other groups such as customers, suppliers and communities. Globally and nationally, there have been calls for businesses to step up to the challenge of social responsibility. In 2011, corporate, state and civil society interests in India had come together to form a consensus as to the contribution the private sector should make. They produced the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business (NVGs), a framework for understanding and guiding business responsibility across multiple geographies.

Disclosure lies at the core of successful realisation of the NVGs. Enshrined in the 2012 mandate from Securities and Exchange Board of India (SEBI), the top 100 listed companies were expected to report their progress towards a range of NVG principles. Since its inception in 2013 as a civil society forum, Corporate Responsibility Watch (CRW) has also held business disclosure as axiomatic. This report is the third major effort to encourage the practice towards a more transparent and socially responsible society.

The prior attempts were to develop a disclosure index to create a standardised yardstick for ascertaining the level of disclosures by top 100 listed companies in their respective Business Responsibility Reports (BRR). One of the important components in the first phase was to analyse the company's disclosure on its commitment to engage, sustain and strengthen its engagement with various stakeholders such as workforce and community. The BRR format required companies to report on aspects of policy commitment; mechanisms in place to address the issue of discrimination against marginalised and vulnerable groups at the workplace and across the supply chain; and includes mandated disclosure on how the companies are directly engaging with community in interventions that directly impact their lives. Needless to say, the NVGs highlight the companies' proactiveness in forging partnerships with multiple stakeholders through a participatory and inclusive dialogue process.

Going a step further, CRW analysed the policies, which companies had put in the public domain in adherence to NVG principles, based on a key question on disclosure within the BRR format. It asks "whether the company discloses policies related to each principle of NVGs on their website". Most companies have responded to this question in the affirmative. The companies' responses, which conveys their eagerness to be transparent about their policies, has led to developing this India Responsible Business Index (IRBI) in order to effectively measure and monitor compliance and to look deeper into specific areas of interest. The index aims to encourage companies to disclose more information and to make policies on those issues that respect the intent of the NVGs.

Among the various policy concerns of the NVGs, the current version of the index has focused on inclusion – that is – on people as a bottom line, in recognition of their presence and interests in the multiple contexts in which companies operate: in the workplace, in the supply chain and in local geographies. Thematic organisation of inclusion in the index is across five elements – respecting employee dignity, non-discrimination at the workplace, community development, inclusive supply chain and community as business stakeholder. This has enabled analysis of companies' distinct commitments to these different areas. The main principles that govern the index are that the policy is primary – as a focus on policy brings with it scrutiny of mechanisms and systems that companies report; and that disclosure is the key as these being policies that pertain to the wider public should be in the public domain. The process of designing the data instruments, collecting the data, analysing and processing it, took approximately three months.

Data from Business Responsibility Reports, Annual Reports, Sustainability Reports and Corporate Social Responsibility Reports available in the public domain were used for the purpose of the analysis. While media reports, Comptroller and Auditor General reports and court cases were referred to, they were not used for indexation. The analysis lends itself to detailing of policy recognition (i.e. existence of publicly disclosed policy and related mechanisms on the specific issue) and knowledge systems (i.e. existence of monitoring, assessment and information collection and curation systems). The Index uses self-reported company information, which measures an entity's policy commitment with the NVGs as a benchmark. The information so provided by the companies is assumed to be true and is not externally validated. The index does not in itself measure practice or compliance with policies.

The data across the five elements are analysed and within each element, companies given a score between 0 and 1. These have been presented as four bands of low (scores between 0.00 and 0.25), average (scores between 0.26 and 0.50), above average (scores between 0.51 and 0.75) and high (scores between 0.76 and 1.00).

The findings show that SEBI's 2012 initiative and the subsequent creation of the BRR framework has encouraged many corporates to be diligent about disclosure. All of the surveyed companies have at least some level of disclosure of inclusion-related policies on their websites. Additionally, while several companies already have policies, which reflect the NVG principles and have convergence with their guidelines, some have even been worded as intended in the NVGs.

PSUs emerge as showing stronger policy alignment with NVGs than the private sector companies. Despite comprising less than one third (29) of the top 100 companies, PSUs make up for almost one half of the top 10 positions across the five elements, and are the top companies in 4 of the 5 elements, including community as business stakeholder, non-discrimination, employee wellbeing and community development. However, it is important to note that some of the private companies are consistently on top for many of the elements.

Companies seemed to be relatively highly invested in community development (with the highest score of 0.96), and reasonably committed to employee dignity and certain forms of non-discrimination in the workplace. However, despite the higher scores for community development, the understanding of the concept is found wanting; there is a need to see communities as agents of their own development, not just beneficiaries. Companies appear to find it more of a challenge to ensure a responsible supply chain (with the highest scorer at 0.67) and create spaces for local community members to be stakeholders in business (with the highest scorer at 0.61). It is noteworthy that in the element of community as business stakeholders as many as 94 companies are in the "low" band; not a single company is in the "high" band; only one is in the above average category with a score of 0.61 and the score of the company that is second highest is significantly low at 0.39. Businesses are, on the whole, not yet ready to formulate or disclose policies that make them truly accountable to their local communities. There is a lack of transparency related in particular to the issue of free, prior and informed consent (FPIC), compensations, public hearings, communications of project impacts, displacement and rehabilitation.

A sectoral analysis of scores across elements reveals that the finance sector scores low in elements of community as business stakeholders and inclusive supply chain. One company shared in its response that these elements are not directly applicable to them; but this is a slightly misplaced conception. The NVGs clearly state "Businesses should avoid complicity with the actions of any third party that violates any of the principles contained in these Guidelines", thus making the elements very pertinent for all sectors, including companies that possess the capabilities to finance work that can have a high impact on disadvantaged communities.

Policies that are legal prerequisites have, as expected, higher disclosure, with the only exception being the Anti Sexual Harassment policies. The need for non-discrimination at recruitment is to a large extent commonly accepted, but with respect to mechanisms, it is found wanting. There is mention of gender, caste and disability, but status as sexual minorities (within gender) and of tribe are rarely stated. Companies need to have mechanisms to measure whether they are actually complying with non-discrimination or not; but they appear to have limited processes by which to gather and process such information.

In conclusion, there is much to be encouraged, in terms of the level of company disclosure and the efforts that many companies are making to secure the dignity of people in the different geographies of workspace, supply chain and the wider community. However, there is room for large corporates to play a much more substantial leadership role in ensuring that the drive towards economic growth is accompanied by social progress. All the five elements talk about principles which focus on people, especially the disadvantaged, and many companies are formulating policies for such groups. Many have made progressive provisions, and it is imperative that these are shared in the public domain and made accessible to all who have a stake in business.

1. Introduction

1.1 Setting the scene

Business and development have traditionally been linked with each other but often stood at juxtapositions, with the belief that one succeeds at the cost of the other. Since the 1990s, liberalisation and deregulation have boosted the development of the private sector, making it the forerunner of economic growth. While building a robust economy is important, economic growth has not necessarily translated into improved quality of life, enhanced access to resources and increased capacity to exercise choice, especially for poor and marginalised people. With the growth rate in India having reached 7.5 per cent in 2015 – overtaking

China – attention also needs to be paid to India's performance in human development and other important fields of social progress. India's Human Development Index rank at 135 and Gender Inequity Rank at 127⁵ is the lowest among the BRICS (Brazil, Russia, India, China and South Africa) nations and our expenditure on education and healthcare, considered the bulwarks for sustainable growth, are at 3.1 per cent and 1.2 per cent of GDP respectively, also lower than other BRICS⁶ nations. The contrasting stories of the country's progress, the success of its corporates and continued plight of its poor, is evident from Table 1.1(a) below:

Table 1.1(a): Contracts and contradictions

The Country	The Corporate	The People
Among the top 10 movers in GDP. World's second fastest growing economy.	India's largest business house, Reliance Ind, has a revenue of over \$56.7 billion, equalling 4.7 per cent of India's GDP – cumulative per capita income of 5.7 crore Indians.	Absolute number of poor has not changed in 30 years – remains at 320 million
Consistent economic growth rate of around 8 – 9 per cent	50 million sq. ft. of retail space to be developed in 2 years	Urban and rural poor were better fed 30 years ago
World's 9 th largest economy in terms of GDP and the 3 rd largest when purchasing power parity is considered	132 foreign firms acquired in 2008–09 at \$1.9 billion. Sixth largest investor in the UK	A third of India's adult population is malnourished
World's most irrigated landmass	World's largest cycle, motorcycle producers. 3 rd largest producer of optical media. 2 nd largest producer of alcoholic beverages.	More than half (55.3 per cent) the women aged 15–49 years suffer from anaemia, an increase of three percentage points over the last decade
Supplier of biggest human power to the world: 35 per cent of doctors in the US, 36 per cent of National Aeronautics and Space Administration (NASA) scientists.	More than 100 global companies outsource research and development facilities to India.	Nearly half of India's children under 3 years of age are malnourished, giving it the unwelcome distinction of having the largest number of malnourished children in the world.
India planned to spend \$514 billion on infrastructure development during the 11 th Plan period (2007–2012)	35 per cent of Silicon Valley start-ups are by Indians	The share of public expenditure on healthcare remains consistently low at 1.3 per cent of GDP, lower than sub-Saharan Africa. Spending on education and other public services is also very low by global standards.
Source: IMF 2014, World Bank 2014, IHDR 2011 and various		

⁵ Human Development Reports – <http://hdr.undp.org/en/content/table-4-gender-inequality-index>

⁶ BRICS Joint Statistical Publication 2015, http://www.gks.ru/free_doc/doc_2015/BRICS_ENG.pdf

Keeping the above contradictions in perspective helps acquire a more nuanced understanding of development and policy imperatives. And it is the context of persistent poverty and inequity in particular that mandates pro-poor and pro-equity policies and practices across all areas of Indian society. This means that when businesses grow, they have the responsibility to promote socially inclusive growth.

The Secretary-General's Special Advisor on Post-2015 Development Planning, Amina J. Mohamed, endorsed responsible business at the recent launch of Sustainable Development Goals⁷ for 2015 - 2030, terming the 17 goals "17 opportunities for investment". She recognised the private sector's role in achieving global development objectives, especially those related to food security, climate change, education, health, sanitation and water, gender equality, and renewable sources of energy. As corporate citizens, businesses are expected to frame progressive policies that push them to be socially, environmentally and ethically responsible. Absence of policies could lead to rights violations.

Mechanisms like the World Bank Group's Doing Business Index assesses the government's regulatory framework and the impetus it provides to business in the country. While this could, in theory, help nurture a complementarity of policy, development and growth, the Doing Business Index's frame of reference is not primarily about social and environmental concerns. But with India ranked at 142⁸ in ease of doing business and the ranking falling from previous years, combined with the continued emphasis on growth, the worry is that, in fostering a more pro-business environment

in India, the government might provide greater flexibility in or amend recruitment and termination regulations, environmental clearances, taxes and construction permits. These changes may prove detrimental to local communities, labour market, economy and the environment.

While there is a view that business is likely to be constrained by socially and environmentally responsible development policies, there exists a different school of thinking: that business need not occur at the cost of development. The recognition of the rapid expansion and growth of the private sector need not necessarily contradict an insistence on sustainable and equitable development. Several government and civil society entities in India have ventured into the arena of unpacking and tracking corporate responsibility to ultimately hold this sector accountable to the values of our Constitution.

Widening the scope of corporate social responsibility to business responsibility

The Ministry of Corporate Affairs, Government of India, has sharpened its focus on encouraging businesses to play a proactive role in ensuring sustainable and inclusive growth. Taking cognizance of the fact that a purely philanthropic approach to business responsibility will be no more than a partial solution, the National Voluntary Guidelines for Social, Environmental and Economic Responsibilities of Business (NVEGs) were launched in August 2011. The guidelines are designed to assist the corporate sector in efforts towards inclusive development and help it evolve into a global leader

⁷ United Nation's Sustainable Development Knowledge Platform - <https://sustainabledevelopment.un.org/>

⁸ World Bank Group's Doing Business Rankings - <http://www.doingbusiness.org/rankings>

in truly responsible business. Calling for attention to the fundamental aspects – the 'spirit' – of an enterprise, the NVGs can be used by all businesses irrespective of size, sector or location .

The Guidelines have integrated learnings from various international and national good practices, norms and frameworks and provide a distinctively 'Indian' approach to enable businesses to balance and work through the many unique requirements of our land⁹. It is expected that all businesses in India, including multinational companies (MNCs) that operate in the country, would consciously work towards following them. Having been developed in India, the Guidelines also provide a framework for responsible business action for Indian MNCs planning to invest or already operating in other parts of the world. Businesses are guided on how to achieve progress towards these principles and how to measure themselves and are encouraged to move beyond the recommended minimum provisions articulated in the document. It needs to be emphasised that all principles are equally important and non-divisible – this implies that if a business endeavours to function responsibly, it would have to adopt each of the nine principles in its entirety rather than picking and choosing what might suit them.

While the Ministry of Corporate Affairs launched the guidelines as voluntary, in August 2012, the Securities and Exchange Board of India (SEBI) made disclosure on the nine NVG principles compulsory for the top 100 companies listed on the Bombay Stock Exchange at the end of the previous financial year. To facilitate reporting, SEBI provided an NVG-

based framework called the Business Responsibility Report for integration into existing annual and other reporting practices. They recognised that "at a time and age when enterprises are increasingly seen as critical components of the social system, they are accountable not merely to their shareholders from a revenue and profitability perspective but also to the larger society which is also its stakeholder"¹⁰. It was very significant that SEBI, as a market regulator, effected this move. This should be the first step towards making disclosure mandatory for all listed companies.

Regressing from business responsibility to CSR projects

While the SEBI directive took effect from the fiscal year 2013-14, another move that created quite a stir in corporate circles was the Ministry of Corporate Affairs' addition to the Companies Bill, proposing that companies with a turnover of Rs. 1,000 crore or net profit of Rs. 5 crore or more earmark 2 per cent of their average net profit for the preceding three years for corporate social responsibility (CSR). The Act was passed in August 2013.

The criticisms, discussions and debates on this new CSR directive have had the effect of taking the focus away from the NVGs that acknowledge the rights of diverse stakeholders connected with and impacted by business activities.

Business or corporate responsibility, which had been visualised as a wide array of issues, is now being watered down and used interchangeably with philanthropic activity.

⁹ Preface of National Voluntary Guidelines: http://www.mca.gov.in/Ministry/latestnews/National_Voluntary_Guidelines_2011_12jul2011.pdf

¹⁰ Letter from SEBI issued to all stock exchanges sent on August 13, 2012: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1344915990072.pdf

Civil society initiative to strengthen NVGs

Set against this backdrop and in the absence of a known monitoring mechanism of the BRR compliance of the top 100 listed companies evolved by SEBI or the Ministry, Corporate Responsibility Watch (CRW) is seizing the opportunity to bring the NVGs back to the centre of the discussions. CRW is a voluntary network, of 14 organisations and prominent independent consultants, that has come together to attempt to unpack and track corporate responsibility. The main objective of this initiative is to facilitate the transparency of economic activities and accountability of corporates not only to their shareholders but also to wider society. Working within a human rights framework, the role of the core group is to think through home-grown solutions and monitoring mechanisms for the responsible business practices space, with the understanding that voluntary codes will not work unless there is a vigilant regulatory environment, media attention, civil society scrutiny and activism. To this end, CRW has conceived the Disclosure Matters series. Part 1 of the series, titled *Disclosure Matters – First step towards business responsibility*, included an analysis of the level of disclosure of the top 100 companies by market capitalisation, as listed on the BSE. Based on this analysis, the companies were categorised under A, B and C, denoting the completeness of their BRRs.

Part 2 of Disclosure Matters took forward the analysis in Part 1, in focussing on certain NVG principles, mainly 3 and 4, that highlight disclosure on corporate–community engagement. An

in–depth analysis of principles 3 and 4 was done, and there was also an attempt to develop the level of disclosure index to create a standardised yardstick for ascertaining the level of disclosures by the top 100 listed companies in their respective Business Responsibility Reports (BRRs). In–depth case studies of ten companies were then undertaken, followed by a series of consultations on business and community.

Why disclosure?

A strong disclosure regime has been presented as a “pivotal feature of market–based monitoring of corporate conduct.”¹¹ Disclosure effectively communicates detailed information about various aspects of any issue or entity and implies integrity and transparency. In the context of corporations, disclosure is seen as a tool for protecting (i) investors and shareholders by helping them take better capital allocation decisions, (ii) the economy because these better decisions help lower firms' cost of capital and (iii) democracy overall because it reduces conflicts of interest in firms¹².

The business case for disclosure has been made in recent studies, which show that in countries with large and active equity markets, disclosure has been a powerful tool for influencing the behaviour of companies, protecting investors, attracting capital and maintaining confidence in capital markets¹². The underlying spirit and aim of disclosure is that it helps improve broader public understanding of the structure and activities of companies, their policies and performance with respect to environmental and ethical standards and their relationships with

¹¹ A Guide on Better Corporate Governance Disclosure, February 2014 Hong Kong Institute of Certified Public Accountants

¹² The 2014 CPA Zicklin Index of Corporate Political Disclosure and Accountability, Center for Political Accountability, 2014 and Chau G.K. & Gray S.J., 2002. Ownership structure and corporate voluntary disclosure in Hong Kong and Singapore. *The International Journal of Accounting* 37 (2002), 247–265.

the communities in which they operate. It is in this light that the rich scope of what can be done with BRRs needs to be leveraged: as a tool for disclosure and, beyond that, as an instrument of corporate accountability towards people and the environment. As stated in the NVGs themselves, information is the cornerstone of transparency and accountability. To have voluntary information on disclosure made available in the public domain by companies themselves is a commendable and encouraging first step towards corporate responsibility. A natural progression is to develop an index in the absence of any benchmarking and ranking system for corporate adherence to the nine NVG principles.

CRW recognises that it is important to encourage companies to proactively disclose more about the principles as well as formulate newer policies aligned with the NVGs to encourage stakeholders to seek accountability from these policies. It is only then that the vision of the NVGs facilitating the corporate sector in India to achieve the triple bottom line of responsibilities to people, planet and profit can be fulfilled.

1.2 Catalysing business responsibility

The primary objective of the National Voluntary Guidelines is to encourage adoption of sustainability reporting and mainstream disclosure on environmental, social and governance metrics. It is based on the premise that you can't change unless you can measure. These guidelines, which were developed in close consultation with civil

society entities, contain nine broad principles to guide businesses towards more responsible operations. The definition of business responsibility, as interpreted in these NVGs, includes the three core areas of sustainability namely environmental, society and governance¹³. The guidelines encourage and enable businesses to go beyond compliance and embrace sustainability as part of their business ethos. The nine principles and the corresponding indicators encompass all the elements of what constitutes responsible business conduct and also offer guidance on implementation, through its four integral actions – leadership, integration, engagement and reporting¹⁴.

Our understanding of the pathway to corporate citizenship: businesses responsible towards wider society and environment and ready to meet the various legal, ethical and economic responsibilities placed on them by shareholders, is illustrated in Figure 1.2(a). This pathway resonates with the Ministry of Corporate Affairs' emphasis on securing our future and ensuring that wholesome benefits accrue to people, and our planet; even as businesses continue to make surpluses that can be re-invested for the growth of the economy.

Disclosure – Key to corporate citizenship

The Business Responsibility Report has a key question on disclosure. It asks “whether the company discloses policies related to each principle of NVG on their website”. The companies have mostly responded to this question in the affirmative.

¹³ Introduction to National Voluntary Guidelines – Business Responsibility Reporting, Harsha Yadav, in <http://efficientcarbon.com/blog/introduction-to-national-voluntary-guidelines-business-responsibility-reporting>

¹⁴ National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011, National Voluntary Guidelines for India Inc.: from CSR to Responsible Business, <http://www.sustainabilityoutlook.in/content/national-voluntary-guidelines-india-inc-csr-responsible-business#sthash.NWtnNEVJ.dpuf>

Figure 1.2(b) details this information across nine parameters for the years 2012-13 and 2013-14. The responses, which convey their eagerness to be transparent about their policies, led CRW to decide to analyse all the policies that they were uploading

on their website with respect to their adherence to NVG principles. To this end, the **India Responsible Business Index** has now been developed in order to effectively measure and monitor compliance and to look deeper into specific areas of interest.

Figure 1.2(a): Pathway to responsible business and corporate citizenship

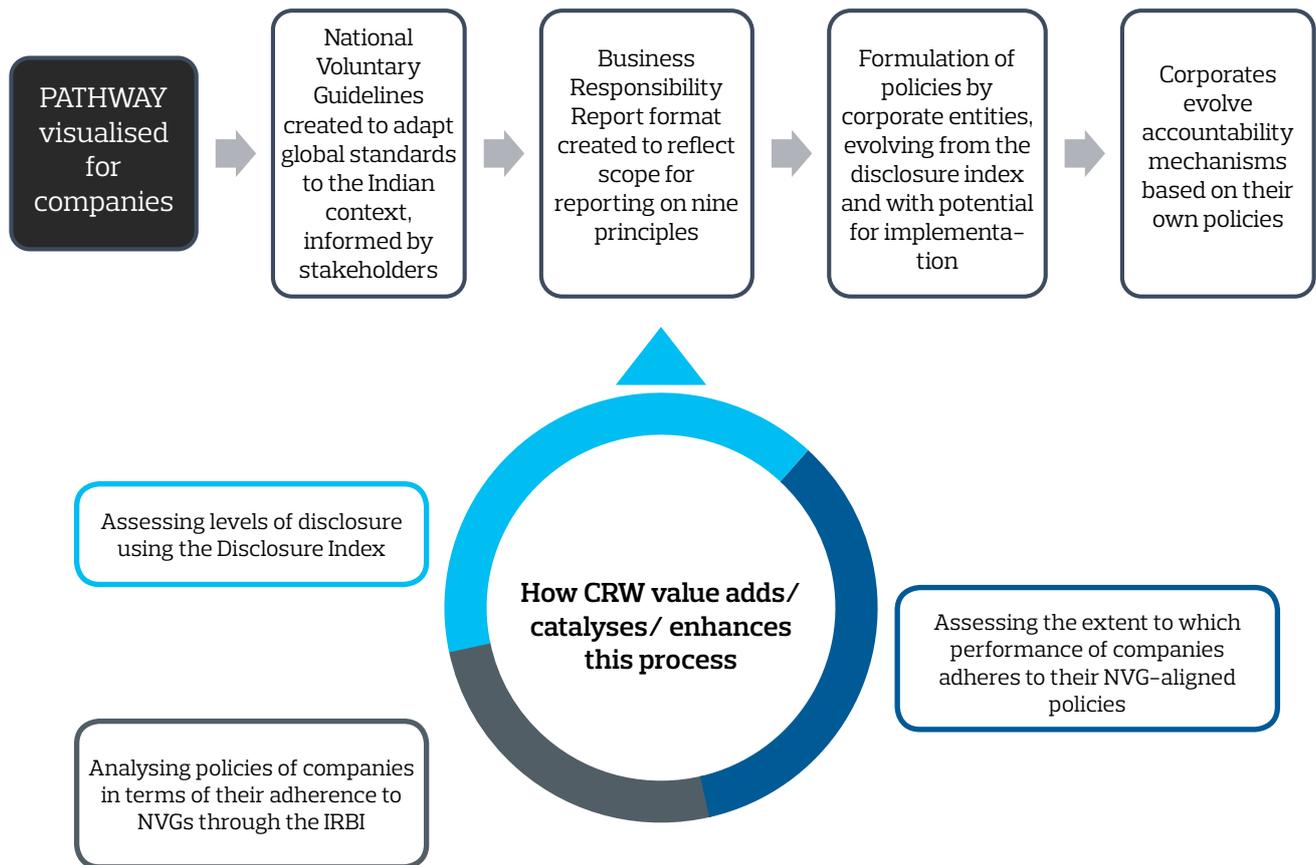
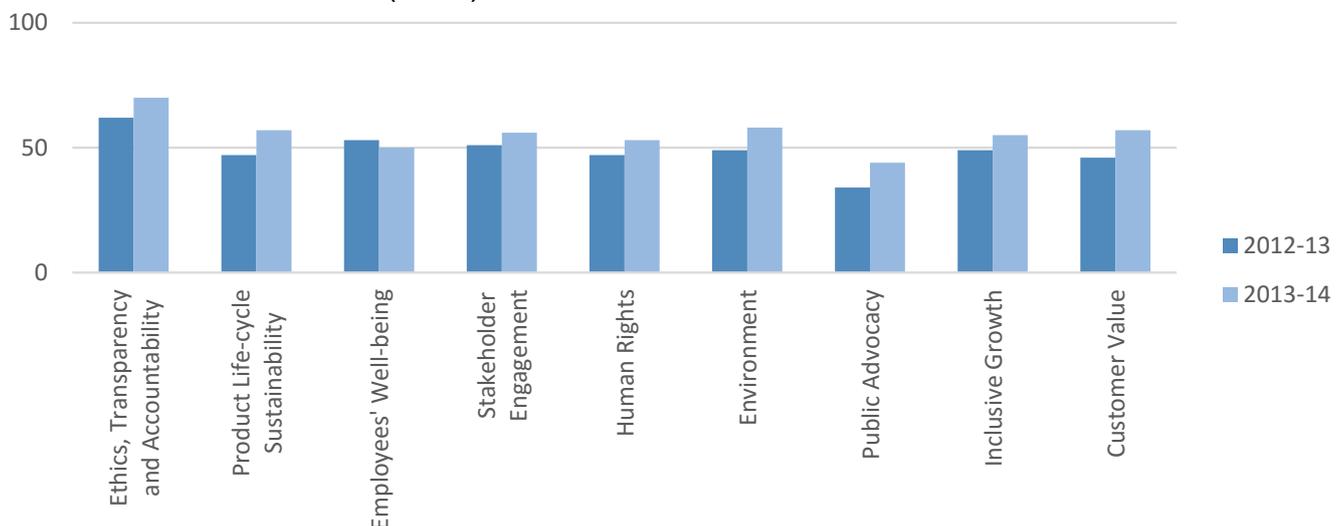


Figure 1.2(b): Companies providing online links for policies as per different NVG principles as part of BRRs 2012-13 and 2014 (n=100)



The NVGs: a widely-backed platform

While the initiative of framing the NVG principles was led by the Ministry of Corporate Affairs (MCA), and anchored at the Indian Institute of Corporate Affairs (IICA), government, businesses and civil society organisations actively participated in the development and framing of NVGs. Thus, the ownership and responsibility for NVG promotion, uptake and implementation is jointly vested in businesses, government and civil society organisations. An NVG-based index therefore has value and relevance for each of these three key institutional actors. It can be used as a constructive engagement tool to help companies to adopt inclusion as a means of doing business. Additionally, the insights can offer companies an opportunity to make corrective measures to their policies and operations. It can also help companies, consumers and other stakeholders make informed choices about a company and its products and services.

The India Responsible Business index aims:

- a) To encourage companies to disclose more information.
All the NVG principles covered as part of the Index hold the 'community' and the 'wider public' to be important stakeholders. This means that company policies pertaining to these groups should be made available in the public domain
- b) To encourage companies to make policies on the issues that respect the intent of the NVGs
This index helps in measuring a company's publicly stated commitment to NVG principles and intends to encourage more proactive policy-making

1.3 India Responsible Business Index

As explained above, the India Responsible Business Index (IRBI) is a tool that has been designed to measure (i) voluntary disclosure by companies and (ii) policy commitments of companies to NVG principles and, in so doing, incentivise greater levels of disclosure and policy commitments.

The Index is entirely governed by the NVGs in terms of not only the principles that they have listed but also the self-monitoring system that the guidelines have suggested. In analysing the NVGs, they were found to cover a diverse range of principles pertaining to responsible business, which can be clubbed as four key categories:

1. Social inclusion
2. Environment and product life cycle
3. Ethics and transparency
4. Consumer protection

The NVGs are crosscutting, holding multiple intersectionalities within each principle. The above categories are therefore also overlapping, acting as lenses through which we can view key interrelated concerns rather than discrete and distinct agendas.

Version 1. India Responsible Business Index: Analysing inclusive policies, disclosures and mechanisms

In this first stage of the index, the focus is on social inclusion. For this, the core principle is **Principle 8: Businesses should support inclusive growth and equitable development**; but as areas of social inclusion underpin other principles of NVGs, the index also partly covers the following four principles:

Principle 2: Product Life Cycle Sustainability

Principle 3: Businesses should promote the wellbeing of all employees

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

Principle 5: Businesses should respect and promote human rights

The focus within this study, then, has been on these principles alone, with inclusion as the interpretative framework in order to give greater unity to the analysis. Social inclusion here is understood broadly: it is connected to principles such as equity and participation, and is concerned with policy commitments to a range of stakeholders including all employees. To put it most simply, the social inclusion lens is **concerned with people as a bottom line**, with their rights, their equity and their participation as they interact with businesses across different geographies. Further, the NVGs also recognise that many people are marginalised due to caste, religion, gender and other determinants of identity.

An important limitation: A review of NVG principles indicates that they have seen 'communities' in terms of different identities - workers, supply chain participants, consumers, communities affected by business or the community beneficiaries of the projects. While the index covers four of these spaces and identities as indicated in Figure 1.3(a) below, a limitation is that attention to inclusion does not, at present, extend to consumers within the wider market, but this is a domain that will be taken up in subsequent stages.

Figure 1.3 (a): Geographies and identities

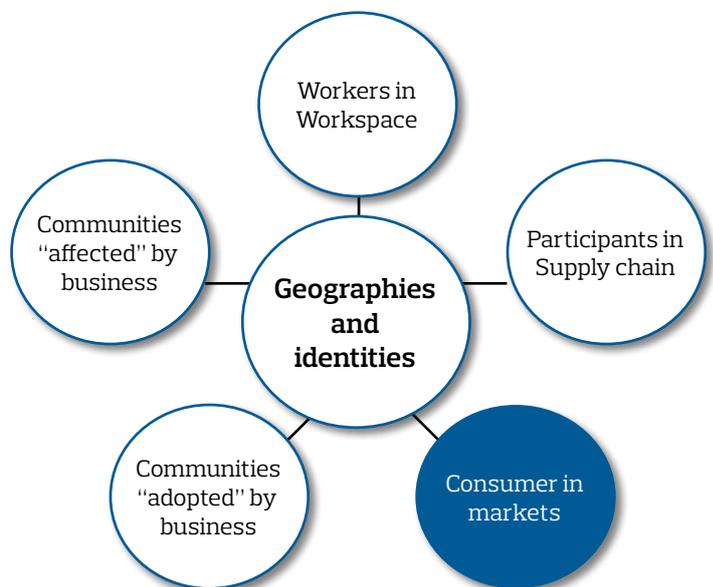


Figure 1.3(b): Elements included in the index

Non-discrimination in the workplace	Respecting employee dignity and human rights	Community development	Inclusiveness in supply chain	Community as business stakeholders
Business endorses non-discriminatory employment practices and promotes diversity in the workplace	Business recognises its responsibility towards creating an enabling environment for workers and prohibits any form of forced labour or child labour	Business recognises its role in fostering community development by addressing local priorities and respecting local concerns and knowledge`	Business recognises its role in creating an environment in which the rights of workers throughout the supply chain are respected	Business recognises vulnerable communities as stakeholders and is responsible and transparent about impact of its processes on these communities

A detailed note on the above was developed and consultations were organised to evolve key parameters of inclusion in businesses. Ultimately five elements of inclusion were articulated as the most appropriate measurement categories as seen in Figure 1.3 (b).

The long-term goal of the index is to enable systematic measurement of responsible business practice. In this first stage, it offers a way of

analysing policy commitments and the mechanisms and systems that companies have in place. It offers the opportunity to look deeper into specific areas of interest: in this case, how a company ranks in terms of social inclusion. Such insights can offer companies an opportunity to make corrective measures to their policies and operations. They can also help companies, consumers and other stakeholders make informed choices about a company and its products and services.

The India Responsible Business Index uses self-disclosed company information and policies, with the NVGs as a benchmark. The information so provided by the companies is assumed to be true and is not externally validated. Further, the index does not in itself measure practice or compliance with policies.

2. Designing the Index

This section details specific aspects of the IRBI design.

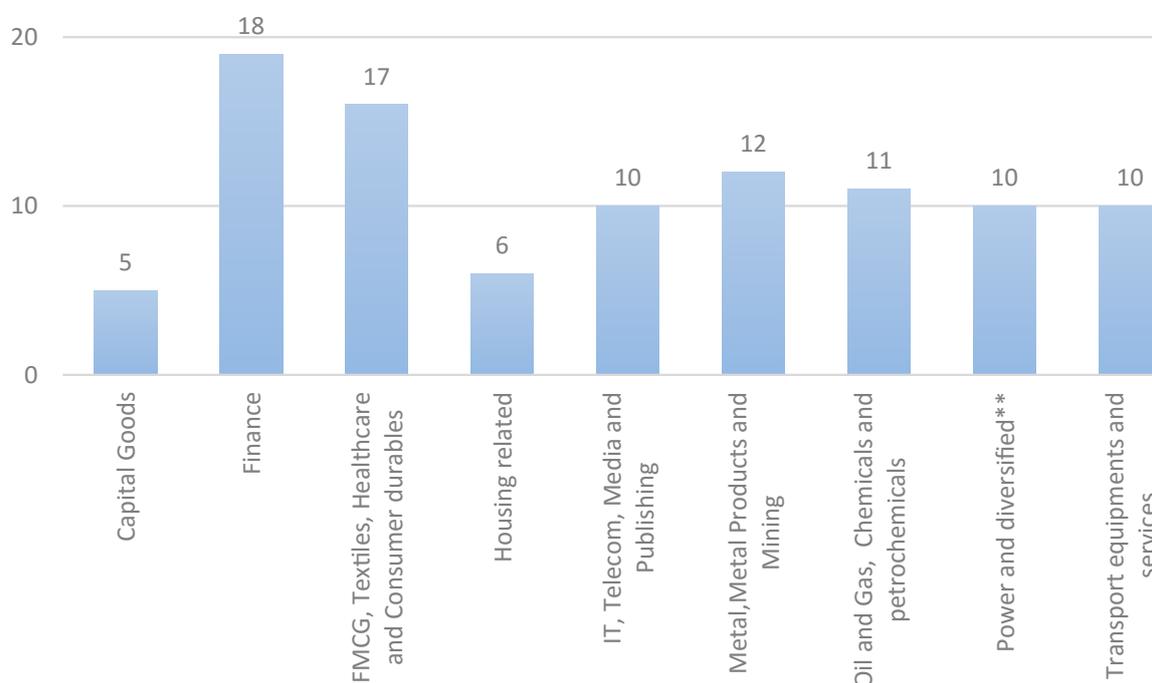
2.1 Sample

The top 100 companies listed on the BSE as per market capitalisation¹⁵ in 2012¹⁶ were mandated by a SEBI circular to submit annual BRRs as part of their annual reports¹⁷. The sample for the study using the IRBI was restricted to self-disclosed data of these top 100 companies. The list includes companies across a diverse range of sectors. As Figure 2.1(a) below indicates, the largest number is within finance. While BSE classifies the top 100 companies into 18 sectors, an explanation for sector categorisation for this study, as seen in Figure 2.1 (a) below is provided in Annexure 2. The complete list of companies is provided in Annexure 1.

2.2 Data collection tool

Questions related to five elements of the index (namely: community development, community as business stakeholders, strengthening the supply chain, non-discrimination at the workplace and respecting employee dignity and human rights) from the NVG principles and BRR formats were framed. This set of questions was tested for two companies and, based on a review, questions to be included in the index were finalised. **The questions are exclusively based on the NVG document and BRR template.** [Please refer to Annexure 3 for a copy of the schedule]

Figure 2.1 (a): Sectors represented in BSE top 100* companies



* There was a merger of two companies. Sesa Goa and Sterlite Industries Limited merged to become Sesa Sterlite, later renamed as Vendanta Limited.

** Adani Enterprises is in the category of diversified, which has been merged with power

¹⁵ Market capitalisation refers to the aggregate value of a company in terms of its share price and the overall value of its stocks.

¹⁶ The reason for selection of market capitalization at BSE in 2012 is because CRW's earlier analysis of the Disclosure Matter Series uses this set of companies for its analysis. The same set was selected for continuity.

¹⁷ Security and Exchange Board of India circular dated 13 August 2012 Source: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1344915990072.pdf

2.3 Source of information

As mentioned earlier, data available in the public domain and self-disclosed (largely sourced through the company's websites) was used for the purpose of this analysis. Documents available until 20th August 2015 were used. This includes five kinds of documents:

- i) Business Responsibility Reports for the year 2013-14, and 2014-15 for those companies which had uploaded by 20th August 2015
- ii) Policies available in the public domain: primarily their websites
- iii) Annual reports and sustainability reports for the year 2013-14 and 2014-15 for those companies which had uploaded by 20th August 2015
- iv) Corporate Social Responsibility Reports 2014-15 as on 20th August 2015

Additionally, information has been collected from:

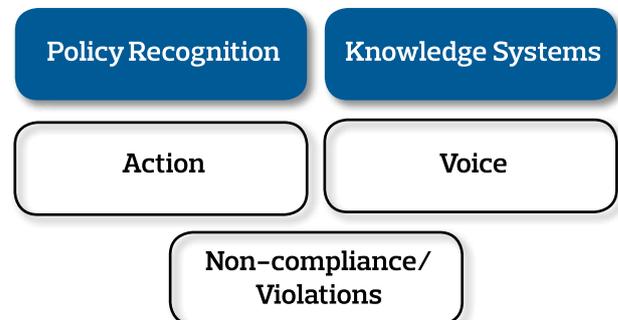
- v) Newspaper /media and publications, Comptroller and Auditor General of India reports, Supreme Court and Tribunal judgments to gather information on certain violations. This has not been used for indexation but it is provided as supplementary information to build perspective on possible gaps in policy implementation.

2.4 What the Index measures and what it doesn't

While considering the scope of this version of the Index, it was recognised that there were at least five main kinds of information that could potentially

have been considered for analysis. These are presented in Figure 2.4 (a) below.

Figure 2.4 (a): Aspects with scope for inclusion in index



The current analysis lends itself to detailing of the two elements highlighted in grey - namely policy recognition and knowledge systems

- **Policy recognition** reflects the existence of publicly disclosed policies on key areas of interest to the Index and related mechanisms. While policy recognition is a focus here, it is not to say that existence of policies reflects companies' performance on those policies.
- **Knowledge Systems** refers to public disclosure on existence of a system in the company to know and understand 'what is happening' through monitoring, assessment and other systems of information collection and curation; learning and knowledge-making. These systems can add to the dynamism of a company; serving to periodically inform shareholders and others about the company strategy, and helping decision-makers take corrective policy measures.

In order to generate information on policy commitments, the team searched policy-related documents on the company's websites and other disclosures in the public domain to find out whether

the selected principles (and core elements of these principles) from the NVGs find place in their policies. In addition to the presence of policies, it was also studied whether they have detailed mechanisms in place to realise the intent of those principles.

Companies are expected to create spaces and institutions, which help them understand whether their businesses are actually realising the intent stated in the principles. This could be through systems of reporting, information collection, validation, and monitoring and evaluation reports. The research team visited all the websites and identified such documents that could be considered as 'knowledge' creation processes by the companies on these principles.

While there could be a scenario where a company wants certain policies to be confidential and therefore not available in the public domain, the BRR process encourages companies to bring all their policies related to different stakeholders into the public domain.

What this does not measure is the actual compliance or performance of the companies vis-à-vis NVG principles. Further, a key assumption is that if policies and knowledge systems are present, they are in the public domain.

2.5 Key steps

The process of designing the data instruments, collecting the data, analysing and processing it, took a total of approximately three months. The main steps are detailed in Figure 2.5(a).

2.6 Limitations

One limitation, then, is that the study does not measure whether companies are actually adhering to policies, and so also to the NVGs; rather, it reflects only publicly stated commitments. Another is that the data investigated has only been information that is already available on a company's website: other information that a company might have shared with a third party has not been scrutinised here. Further, the information provided by companies on their websites has not been validated.

2.7 Design principles

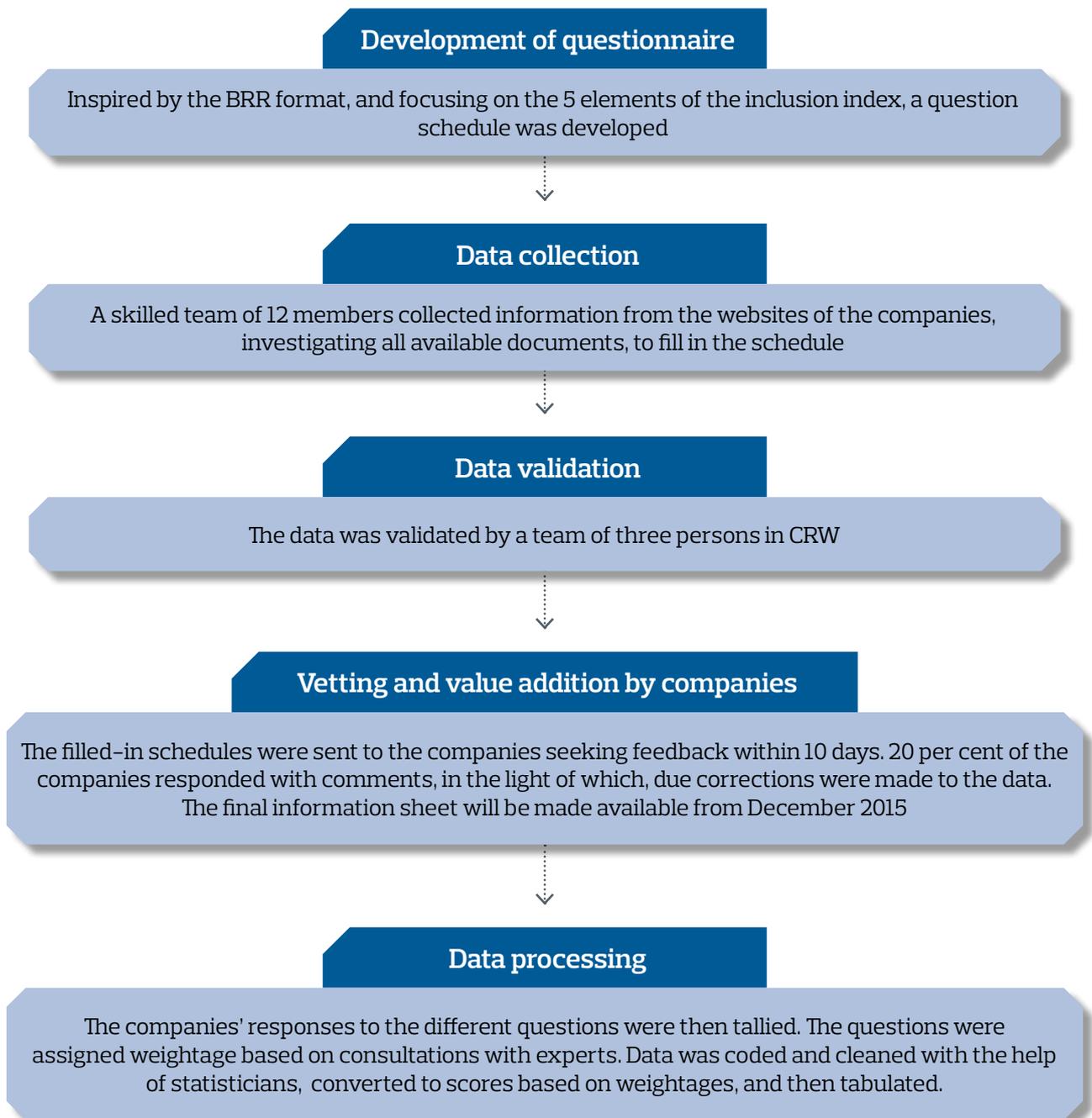
To summarise, three principles that govern the IRBI are:

1. **Policy is primary:** The index aims to assess existence of policies and related mechanisms within the public domain. Focusing on policy brings with it scrutiny of mechanisms and systems that companies report, including those related to grievance redressal. However, policies do not necessarily reflect performance.
2. **Emphasis on self-disclosure:** the company policies and codes, and any information available on the company website were used instead of basing the indexation on third party data. This kind of data (in the form of newspaper reports etc.) was used only to understand the company better rather than to score it.
3. **Disclosure is key:** these are policies that pertain to the wider public and by virtue of the constituencies they are meant for they

should be in the public domain. It is possible that companies have progressive policies for these stakeholders but if they are not easily

accessible in the public domain, this index assumes that they are not available.

Figure 2.5(a): Steps in evolving the index



3. Findings

In this section, inclusion data from the top 100 companies is analysed. As outlined in section 2, the index has 5 components: non-discrimination, respecting employee dignity and human rights, community development, inclusive supply chain and community as business stakeholders. These are based on the NVGs and from the BRR framework. Data pertaining to these different components is analysed below.

3.1 Non-discrimination in the workplace

One of the core elements of Principle 3 of the NVGs is that "Businesses should provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation". It calls for an inclusive workspace, especially for women and the disabled, and sees diversity in the workplace as an important outcome of non-discrimination.

In developing the index, the following areas were of primary interest:

- Policies that explicitly mention non-discrimination and detail out the case for equal opportunity
- Identification of groups that are potentially discriminated against and explicitly mention them so that the company takes account of these groups while evolving systems and mechanisms to address discrimination
- Strategies and mechanisms that have been detailed out in the public domain so that disadvantaged groups are able to take full advantage of policies meant for them
- Knowledge systems and mechanisms for understanding how the company is performing with respect to this principle; and means of addressing issues arising out of violation of this principle. For example, a company should disclose diversity figures within its Board of Directors and among employees

3.1.1 Policy recognition and disclosure on non-discrimination

As Table 3.1(a) indicates, 80 of the companies have recognised the importance of equal opportunity in recruitment, though a far smaller share (10) have recognised the importance of diversity on the board and the great majority (89) have no recognition of it.

Companies' public statements about equitable recruitment and career advancement provide them with opportunities to demonstrate a specific commitment to the inclusion of certain marginalised and excluded groups. As seen in Table 3.1 (b), it was found that around two thirds of the companies studied have recognised the importance of not discriminating against women (63), scheduled castes (62) and on the grounds of religion (62) or disability (58) during initial recruitment. Less common was an equivalent commitment to sexual minorities (36) and scheduled tribes (26).

Gender Discrimination?

Canara Bank had to withdraw a recently introduced recruitment form that had questions seeking health details of women candidates, including about their menstrual cycle and pregnancy. The move to call back the fitness form introduced earlier this year came after an employees' union said the details had nothing to do with their job and amounted to gender discrimination and a violation of human rights.

Source: Times of India, July 10, 2014 <http://timesofindia.indiatimes.com/india/Canara-Bank-decides-to-play-gynaecologist-sparks-outrage/articleshow/38095677.cms>

Table 3.1(a): Recognition on non-discriminatory recruitment to services and board level appointments in companies (n=99)

Domain	Level of comprehensiveness of policy		
	No recognition	Recognition	
		Mere recognition	Recognition and system
Equal opportunity in recruitment	19	34	46
Diversity on board	89	6	4

Table 3.1(b): Identification of specific groups vulnerable to discrimination¹⁸ at recruitment and career advancement, in policy (n=99)

Stage in career	Vulnerable groups identified by company policy on non-discrimination					
	Disabled	Women	Sexual Minorities	SC	ST	Religion
Initial recruitment	58	63	36	62	26	62
Career advancement	28	34	19	26	12	30

Table 3.1(c): Identification of specific provisions that facilitate diversity in the workplace (n=99)

Provisions	No. of companies
Presence of Anti-Sexual Harassment Policy in public domain	73
Provision for disabled-friendly workspace	11
Assessing diversity in Board of Directors	92
Assessing diversity in workforce	98

¹⁸ Featured companies used different terminology to refer to the various social categories mentioned here. For example, the term SC is used in this table, but in framing policies, certain companies referred instead to not discriminating on the grounds of caste.

Comparable statements about the career advancement prospects of these traditionally excluded groups are not so common. Companies most frequently assure women (in 34 cases) of equality of opportunity and 30 companies recognise that religion should be no barrier. Lower numbers of companies mention disability or caste, and far fewer (19 and 12 respectively), mention a commitment to sexual minorities and scheduled tribes.

3.1.2 Systems to realise diversity

The stated provision of systems that can enforce diversity pledges – such as affirmative action or reservations, designated departments, and grievance redressal mechanisms – was also checked. It was found that 46 of the companies report having a system to actually enable equal opportunities in recruitment, beyond a stated commitment to it in policy. As Table 3.1(c) indicates, more than two thirds of the companies have recognised having anti-sexual harassment policies in place. The companies collectively demonstrated limited systemic provisions for ensuring diversity of all disadvantaged groups within the boards.

A small proportion of the companies (11) have stated commitments to a disabled-friendly workspace (Table 3.1(c)).

3.1.3 Measuring and disclosing diversity

The 2013 Companies Act mandated that at least one member of the Board of a Company should be a woman. As evidenced in Table 3.1(d), the great majority, 92 of the 99 companies, have shared publicly the number of women within their Boards

Representation of SC and ST communities

The SC and ST community needs to be represented in industry, in business schools and business bodies, in the supply chain and market. Every fourth customer and person affected by business in this country is from this community that contributes to the GDP and India's business, economy, agriculture and land. Hence, this segment of society cannot be ignored.

In 2005, Prime Minister Manmohan Singh directed India's businesses to take concrete steps to proactively facilitate employment of SCs and STs. Subsequently businesses voluntarily declared that they would adopt affirmative action policies. Adoption of policies would necessitate data to be shared in the public domain and mechanisms for the same need to be put in place. There is no government mechanism to monitor this and given that this is meant to be self-regulated it is often deprioritised.

Deliberations during a consultation on 1 October 2015 on Inclusive Business, Delhi

and 98 within their workforce; but in both these cases, 'diversity' is reported only to the extent of women's representation: the inclusion of some other disadvantaged groups does not appear to be systematically tracked. High levels of disclosure of representation of Persons With Disabilities (PWDs) within the workforce were also found, but less than one quarter of companies (23 and 22 respectively) reported the number of staff from scheduled caste or scheduled tribe communities.

Table 3.1(d): Number of companies that disclosed disaggregated data on social categories in their board and workforce (n=99)

Elements of diversity	Women	PWD	SC	ST
Diversity in Board	92	0	0	0
Diversity in Workforce	98	79	23	22

The figure and table below provide a snapshot of the data related to non-discrimination in the workplace provides.

While Figure 3.1(a) displays the distribution of the companies across four bands of scores of low, average, above average and high, table 3.1(e) enlists the top ten companies on non-discrimination in the workplace. (For detailed rankings of all the 99 companies, please refer to Annexure 6.)

The majority of companies score between 0.26 and 0.75 on this element. While six companies are in the "low" band only one company, Bharat Electronics Limited, a PSU, is in the "high" band.

3.2 Respecting employee dignity and human rights (employee wellbeing)

As evidence of their commitment to employees, the NVG architects created Principle 3 about the promotion of the "wellbeing of all employees" and Principle 5 brought in a much-needed rights-based perspective, urging companies to "respect and promote human rights."

In developing the index, the interest primarily lay in the following areas:

- Policies related to fair living wages, safe,

Figure 3.1(a): Distribution of companies (n=99) as per scores (0 to 1) for non-discrimination at the workplace

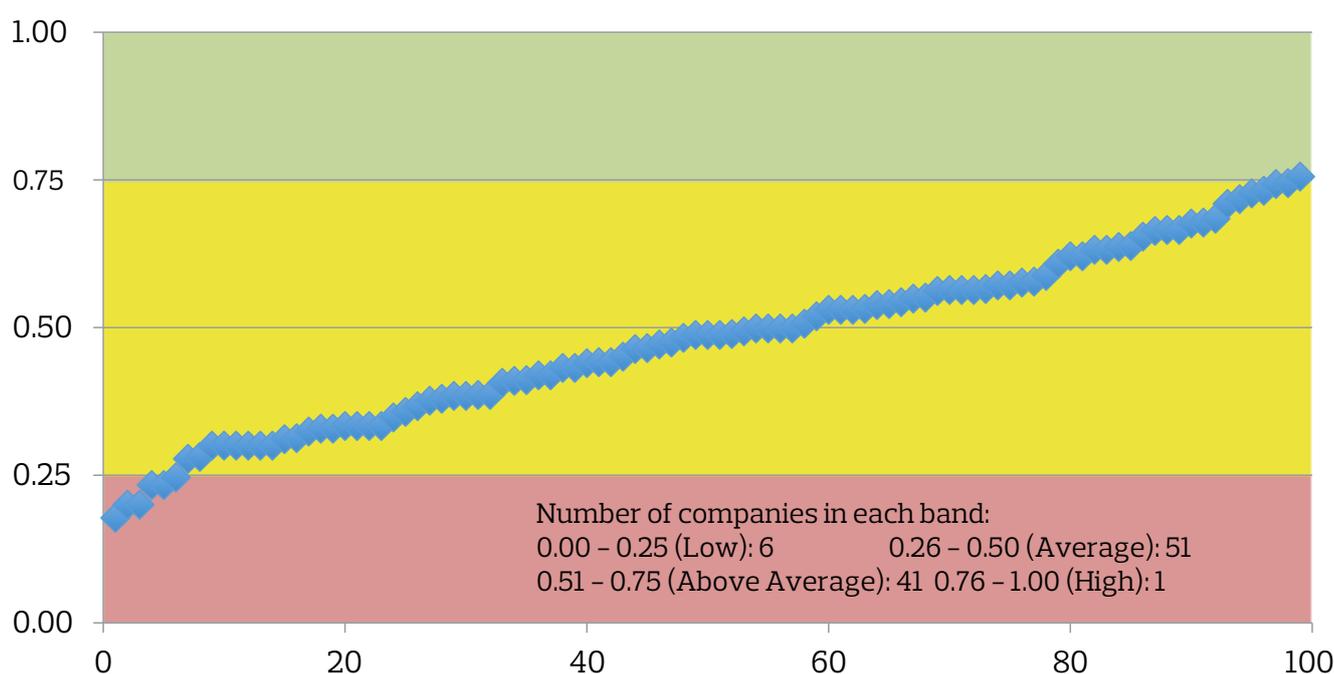


Table 3.1(e): Top ten companies in non-discrimination in the workspace

Company	Ownership	Score
Bharat Electronics Limited	PSU	0.76
Godrej Consumer Products Limited	Private	0.74
Jindal Steel And Power Limited	Private	0.74
National Aluminum Corporation Limited	PSU	0.73
Bank Of Baroda	PSU	0.73
Canara Bank	PSU	0.72
Power Finance Corporation Limited	PSU	0.71
Indian Oil Corporation Limited	PSU	0.68
Ambuja Cements Limited	Private	0.68
Colgate-Palmolive India Limited	Private	0.68

healthy and harassment-free workplaces and prohibition of forced and child labour be brought into the public domain, so as to provide job applicants the opportunity to make an informed choice

- Recognising the right of employees to freedom of association, the ability to organise and join unions in order to develop the bargaining power to protect their interests and participate in key decisions affecting their lives
- Systems to evaluate workers' rights, labour issues and safety training to help the companies take corrective measures

3.2.1 Policy recognition and disclosure on safe and healthy workplaces

Workers' health and safety

A study* found high levels of toxic mercury in vegetation and sediments collected from the vicinity of Hindustan Unilever's (HUL) factory. The company has a fairly comprehensive policy on safety and health that makes it responsible and accountable for any occupational health hazard that might arise due to its operations. However, HUL found itself tangled in a controversy of mercury poisoning due to a breach of environmental operating guidelines at its former thermometer factor in Kodaikanal. As per a 2015 press release** from HUL,

"Comprehensive occupational health and safety systems existed at the Kodaikanal factory prior to its closure in 2001. Internal monitoring within the factory and external audits carried out by statutory authorities during the operation of the factory showed that there were no adverse health effects to the workers on account of their employment at the factory. In addition, many expert studies carried out after the closure all concluded that there had been no adverse health impacts on ex-employees due to their work in the factory."

The company announced that it "continues to take the issue very seriously and it's one we are keen to see resolved. The company in its response has decided to clean up mercury contaminated soil in the premises of its closed thermometer factory in Kodaikanal." ***

* 'The Indian Express', 30 June 2015 <http://indianexpress.com/article/cities/mumbai/mercury-pollution-former-workers-from-tn-unit-protest-outside-hul-head-office/> dated 30 June 2015

**Hindustan Unilever website <http://www.hul.co.in/mediacentre/newsandfeatures/2015/Kodaikanal-India.aspx>

***'Tehelka, August 2015 <http://www.tehelka.com/2015/08/clean-kodaikanal-campaign-hindustan-unilever-bows-down-to-protests/>

Policies of 82 companies recognise their employees' need for healthy and safe working conditions but only 38 of these companies carry out assessments and audits on health and safety. 38 companies recognise zero tolerance to any form of violence in the workplace. A closer look at the figures for different categories of workers raises pertinent questions of equitable access to a safe and healthy workspace. While 66 companies disclose data as per the BRR format on safety training provided

to permanent employees, the numbers steadily decline for disclosure of data for permanent women employees (50), contractual employees (44) and employees with disabilities (32).

Safety protocols in the manufacturing sector

The 'Safe in India' Report* released in September 2015 by the Safe in India team and Agrasar on what can safeguard workers in the Automobile sector in Gurgaon and the Faridabad region is small, yet significant as India is one of the largest auto parts exporters in the world and its auto industry is one of the world's largest. The majority of the case studies were from Tier 2 and Tier 3 factories highlighting the lacunae that exists in safety protocols and infrastructure in units, which supply to the big brands. No training had been provided; no safety mechanisms nor safety regulations existed. There were little or no safety control systems; there was a lack of good quality safety equipment, little or no access to ESI healthcare. What is tragic is that many accident victims were under 23 years of age. Despite having a good legal framework in the form of the Employee State Insurance (ESI) Act for the protection of workers, the country suffers from the chronic problem of lapses in implementation of ESI service delivery as well as monitoring of the Minimum Wages Act and other legislations.

* Safe in India Report www.safendia.org and AGRASAR www.agrasar.org

Table 3.2(a): Recognition of basic rights that help realise the principle of employee wellbeing (n=99)

Domain	Level of comprehensiveness of policy		
	No recognition	Recognition	
		Mere Recognition	Recognition and system
Fair living wages	57	24*	18**
Prohibition of forced labour	36	38	25
Freedom of association	54	30	15
Health and Safety of employees	17	26	56
Zero tolerance towards any form of violence	61	18	20

*Minimum wage **Fair living wage

3.2.2 Recognising basic rights of employees

One of the key contributions of the NVGs is that it mentions fair living wages, which goes beyond mere minimum wages – specifying that companies “should ensure timely payment of fair living wages to meet basic needs and economic security of the employees”. 24 companies recognise the need for minimum wages in their policy documents and 18 recognise the need to ensure fair living wages to their employees. However, there is no clarity on whether and how companies are arriving at living wages for their workers. There is a need to extend the social benefits to contractual employees – only 20 companies have recognised it.

Only 20 companies out of the top 100 extend social benefits to contractual employees as per policies disclosed by companies themselves!

The surveys conducted by the National Sample Survey Organisation (NSSO) point to a widely known fact that only a small share of employment today is in the organised sector. Total employment rose in India between 2004–05 and 2011–12 from 457.9 million to 472.4 million. Of this, 86% of the workers in the private sector and 50% of the workers in the public sector were in units that could be designated as ‘unorganised’ based on employment size. In absolute terms there were many more who joined the unorganised sector than those who were in the organised sector.

Table 3.2(b): Recognition and related knowledge systems that support the creation of an enabling environment for better working conditions

Recognition of key aspects	Number of companies
Contractual employees to be provided with social benefits	20
Recognition of collective bargaining principle	40
Presence of system on:	
Assessments on health and safety conditions	38
Assessments on situation of workers rights and labour issues	9
Enumerating employees who are members of employees association	66
Complaints received for child labour, forced labour and involuntary labour	85

In a discussion paper from 2013*, for the Planning Commission, Arun Maira, a then member had said, "Human resources are the only appreciating resource in an enterprise, the only element of business which increases in value under suitable conditions; all other resources depreciate with time. The best enterprises and competitive nations therefore consider people their prime asset and source of competitive advantage." The same report pointed out three significant factors that impinge on the manufacturing sector that employed 60 million in 2008 and whose contribution to GDP is in the range of 15%, employing 12% of the workforce. There is rampant use of contractual labour and a high level of disparity in remuneration as compared to permanent workforce, non-payment of statutory benefits and poor working conditions. Discontent across the workforce and unrest in many sectors particularly in the automobile and garment sectors was picked up as a simmering issue much before workers went on a rampage

in some Gurgaon factories. "Skill gaps, low attractiveness of manufacturing jobs, poor quality of skill development and training" were also highlighted. In light of all this, it is surprising that industry has asked for further labour reforms (wrested after decades of struggle) in what is already a stressed environment.

In industry, temporary workers account for a higher share due to labour-intensive jobs. Out of an estimated 80 million contract workers in the country, a mere 300,000 are employed in the organised sector. The rest, are deprived of social security benefits. Social security covers in terms of provident fund benefits and medical facilities need to be given to contract employees, too.

Amita Joseph of the Business & Community Foundation, during a consultation on 1 October 2015 on Inclusive Business, Delhi

* Planning Commission Report on "The Manufacturing Plan, Strategies for Accelerating growth of Manufacturing in India in the 12th Five Year Plan and Beyond: http://planningcommission.gov.in/aboutus/committee/strgrp12/str_manu0304.pdf

So far, companies are not mandated to disclose numbers of contractual employee associations. Hence, while 21 companies have policy commitments that extend social benefits to contractual employees, whether the management of these companies recognise contractual worker associations is unclear.

Unions and associations are an integral part of core business that empower workers to represent their grievances. 45 and 40 companies have recognised freedom of association and collective bargaining respectively. As many as 66 track and publicly disclose the number of employees who are members of employee associations, of which 7 have stated that the question is not applicable to them as they do not have a recognised employee association for permanent employees.

Companies are now also using human rights narratives in their policies, especially with regards

to child labour and forced labour. 63 companies prohibit forced labour in their policies and 85 companies disclose data regarding complaints received for child labour and forced labour. 9 companies have conducted assessments on situation of workers' rights and labour issues.

3.2.3 Summary of findings on respecting employee dignity and human rights

The figure and table below provide a snapshot of the data related to the respecting employee dignity and human rights element provides.

While Figure 3.2(a) displays the distribution of the companies across four bands of scores of low, average, above average and high, Table 3.2(d) enlists the top ten companies on employee wellbeing. (For detailed rankings of all the 99 companies, please

Figure 3.2(a): Distribution of companies (n=99) as per scores (0 to 1) of employee wellbeing

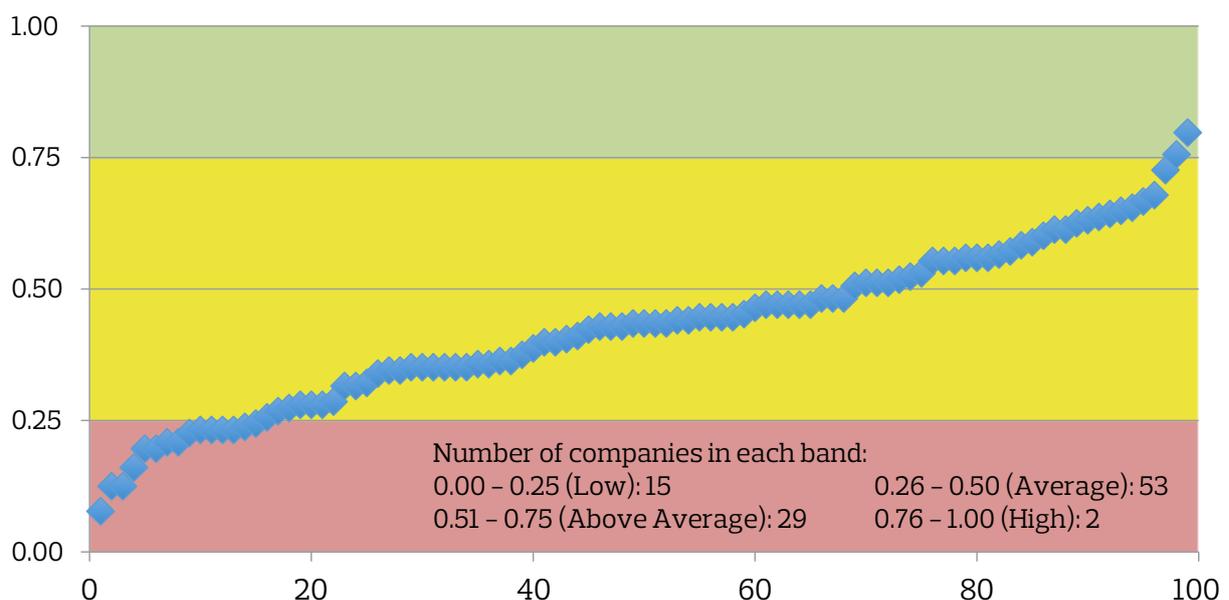


Table 3.2(c): Number of companies disclosing data on safety trainings

Safety training provided to employees	
Permanent employees	66
Permanent women employees	50
Contractual employees	44
Employees with disabilities	32

refer to Annexure 6.)

In Table 3.2(d), of those in the "high" band, Oil India Limited and Indian Oil Corporation Limited, are public sector units.

Table 3.2(d): Top ten companies in employee wellbeing

Company	Ownership	Score
Oil India Limited	PSU	0.80
Indian Oil Corporation Limited	PSU	0.76
Bosch Limited	Private	0.73
Gail India Limited	PSU	0.68
Jindal Steel And Power Limited	Private	0.67
Vedanta Limited	Private	0.65
Axis Bank Limited	Private	0.65
Siemens Limited	Private	0.64
Bharat Electronics Limited	PSU	0.64
Titan Industries Limited	Private	0.63

3.3 Community development¹⁹

The ethos of corporate contribution to community development finds expression in Principle 8 of the NVGs, which says, "Businesses should support inclusive growth and equitable development". The

emphasis on Community Development transcends companies' core business to include "adopted" communities, who may be removed from the company setting but are still identified for community development. The principle emphasises the significant role that companies can play in overall development

¹⁹ This is conventionally termed as corporate social responsibility (CSR) in the Companies Act

of the country while supporting the development of marginalised communities.

The Companies Act 2013 further mandated “every company having a net worth of Rupees five hundred crore or more, or turnover of Rupees one thousand crore or more or a net profit of Rupees five crore or more during any financial year” to “ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy”. For many corporates, this law has been most readily applied through commitment to community development projects.

Whilst community development in one form or another may be a shared aspiration of many corporates' corporate social responsibility (CSR) policies, it is in many ways a hugely contested terrain and one that requires a firm commitment to social equity as well as an appreciation of the complexities of social exclusion in India. With this in mind, the search for company data focused on the following areas:

- Policies on CSR with detailed systems of implementation and monitoring in the public domain to steer corporate citizenship's contribution to overall development
- Well-defined systems in the form of a CSR committee to steer CSR operations along with proactive identification of thrust areas, backward regions and vulnerable communities, to carry out community development programmes
- Knowledge systems to inform companies regarding the needs of vulnerable groups as well as to measure the impact that programmes have on such groups

Reinventing the wheel

One of the most emphasised yet least acted upon aspect of the CSR mandate has been its implementation in partnership with civil society/ NGOs. At the moment, much of the CSR work is a mix between implementation by corporates' own foundations, employee engagement and contribution to funds; and to a minimal extent by partnerships with NGOs.

Civil society in India, given its years of experience in working with communities, has some unique understanding of the problems, solutions and responses that are need-based and skills needed to bring about social change. Corporates could do a lot of good by increasingly partnering with them rather than creating their own implementing foundations and trying to reinvent the wheel.

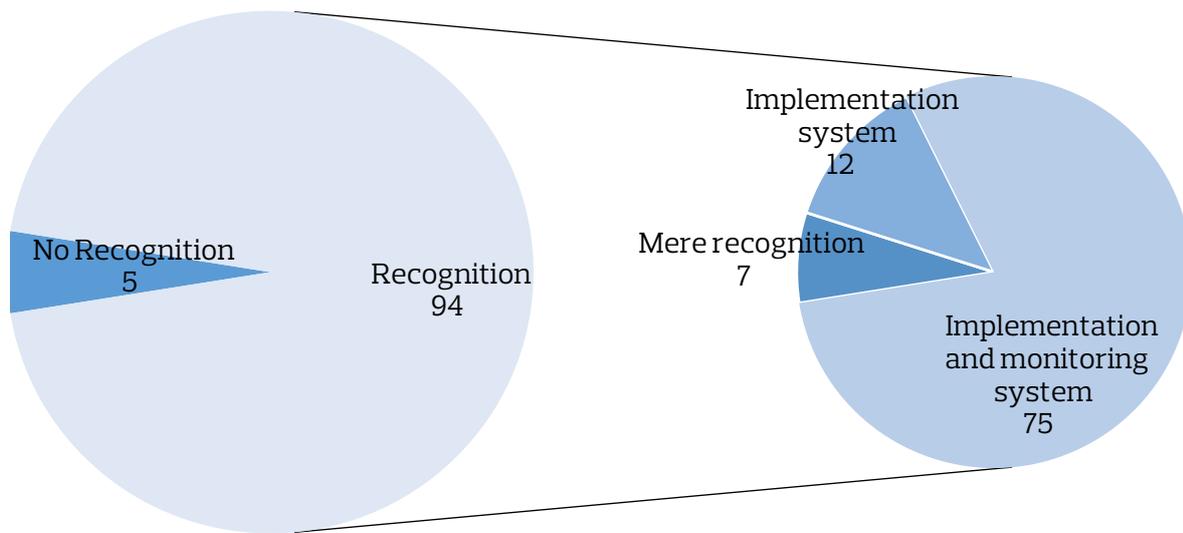
Some of the long-standing and biggest foundations from around the world with significantly mature philanthropic histories, function on this principle, rather than trying to do everything on their own.

Pradeep Patra and Amitabh Behar: Essay- 'Missing the wood for the tree, published in Governance Now, October 16-31, 2015 The authors work with National Foundation for India

3.3.1 Policy recognition and disclosure on corporate social responsibility

Analysis of self-disclosed information on company websites and other uploaded reports, as seen in Figure 3.3(a), shows that in total, 87 companies have endorsed CSR within their policies. Significantly, 75 of these companies, in their policies, have incorporated detailed systems of implementation and monitoring of CSR as well. This reflects a positive move by companies to facilitate the building of robust systems for community development.

Figure 3.3(a): Number of companies that have Corporate Social Responsibility policies (n=99)



3.3.2 Focus on marginalised stakeholders and backward regions

Principle 8 of the NVGs envisaged a particular focus on marginalised communities. As is evident from figure 3.3(a), 75 companies have provided a robust policy design to this effect. Encouragingly, 63

companies (as shown in Table 3.3(a)) identified one of the following groups: women, children, scheduled tribes, scheduled castes or youth – as their target stakeholders. A lower proportion – 23 companies – stated a commitment to identify backward regions as focus of the CSR programmes. And only one company involved communities in the process of formulating its CSR policy.

Table 3.3(a): Recognition and presence of knowledge systems that enable inclusive community development initiatives (n=99)

Recognition of key aspects:	Number of companies
Identification of backward regions for implementing community development projects	23
Identify and specify some distinct vulnerable identities as target stakeholders with whom companies plan to implement their CSR programme	63
Presence of system for/to:	
Needs assessment for initiating CSR projects	17
Stakeholder consultation for formulating CSR policy	1
Independent impact assessment of CSR projects	22
Estimate number of beneficiaries	68
Determine distribution of expenses on CSR across themes	24

CSR expenditure for the year 2014-15

Only seven companies spent a minimum 2 per cent of profits on social responsibility* activities in the first fiscal year 2014-15. These firms include Mahindra and Mahindra, Wipro, Hindustan Unilever, Reliance Industries, ITC, Tata Steel, Coal India and Infosys.

Upto 0.8 percent:

- Hero MotoCorp spent 0.1 per cent
- Bharti Airtel 0.6 per cent
- Pharma companies such as Lupin spent 0.6 per cent and Cipla spent 0.8 per cent

Less than 1.5 percent

- NTPC spent only 1.45 per cent
- L&T spent 1.44 per cent
- BHEL spent 1.24 per cent

1.5 percent and above but less than 2 percent

- Hindalco spent 1.86 per cent
- TCS spent 1.5 per cent
- Maruti Suzuki spent Rs 1.5 per cent

* The Financial Express, August 30 2015 http://www.financialexpress.com/article/markets/indian-markets/sensex-firms-miss-csr-threshold-by-30-only-7-firms-comply/127608/#st_refDomain=www.facebook.com&st_refQuery=/

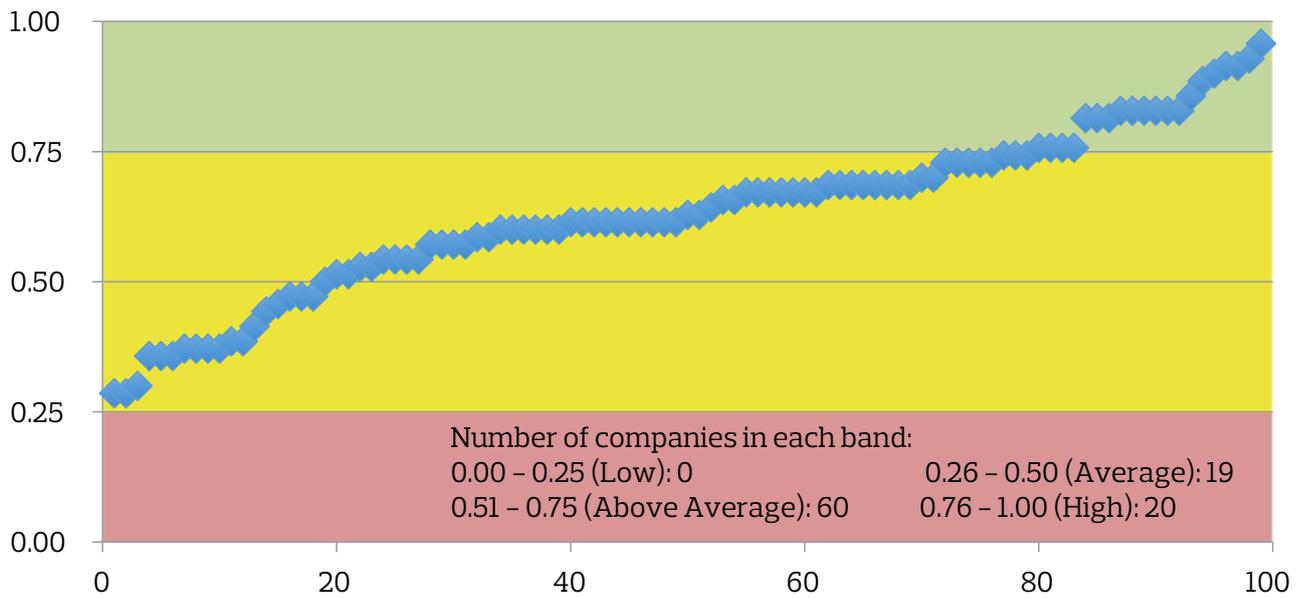
Needs assessments and independent impact assessment are critical knowledge systems for companies to evolve their programmes as well as their policies. As seen in Table 3.3(a), 17 companies disclosed that they carry out needs assessments as part of CSR projects and 22 companies stated that they conduct independent impact assessments. More than two third of the companies had systems to assess outreach in terms of numbers of beneficiaries.

Participation of vulnerable groups is a critical component of CSR programmes and reflects the extent to which the programmes are inclusive. However, only 2 companies mentioned involvement of vulnerable groups such as children, people with disabilities, women, SCs and STs in needs assessment processes and only 1 company mentioned the involvement of the mentioned groups for impact assessment of their CSR programmes.

3.3.3 Summary of findings on community development

The figure and table below provide a snapshot of the data related to community development. While Figure 3.3(b) displays the distribution of the companies across four bands of scores of low, average, above average and high, Table 3.3(b) enlists the top ten companies on community development. (For detailed rankings of all the 99 companies, please refer to Annexure 6.)

Figure 3.3(b): Distribution of companies (n=99) as per scores (0 to 1) of community development



It is noteworthy that no companies are in the “low” band and as many as twenty in the “high” band.

Table 3.3(b): Top ten companies in community development

Company	Ownership	Score
Oil And Natural Gas Corporation Limited	PSU	0.96
NMDC Limited	PSU	0.93
Gail India Limited	PSU	0.91
Hindustan Unilever Limited	Private	0.91
Mahindra And Mahindra Limited	Private	0.90
Bharat Heavy Electricals Limited	PSU	0.89
Rural Electrification Corporation Limited	PSU	0.86
Axis Bank Limited	Private	0.83
Canara Bank	PSU	0.83
ICICI Bank Limited	Private	0.83
Neyveli Lignite Corporation Limited	PSU	0.83
NHPC Limited	PSU	0.83
Tata Steel Limited	Private	0.83

*More than ten companies are listed since companies shared the same score.

3.4 Inclusiveness in supply chain

The NVGs recognise that business boundaries today extend well beyond the traditional walls of a factory or an operating plant and all the way across the value chain. Principle 4 says that they "should respect the interests of, and be responsive towards all stakeholders", especially the "disadvantaged, vulnerable and marginalised". Principle 5 of the NVGs upholds respect for human rights, and one would argue that the spirit of Principle 3, which emphasises the dignity and well-being of employees engaged within a business, also extends to the entire supply chain.

Consideration of these principles invokes a range of concerns. Some of these will be taken up in later indexes, but in the current context of the interest in inclusion, the focus is on what these principles have to say about the nature of the supply chain that drives business. Recognising supply chains to be vast and multi-tiered networks of relationships, one sees them as presenting the companies that benefit from them with equivalently scaled responsibilities.

In collecting data on the companies, the following areas were considered significant:

- Policies and mechanisms to strengthen the supply chain, for example through training and capacity building of local suppliers and contractors, and commitment to procurement at a fair price
- Steps taken to organise efforts towards strengthening the supply chain, especially in terms of including people from disadvantaged groups in capacity building programmes
- Extend policies of human rights to the supply chain so that all those who

contribute labour are safeguarded by the same human rights policies as those enjoyed by the company's direct employees; and that practices such as child labour are no more tolerated within the overall supply chain as they would be within the head office of the company

3.4.1 Policy recognition and disclosure on inclusive supply chain

Generally, companies' commitments to their own employees do not, in the majority of cases, extend to people working in their supply chain. The disparity is far less in the case of human rights policy, though, with 42 of the companies demonstrating some kind of recognition of the same. Significantly, more than two thirds of the companies have a stated anti-child labour commitment that applies across their supply chains.

Human rights-based approach

What business needs today is a human rights-based approach. It is unfortunate that whilst, for example, garment factory owners and managers, are familiar with the 'no child labour' regulations and requirements, a very tiny percentage of them can name the rights of a child. They are not human rights sensitised or trained. In the absence of the adoption by all of the architecture of human rights how can we achieve human or sustainable development goals?

Viraf Mehta, Human Rights & Business Resource Group, during a consultation on 1 October 2015 on Inclusive Business, Delhi

61 companies do not recognise the inclusion of local suppliers, and only 4 have shared a commitment to procure raw products at a price that is fair.

Inclusiveness in supply chain

"The desired goal of seeing companies being more inclusive stems from them being responsible. The word inclusive necessitates a rights-based understanding by business of 'exclusion' and the right not to be discriminated against, along with affirmative action policies to address the gaps.

Supply chain requirements of the West are frequently imposed on us - we need to correct some imbalances in the way we segregate export and domestic markets (i.e.: implying different business strategies for different markets). Overseas companies do not demand inclusion - they use rights based language. We need to define our own national priorities vis-a-vis inclusive business, and take responsible practices to small and medium enterprises, irrespective of whether they are part of a supply chain or not."

Viraf Mehta, Human Rights & Business Resource Group, during a consultation on 1 October 2015 on Inclusive Business, Delhi

In a context in which certain forms of child labour are effectively supported by the government, and in which the state is dismantling the efforts of civil society organisations who have campaigned for the Right to Education, who will take a stand? The data shows a notable level of commitment amongst the featured companies to not allowing child labour within their supply chains, with two thirds of the companies having either a policy on it,

or both a policy and an effective mechanism to end it. The task of tackling child labour can hardly be underestimated.

Child labour in the cotton industry

Child labour is most prevalent in the cotton industry. A study released in July 2015 'Cotton's Forgotten Children*', which focused on child labour in cottonseed farms in six Indian states (Andhra Pradesh, Telangana, Tamil Nadu, Rajasthan, Karnataka and Gujarat) that make up 95% of cottonseed production, recently suggests that numbers of children working to produce cottonseed had, despite an overall decline in their share of the workforce, actually risen in real terms by as much as 25% - that's around 100,000 children - since 2007**. The "delicate" nature of the labour involved in hybrid cottonseed production means that many deem children most suitable for it, especially young girls. Girls predominate amongst the child labourers employed. Notably, the study also found that only a minority were employed on family farms: 70% were hired or trafficked, often from other states.

* Davuluri Venkateswarlu, Director, Glocal Research, Hyderabad, on behalf of the India Committee of the Netherlands.

** Cotton's Forgotten Children: Child Labour and Below Minimum Wages in Hybrid Cottonseed Production in India - Indian Committee of the Netherlands and the Stop Child Labour Coalition (July 2015)

Table 3.4(a): Recognition of key aspects that contribute to an inclusiveness in supply chain (n=99)

Domain	Level of comprehensiveness of policy		
	No recognition	Recognition	
		Mere Recognition	Recognition and system
Priority to local suppliers	61	24	14
Policy on child labour extends to supply chain	31	33	35
Human rights policy extends to supply chain	57	42	Not analysed
Employment policy extends to supply chain	79	7	13

3.4.2 Extending workplace rights to the supply chain

As Table 3.4(b) below shows, a very promising number of the companies – 71 – have systems by which they can determine steps to procure goods and services from local and small producers, but only 1 company has reported a process for consulting with stakeholders in order to formulate a supplier code.

One company reported that they assess the

capacity needs of local suppliers, vendors, producers and contractors; and 8 companies assess issues connected to worker rights in supply chain.

3.4.3 Summary of findings on inclusiveness in supply chain

The figure and Table provide a snapshot of the data related to inclusive supply chain. While Figure 3.4(a) displays the distribution of the companies across four bands of scores of low, average, above average and high, Table 3.4(c) enlists the top ten companies

Table 3.4(b): Recognition and related knowledge systems that contribute to developing and strengthening of a responsible supply chain (n=99)

Recognition of key aspects	Number of companies
Procurement of raw products at a fair price	4
Presence of system for/to	
Stakeholder consultation for formulating supplier code	1
Determine steps taken to procure goods and services from local & small producers, including communities surrounding their place of work	71
Assessment of capacity needs of local suppliers, vendors, producers and contractors	1
Assessment of issues related to worker rights in supply chain	8

on inclusive supply chain. (For detailed rankings of all the 99 companies, please refer to Annexure 6.)

What emerges as extremely significant from Figure 3.4(a) is that there are as many as 32 companies

Figure 3.4(a): Distribution of companies (n=99) as per scores (0 to 1) on inclusive supply chain

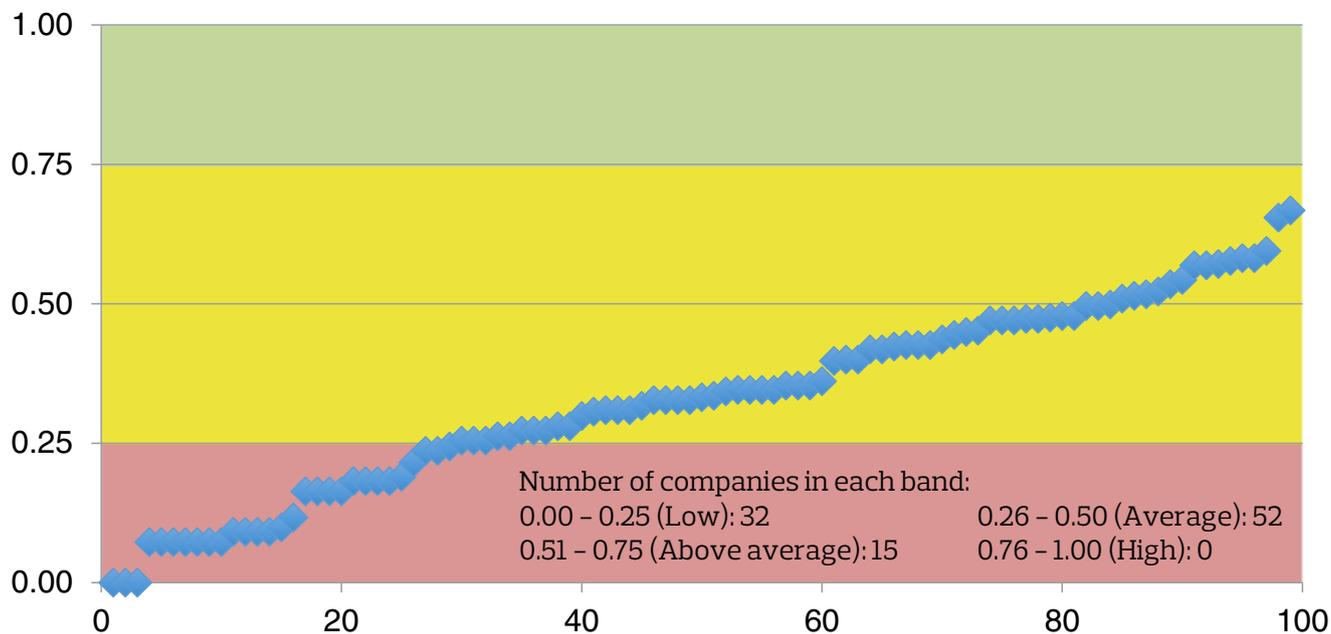


Table 3.4(c): Top ten companies in inclusive supply chain

Company	Ownership	Score
Siemens Limited	Private	0.67
Jindal Steel And Power Limited	Private	0.65
Cairn India Limited	Private	0.59
Tata Motors Limited	Private	0.58
Tata Steel Limited	Private	0.58
Hindustan Unilever Limited	Private	0.58
Colgate-Palmolive India Limited	Private	0.57
Dabur India Limited	Private	0.57
Oil India Limited	PSU	0.57
Gail India Limited	PSU	0.54
JSW Steel Limited	Private	0.54

*More than ten companies are listed since companies shared the same score

in the “low” band and the absence of even one company in the “high” band. The highest score by any company in this category is only 0.67.

3.5 Community as business stakeholders

Three NVG principles directly talk about members of the local community as business stakeholders. These are Principles 4, 5 and 8 of the NVGs that call for companies to be responsive to the “interests of all stakeholders, especially those who are disadvantaged, vulnerable and marginalised”; “respect and promote human rights” and; “support inclusive growth and equitable development”. The principles require companies to recognise the issues of the local community within its core business and encourage companies to be responsible for, accountable to and aware of their needs and aspirations. Thus, local people affected by business are not to be seen merely as recipients of 2 per cent CSR investments, but as stakeholders with an active and non-negotiable interest in core business operations.

The search for company data focused on the following areas:

- Policies on assessing the impacts of business on local communities
- Policies related to resettlement and rehabilitation, whenever and wherever required, and that uphold the principles of free, prior and informed consent in discussions of land acquisition and displacement
- Provision of similar or better living conditions and services and alternate livelihood opportunities for all project affected people, as well as disclosure

on, inter alia, numbers affected and compensation offered

- Sensitivity to local concerns, and a commitment to work on locally relevant issues and promote local culture, knowledge and heritage and provide employment to local people
- Steps taken to understand the relationship between its core business and the local and societal contexts, taking account of local economic needs and being transparent about the percentage of total employment generated from the local area

3.5.1 Companies that recognise need for prior impact assessment in their policies

Policies of 71 companies recognise the need for prior impact assessments, and 2 companies have policy requirements to make their reports available in the public domain.

Alarmingly, only one company recognised the principle of Free, Prior and Informed Consent, but did not report having a system to enforce it. The need for conducting an impact assessment on the community has been more widely recognised with 27 companies also having a system in place. 18 companies have stated a commitment to provide employment to local people. However, it is concerning that only 9 have policies to communicate project impacts with community members who would be affected by it.

Table 3.5(a): Recognition of the need to assess business impact on communities and means to minimise the negative impacts (n=99)

Domain	Level of comprehensiveness of policy		
	No recognition	Recognition	
		Mere Recognition	Recognition and system
Need for impact assessment on the community	28	44	27
Free, Prior and Informed Consent (FPIC) through discussions for land acquisition or displacement	98	1	0
Responsibility for provision of similar or better living conditions and services and access to Project affected people	94	2	3
Acknowledgement of judicious use of local resources	36	27	36
Recognition of the need to work on locally relevant issues	90	6	3
Employment of local people	81	12	6

Extractive industries

It is important to differentiate between what this sector is supposed to do legally as part of compliance and what their CSR initiatives are. Mining can bring economic and social benefits to communities through local job creations and resource revenues but the fact of the matter is that, of the 50 major mining districts of India, 60 per cent figure among the 150 most backward districts of the country and almost half are tribal districts. In such a setting, displacement of the community by the mining companies push them further to poverty, hunger, deprivation resulting in protest and conflict. One of the causes of social conflict includes lack of sufficient consultation and community engagement.

Coal India is entangled in 1,500 court cases and disputes, according to executives at its legal department, while its subsidiaries are involved in about 16,500 legal cases. At one end Coal India limited is under legal scrutiny on a coal allocation scam (Coal-Gate) where the Indian government allocated coal deposit blocks inefficiently, without following a bidding process and moreover, above this many of these blocks were not in a production phase.

Dr. Archana Shukla Mukherjee, Change Alliance, during a consultation on 1 October 2015 on Inclusive Business, Delhi

Table 3.5(b): Recognition and knowledge systems that promote companies to be sensitive to local concerns, culture and environment; and engage with communities (n=99)

Recognition of key aspects:	Number of companies
Public hearing and communication of project impacts with community	9
Transparent communication about the compensation to be paid in case of land acquisition or displacement	2
Respect for local culture and local systems	14
Intention to invest to strengthen and promote local knowledge/heritage, and protect the Intellectual property rights of the community	7
Publishing of impact assessment reports in the public domain	2
Presence of system for:	
Stakeholder consultation for formulating policy on resettlement and rehabilitation (Project affected community, including women, marginalised groups)	2

Table 3.5(c): Number of companies that disclose data on impacts of their business operations on local communities (n=99)

Elements	Number of companies
People displaced or affected	4
People rehabilitated and resettled	2
Employment generated from local area	5

Policy existence = positive action?

Supreme Court Advocate, Shaunak Kashyap says, "Coal India is in violation of statutory provisions particularly the SEBI Act, the Listing Agreement under the Securities Contracts Regulations Act, 1956, and SEBI's April 3, 2006 circular relating to disclosure of material events. It is a matter of grave concern that a government controlled company has failed to notify the exchanges of this reduction in their reserves, something that has serious implications for both investors and the country at large."

"The Kasmunda opencast mine is one of India's and Asia's largest opencast coal mines in the district of Korba in Chhattisgarh. The mine is operated by a subsidiary of Coal India Ltd for which land acquisition takes place under the Coal Bearing Areas Act (CBA). The mine's fourfold expansion will displace 9,250

families, including adivasi and dalit communities. While the land ordinance extends compensation and rehabilitation benefits to land acquired under the CBA, communities are yet to be informed if this is applicable to them. Korba is a constitutionally protected adivasi district. Neither does the CBA have in-built provisions for seeking the consent of affected adivasi communities, nor does the land act's section on consent apply to it. This violates India's obligations to uphold the Free Prior Informed Consent of indigenous communities prior to any decisions affecting their land and resources."*

*-Caravan Magazine, May 2015 <http://www.caravanmagazine.in/vantage/whom-will-land-ordinance-affect#sthash.Lw1HzNbC.dpuf>

3.5.2 Provision for effective rehabilitation, resettlement and compensation

The overwhelming majority of companies - 94 - have not recognised their responsibility to provide similar or better opportunities to project affected people (PAP). Only two companies have a policy on transparent communication about compensation to be paid to PAP.

Just two companies mentioned consultation with community members, including project-affected community, women and marginalised groups, in formulation of Resettlement and Rehabilitation policy.

"Don't mine us out of existence"*

Protests by tribals in Kalahandi and Rayagada have taken place against mining activities at Niyamgiri as they are leading to pollution of the environment and affecting livelihoods of tribal communities. Amnesty International in a report "Don't Mine Us Out of Existence" has

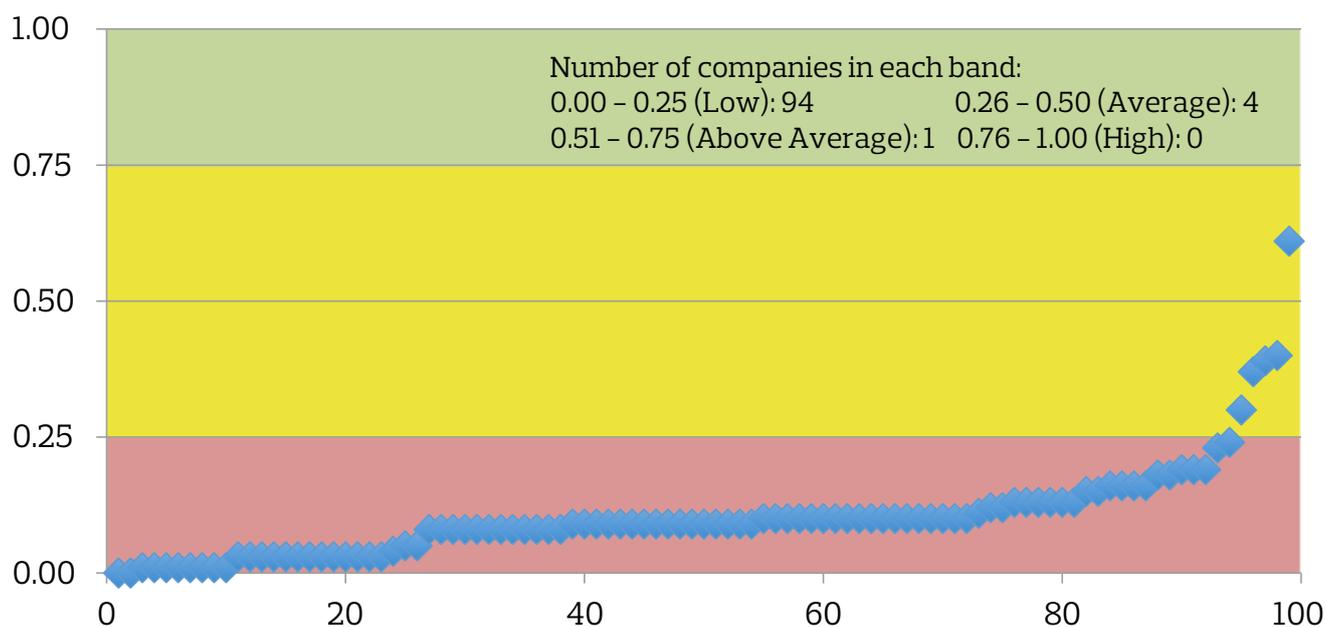
said that, "The Company does not explain what, if any, measures are being taken to consult the Dongria Kondh themselves on plans. As far as Amnesty International could discover, no effort has been made to consult the Dongria Kondh on these development initiatives, especially those that are closest to the proposed mining site."

*<http://www.amnesty.org.uk/press-releases/vedanta-resources-statement-amnesty-report-full-errors-and-omissions-says-amnesty>

3.5.3 Summary of findings on community as business stakeholders

The figure and table provide a snapshot of the data related to community as business stakeholder. Figure 3.5(a) displays the distribution of the companies across four bands of scores of low, average, above average and high, table 3.5(d) enlists the top ten companies on community as business stakeholders. (For detailed rankings of all the 99 companies, please refer to Annexure 6.)

Figure 3.5(a): Distribution of companies (n=99) as per scores (0 to 1) on community as business stakeholders



Performance of companies as is evident from the figure above, is the worst on this element of community as business stakeholders. While 94 companies are in the "low" band, not a single company is in the "high" band.

Only one (Coal India Limited) is in the above average category with a score of 0.61. What is noteworthy is the score of the company (Vedanta Industries Limited) that is second highest, is significantly lower at 0.39

Table 3.5(d): Top ten companies in community as business stakeholders

Company	Ownership	Score
Coal India Limited	PSU	0.61
Vedanta Limited	Private	0.40
NHPC Limited	PSU	0.39
NTPC Limited	PSU	0.37
Neyveli Lignite Corporation Limited	PSU	0.30
Tata Steel Limited	Private	0.24
Cairn India Limited	Private	0.23
ABB Limited	Private	0.19
Bharat Electronics Limited	PSU	0.19
Cummins India Limited	Private	0.19

3.6. Overall trends

While the previous section of the report looked closely at analysed data of the companies across five broad components, this section presents overall summary trends from the study.

3.6.1 Mapping companies across elements

The 100 companies were mapped against the five elements and placed in four bands. This is presented in Table 3.6(a) below. It indicates that there is high policy alignment and disclosure among companies on policies related to community development (conventionally understood as corporate social responsibility) with most of the companies being in "above average" to "high" category. Whereas in the communities as business stakeholder element, 94 companies are in "low" band and there are no companies in the "high" band. Additionally, the element related to supply chain also shows very low

policy alignment and disclosure, with none in the "high" band.

3.6.2 Mapping companies with scores over 0.50

The data for the companies was analysed to identify the distribution of companies that scored more than 0.5 across the five elements, by sector This is presented in Table 3.6(b).

Across sectors, companies fare better at the community development element.

When a sectoral analysis was done, among the extractive sector (metal, metal products and mining, oil and gas, chemicals and petrochemicals, and power), out of a total of 33 companies, only one PSU (Coal India) scored above 0.5 in the element of community as business stakeholder, despite the fact that the business operations of extractive industries impact the communities the most and it

Table 3.6(a): Distribution of companies as per bands across the five elements

Elements	Bands				
	0-0.25	0.26-.50	.51-.75	.76-1	Total
	Low	Average	Above average	High	
Non-discrimination at Workplace	6	51	41	1	99
Employees wellbeing	15	53	29	2	99
Community development	0	19	60	20	99
Inclusiveness in supply chain	32	52	15	0	99
Community as business stakeholder	94	4	1	0	99

Table 3.6(b): Companies, by sector, scoring more than 0.5 across elements

S.No.	Sectors	Total Companies	Non-discrimination at Workplace	Employees' Well-being	Community Development	Inclusiveness in supply chain	Community as Business Stakeholder
1	Capital Goods	5	2	2	2	1	0
2	Finance	18	10	2	13	0	0
3	FMCG, Textiles, Healthcare and Consumer Durables	17	6	7	12	3	0
4	Housing-related	6	3	3	6	0	0
5	IT, Telecom, Media and Publishing	10	2	1	7	2	0
6	Metal, Metal Products and Mining	12	6	6	11	3	1
7	Oil and Gas, Chemicals and Petrochemicals	11	6	6	11	3	0
8	Power and diversified	10	4	1	8	1	0
9	Transport, Equipment and Services	10	3	3	10	2	0

is expected that they make their policies available in the public domain.

Similarly, among companies in the finance sector, one sees that there are no companies scoring more than 0.5 in the elements of community as business stakeholders or inclusive supply chain. One company in its response to the data sheet that was shared with them stated "these two elements are not applicable for us as we do not engage with communities directly." This seems to be a misplaced conception as the NVGs clearly state "Businesses

should avoid complicity with the actions of any third party that violates any of the principles contained in these Guidelines", thus making the elements very pertinent for all sectors including companies that possess the capabilities to finance work that can have a high impact on disadvantaged communities.

Using an ownership lens for analysis shows that in four of the five elements, PSUs are the top scorers, whereas a private company (Siemens Ltd) scored highest in the element of inclusive supply chain. If one leaves out the element of community

development, only three companies have reached the "high" band with respect to employee wellbeing and non-discrimination, all the three being PSUs (Oil India Ltd, Indian Oil Corporation Ltd and Bharat Electronics Ltd). There are four companies that are among the top 10 in more than three elements; of which two are PSUs (GAIL India Ltd and Bharat Electronics Ltd) and two are private companies (Tata

Steel Ltd and Jindal Steel and Power Ltd). Similarly, Sun TV Network Ltd is among the bottom 10 across four elements, whereas there are three companies that are among the bottom 10 in three elements including LIC Housing Finance Ltd, ICICI Bank Ltd and Reliance Power Ltd, although, ICICI is among the top 10 in the community development element.

4. Conclusion

The NVGs, which came into existence in the year 2011, is an umbrella document on business and human rights. It is an Indian narrative, and the outcome of a national multi-stakeholder consultation process, in which businesses, Government and civil society participated. It was for the first time that a mainstreamed narrative of business responsibility was created wherein Corporate Social Responsibility was beginning to be redefined as social responsibility in the core business rather than merely an add-on to the core business.

Corporate Responsibility Watch, a group of civil society organisations, was keen to strengthen this initiative, after SEBI, mandated the top-100 companies listed in the BSE to submit Business Responsibility Reports according to a framework based on these NVG principles. It created this first version of an Index, to generate an analysis of the policies of the 100 companies, from the lens of the NVG principles related to social inclusion. It had three objectives, namely - to strengthen the instrument of BRR by reviewing company's BRRs, even as SEBI and Ministry of Corporate Affairs had no plans to do so; to encourage companies to disclose more in the public domain; and finally, to encourage companies to formulate policies that align with the NVG principles.

While detailed findings are described in the previous sections, the key emergent elements are detailed below.

Firstly, the Index findings show that SEBI's 2012 initiative and the subsequent creation of the BRR

framework has encouraged many corporates to be diligent about disclosure. All of the surveyed companies have at least some level of disclosure of inclusion-related policies on their websites²⁰. The fact that one question in the BRR actually invited companies to share whether or not their NVG-aligned policies are available online²¹, lends further credibility to this view as it has potentially encouraged several companies to proactively share these policies in the public domain.

Secondly, the NVG principles are not in any way alien to the companies. While several companies already have policies, which reflect the principles, some have even been worded as appropriately as intended in the NVGs. It is notable, too, that some of the companies' policy formulations have a lot of convergence with NVG guidelines.

Thirdly, as per the current analysis, PSUs emerge as showing stronger policy alignment with NVGs than the private sector companies. Despite comprising less than one third (29) of the top 100 companies, PSUs make up for almost one half of the top 10 positions across the 5 elements, and are the top companies in 4 of the 5 elements including community as business stakeholder, non-discrimination, employee wellbeing and community development. However, it is important to say that some of the private companies are consistently on top for many of the elements.

Fourthly, there is a clear difference between the way companies have disclosed policies and knowledge systems on community development - the traditional mainstay of CSR - and other,

²⁰ In the case of two of the elements: Community as business stakeholder and inclusive supply chain, there was no disclosure from 2 of the companies and 3 of the companies respectively

²¹ In the Business Responsibility Report - Suggested Framework, Section D: BR Information, question 2 [Principle-wise (as per NVGs) BR Policy/policies], sub-question 6 asks the companies whether they "indicate the link for the policy [with respect to each of the 9 NVG principles] to be viewed online?"

less well-trodden terrain, such as supply chain and community as business stakeholders. For example, the highest score for the supply chain element was 0.67; and the highest score for the community as business stakeholder element was 0.61. These compare unfavourably with the element of community development, which has the highest score of 0.96. However, even in terms of understanding of community development, there is room for companies to grow. For example, it would seem that community members are often seen only as beneficiaries rather than as participants in the development process, evidenced by a lack of disclosure on participatory need assessment and participatory evaluations.

The crucial principle of the community as business stakeholders is also an area against which there have been low levels of disclosure. It was found that businesses are, on the whole, not yet ready to formulate or disclose policies that make them truly accountable to their local communities. There is a lack of transparency related in particular to the issue of free, prior and informed consent (FPIC), compensations, public hearings, communication of project impacts, displacement and rehabilitation. Where impact assessments have been conducted, they have largely been in connection to the environment, with very few companies disclosing information on social impact assessments. This indicates the potential gap among companies to take into account the interests, concerns and priorities of local communities, many of whom comprise vulnerable and marginalised populations.

Fifthly, policies that are prerequisites by law, as expected, have higher disclosure, with the only exception being the Anti Sexual Harassment policies. The need for non-discrimination at

recruitment is to a large extent commonly accepted, but with respect to mechanisms, it is found wanting. There is mention of gender and disability, but caste and tribe are rarely stated. Companies need to have mechanisms to measure whether they are actually complying with non-discrimination or not; but they appear to have limited processes by which to gather and process such information.

Regulatory frameworks appear to have contributed to the desirable level of companies' policy commitment towards their employees' wellbeing. Companies are now using the language of human rights within their policies and have made commitments, though not universally, and not always with sufficient supportive mechanisms, to end child labour. Employee health and safety is another area that requires strengthening.

In conclusion, there is much to be encouraged by here, in terms of the level of company disclosure and the efforts that many companies are making to secure the dignity of people in the different geographies of workspace, supply chain and the wider community. However, there is room for large corporates to play a much more substantial leadership role in ensuring that the drive towards economic growth is accompanied by social progress. All the five elements talk about principles which focus on people, especially the disadvantaged, and many companies are formulating policies for such groups. Several may have progressive provision in their documents such as their human resource manuals, and it is imperative that these are disclosed in the public domain so that prospective job applicants and members of local communities are aware of these progressive policy entitlements and so that these policies retain their significance.

Way forward

This report is the result of a rapid assessment conducted between July and October 2015. It is an initial set of findings and the expectation is that the index will become more robust with a greater use of scores over a period of time and detailed comments and feedback from companies, for newer

versions of the index to emerge on a six-monthly basis. The next steps are to carry out a more detailed sector wise analysis, to set benchmarks based on noteworthy performances, to work more closely with companies to understand their challenges in disclosure and to make more company-wise information available in the public domain for the companies to respond to.

Annexure 1: List of companies and sectors

S. No.	Company Name (alphabetically)	Sectors
1	ABB Limited	Capital Goods
2	ACC Limited	Housing related
3	Adani Enterprises Limited	Diversified
4	Adani Ports And Special Economic Zone Limited	Transport equipment and services
5	Adani Power Limited	Power
6	Ambuja Cements Limited	Housing related
7	Asian Paints (India) Limited	Oil and Gas, Chemicals and petrochemicals
8	Axis Bank Limited	Finance
9	Bajaj Auto Limited	Transport equipment and services
10	Bank Of Baroda	Finance
11	Bank Of India	Finance
12	Bharat Electronics Limited	Capital Goods
13	Bharat Heavy Electricals Limited	Capital Goods
14	Bharat Petroleum Corporation Limited	Oil and Gas, Chemicals and petrochemicals
15	Bharti Airtel Limited	IT, Telecom, Media and Publishing
16	Bosch Limited	Transport equipment and services
17	Cadila Healthcare Limited	FMCG, Textiles, Healthcare and Consumer durables
18	Cairn India Limited	Oil and Gas, Chemicals and petrochemicals
19	Canara Bank	Finance
20	Castrol India Limited	Oil and Gas, Chemicals and petrochemicals
21	Cipla Limited	FMCG, Textiles, Healthcare and Consumer durables
22	Coal India Limited	Metal, Metal Products and Mining
23	Colgate-Palmolive (India) Limited	FMCG, Textiles, Healthcare and Consumer durables
24	Container Corporation Of India Limited	Transport equipment and services
25	Cummins India Limited	Transport equipment and services

S. No.	Company Name (alphabetically)	Sectors
26	Dabur India Limited	FMCG, Textiles, Healthcare and Consumer durables
27	DLF Limited	Housing related
28	Dr. Reddy's Laboratories Limited	FMCG, Textiles, Healthcare and Consumer durables
29	Exide Industries Limited	Transport equipment and services
30	Gail (India) Limited	Oil and Gas, Chemicals and petrochemicals
31	Glaxosmithkline Consumer Healthcare Limited	FMCG, Textiles, Healthcare and Consumer durables
32	Glaxosmithkline Pharmaceuticals Limited	FMCG, Textiles, Healthcare and Consumer durables
33	GMR Infrastructure Limited	Power
34	Godrej Consumer Products Limited	FMCG, Textiles, Healthcare and Consumer durables
35	Grasim Industries Limited	FMCG, Textiles, Healthcare and Consumer durables
36	HCL Technologies Limited	IT, Telecom, Media and Publishing
37	HDFC Bank Limited.	Finance
38	Hero Motocorp Limited	Transport equipment and services
39	Hindalco Industries Limited	Metal, Metal Products and Mining
40	Hindustan Copper Limited	Metal, Metal Products and Mining
41	Hindustan Unilever Limited	FMCG, Textiles, Healthcare and Consumer durables
42	Hindustan Zinc Limited	Metal, Metal Products and Mining
43	Housing Development Finance Corporation Limited	Finance
44	ICICI Bank Limited	Finance
45	Idea Cellular Limited	IT, Telecom, Media and Publishing
46	IDFC Limited	Finance
47	Indian Oil Corporation Limited	Oil and Gas, Chemicals and petrochemicals
48	Indusind Bank Limited	Finance
49	Infosys Limited	IT, Telecom, Media and Publishing
50	ITC Limited	FMCG, Textiles, Healthcare and Consumer durables
51	Jaiprakash Associates Limited	Housing related
52	Jindal Steel & Power Limited	Metal, Metal Products and Mining

S. No.	Company Name (alphabetically)	Sectors
53	JSW Steel Limited	Metal, Metal Products and Mining
54	Kotak Mahindra Bank Limited	Finance
55	Larsen & Toubro Limited	Capital Goods
56	LIC Housing Finance Limited.	Finance
57	Lupin Limited	FMCG, Textiles, Healthcare and Consumer durables
58	Mahindra & Mahindra Limited	Transport equipment and services
59	Mangalore Refinery & Petrochemicals	Oil and Gas, Chemicals and petrochemicals
60	Maruti Suzuki India Limited	Transport equipment and services
61	MMTC Limited	Metal, Metal Products and Mining
62	National Aluminium Company Limited	Metal, Metal Products and Mining
63	Nestle India Limited	FMCG, Textiles, Healthcare and Consumer durables
64	Neyveli Lignite Corporation Limited	Power
65	NHPC Limited	Power
66	NMDC Limited	Metal, Metal Products and Mining
67	NTPC Limited	Power
68	Oil And Natural Gas Corporation Limited	Oil and Gas, Chemicals and petrochemicals
69	Oil India Limited	Oil and Gas, Chemicals and petrochemicals
70	Oracle Financial Services Software Limited	IT, Telecom, Media and Publishing
71	Petronet LNG Limited	Oil and Gas, Chemicals and petrochemicals
72	Power Finance Corporation Limited	Finance
73	Power Grid Corporation Of India Limited	Power
74	Punjab National Bank	Finance
75	Ranbaxy Laboratories Limited	FMCG, Textiles, Healthcare and Consumer durables
76	Reliance Communications Limited	IT, Telecom, Media and Publishing
77	Reliance Industries Limited	Oil and Gas, Chemicals and petrochemicals
78	Reliance Infrastructure Limited	Power
79	Reliance Power Limited	Power

S. No.	Company Name (alphabetically)	Sectors
80	Rural Electrification Corporation Limited	Finance
81	Sesa Goa Limited. Merged With Sterlite Industries (Vedanta Industries)	Metal, Metal Products and Mining
82	Shree Cements Limited	Housing related
83	Shriram Transport Finance Company Limited	Finance
84	Siemens Limited	Capital Goods
85	State Bank Of India	Finance
86	Steel Authority Of India Limited	Metal, Metal Products and Mining
87	Sun Pharmaceutical Industries Limited	FMCG, Textiles, Healthcare and Consumer durables
88	Sun TV Network Limited	IT, Telecom, Media and Publishing
89	Tata Consultancy Services Limited	IT, Telecom, Media and Publishing
90	Tata Motors Limited.	Transport equipment and services
91	Tata Power Company Limited	Power
92	Tata Steel Limited	Metal, Metal Products and Mining
93	Titan Industries Limited	FMCG, Textiles, Healthcare and Consumer durables
94	Ultratech Cement Limited	Housing related
95	Union Bank Of India	Finance
96	United Breweries Limited	FMCG, Textiles, Healthcare and Consumer durables
97	Wipro Limited	IT, Telecom, Media and Publishing
98	Yes Bank Limited	Finance
99	Zee Entertainment Enterprises Limited	IT, Telecom Media And Publishing

Annexure 2: Note on sector categorisation of companies

The Bombay Stock Exchange classifies listed companies on the basis of activities undertaken by them. This study has considered these categorisations in order to understand how specific sectors, based on the companies that comprise them, are performing.

While there are numerous industry sectors for companies listed on the BSE, the top 100 companies broadly fall under 18 sectors. Since these companies are not equally distributed across these sectors, a few of the sectors have only one or two companies, making it difficult to compare and analyse the data collated. For ease of comparability, therefore, sectors where the nature of activity was observed to be similar have been grouped. Accordingly, companies have been classified based on these new categories.

'Oil and Gas' category comprises both producer and oil-marketing companies. While producer companies also deal in petrochemicals, they have not been categorised under 'Chemicals and Petrochemicals'. This particular category has only one company. Thus, for better analyses and comparability, these two sectors have been clubbed.

'IT', 'telecom' and 'Media and Publishing' are separate sectors in the BSE list. However, given the common thread of computer technology and telecommunications among them, these three have been grouped together. Similarly, 'Transport Services' and 'Transport Equipment' have also been combined.

'FMCG', 'Textiles', 'Healthcare' and 'Consumer durables' are separate categories as per BSE. Although the business processes vary widely between these sectors, the profile of the end-user and, as a result, the marketing mechanisms are roughly the same. This similarity is evident from the fact that end-users can access products in all these four categories under the same roof, thanks to the proliferation of departmental stores, super and hypermarkets. Therefore, these four categories have been grouped together.

One public sector trading company categorised under 'Miscellaneous' has been put under 'Metal, Metal Products and Mining', for ease of comparability and owing to the large amount of metal and mining products it imports and exports.

BSE SECTOR

- | | | |
|---------------------------------|-------------------------------|---------------------|
| 1. Oil and Gas, | 8. Healthcare | 13. Power |
| 2. Chemicals and petrochemicals | 9. Consumer durables | 14. Finance |
| 3. IT | 10. Transport equipment | 15. Capital Goods |
| 4. Telecom, | 11. Transport services | 16. Housing related |
| 5. Media and Publishing | 12. Metal, Metal Products and | 17. Diversified |
| 6. FMCG | Mining | 18. Miscellaneous |
| 7. Textiles | | |

SECTORS FOR THIS STUDY

1. Oil and Gas, Chemicals and petrochemicals
2. IT, Telecom, Media and Publishing
3. FMCG, Textiles, Healthcare and Consumer durables
4. Transport equipment and services
5. Metal, Metal Products and Mining
6. Power
7. Finance
8. Capital goods
9. Housing related
10. Diversified

Annexure 3: Analysis framework

Community development	
1	Businesses have detailed policies and strategies on community development projects
1(a)	Whether the policy identifies:
(i)	Thrust areas for community development projects
(ii)	Backward regions for implementing community development projects
(iii)	Target stakeholders and communities with whom they plan to implement their CSR programme
2	Businesses have community participation in its strategy development
2(a)	Has the company consulted key stakeholders (Community, Women, Elderly, Children) for the formulation of policy on Corporate Social Responsibility?
2(b)	Whether the company has carried out the needs assessment for initiating CSR project?
2(c)	Did the needs assessment involve communities belonging to vulnerable groups?
3	Business discloses proactively on CSR projects
3(a)	Does the company policy have mechanism for implementing CSR projects?
3(b)	Does the company record and disclose its contribution for CSR (as percentage of Profit)?
3(c)	Does the company disclose the number of beneficiaries of their CSR projects?
3(d)	Does the company record and provide distribution of its expenses on CSR across themes? (amount spent theme wise)
3(e)	Whether the company has recorded and provided details of the project implemented under the CSR?
3(f)	Does the company disclose steps taken to ensure that the community has successfully adopted the community development initiative?
4	Does the company have mechanisms to understand, measure and assess the impact of their CSR projects?
4(a)	Does the company policy have monitoring mechanism for CSR projects?
4(b)	Whether the company has carried out any Independent impact assessment of its CSR projects?
4(c)	Did the independent impact assessment involve the key stakeholders (women, children, disabled, SC, ST and elderly)?
4(d)	Does the company record and disclose the frequency of meetings of CSR committee for the FY 2013-14 or 2014-15?

Community as business stakeholder	
1	Business recognises the need for assessing impact of its activities on the communities and has policies for the same
1(a)	Whether the company policy recognises the need for Impact Assessment such as SIAs for assessing negative and positive impacts?
1(b)	Does the company policy mandate publishing of impact assessment reports in public domain?
1(c)	Does the company publish impact assessment report for products/services or business operations (prior to launch) in public domain?
2	Business recognise the need to minimise its harm and has policies related to resettlement and rehabilitation, whenever required at any level during its operations of different projects
2(a)	Does the company policy on resettlement and rehabilitation mandate:
(i)	Transparent communication about the compensation to be paid in case of land acquisition or displacement?
(ii)	Free, Prior and Informed Consent (FPIC) through discussions for land acquisition or displacement?
(iii)	Provision of similar or better living conditions and services and alternate livelihood options to Project Affected People?
2(b)	Whether the company publicly discloses the following:-
(i)	Number of people displaced or affected/rehabilitated/complaints received vis-à-vis rehabilitation and resettlement
2(C)	Has the company consulted key stakeholders for the formulation of policy on Resettlement and Rehabilitation (Project affected community, including women, marginalised groups)?
3	Businesses are sensitive to local concerns and have policies to respect local culture and integrate its operations with the local environment
3(a)	The Business policies assert the following: -
(i)	Respect local culture and local systems
(ii)	Acknowledge judicious use of local resources and not over exploiting the same
(iii)	Recognise the negative impacts and the need to work on locally relevant issues
(iv)	Intend to invest to strengthen and promote local knowledge/heritage, and protect the Intellectual property rights of the community
(v)	Mandate employment of local people
4	Businesses have taken steps to understand the relationship between its core business and the local and societal contexts
(i)	Businesses have carried out needs assessment of local communities for its core business

Inclusive supply chain	
1	Businesses have policies and mechanisms to strengthen the supply chain
1(a)	Does company policy mention:
(i)	Building capacity of local suppliers/contractors on products and services
(ii)	Providing Priority to the local suppliers
(iii)	Commitment to procurement of raw products or services at fair price from local producers/service providers
1(b)	Has the company consulted key stakeholders for the formulation of Supplier Code or related policy?
2	Businesses have taken steps to organise efforts towards strengthening supply chain
2(a)	Has the company recorded and disclosed steps taken to procure goods and services from local & small producers, including communities surrounding their place of work?
2(b)	Has the company recorded and disclosed steps taken to improve capacity and capability of local and small vendors?
2(c)	Whether the company has systems to assess the capacity needs of local suppliers, vendors, producers and contractors?
2(d)	Whether the company is aware of representation of any disadvantaged communities in the capacity building programmes?
2(e)	Does the company disclose on procedures in place for sustainable sourcing?
3	Businesses extend its polices of human rights to the supply chain
3(a)	Whether the company policy explicitly prohibits use of child labour within supply chain?
3(b)	Does the policy on human rights extend to supply chain?
3(c)	Whether employment policy (Minimum wage, working hours, social benefits, safe working environment etc.) of the company extends to supply chain?
3(d)	Whether the company has systems to assess issues related to human rights/ worker's rights in the supply chain?

Non-discrimination at workplace	
1	Businesses have policies that explicitly mentions non-discrimination, equal opportunity as principle in employment
1(a)	Policies acknowledges non-discrimination and equal opportunities for specific vulnerable identities for:
(i)	Recruitment
(ii)	Career Advancement
(iii)	Diversity in Board

2	Businesses have policies that identify Identities or groups that need to be proactively targeted for diversity in organisation for recruitment and career advancement
(i)	Disadvantaged
(ii)	Women
(iii)	PWD
(iv)	Sexual Minorities
(v)	SC
(vi)	ST
(vii)	Religion
3	Businesses detail out strategies and mechanisms in public domain so that the disadvantaged sections take benefits of the policies
3(a)	Businesses have Strategy to achieve non-discriminatory environment to:
(i)	Proactively reach out
a	Detail out measures such as recruitment norms, affirmative action or such methods to ensure diversity
(ii)	Proactively retain employees
b	Sexual harassment policy
c	Has consulted stakeholders for formulation of policy on sexual harassment ?
(iii)	Whether the Company has a record as well as discloses on complaints received regarding sexual harassment?
a	Maternity benefits
b	Disable friendly workplace
(iv)	Discloses on Skill development opportunities extended to:
a	Permanent Women Employees
b	Employees with Disabilities
c	Contractual employees
3(b)	Steps taken to ensure that the career advancement is non-discriminatory
4	Businesses disclose diversity within board of directors and among employees
4(a)	Board of Directors:
(i)	Women

(ii)	PWD or SC or ST
4(b)	Employees:
(i)	Women
(ii)	PWD
(iii)	SC
(iv)	ST

Respecting employee dignity and human rights	
1	Businesses have policies and mechanisms that respect workers rights with respect to freedom of association, Collective bargaining, fair living wages and forced labour
1(a)	Whether the policy mentions:
i	Freedom of association
ii	Collective bargaining
iii	Fair living wages
iv	Forced labour
1(b)	Does the company record and disclose on existence of any employees' association?
1(c)	Whether the company has policies detailing the management structure or process on engagement with associations?
1(d)	Whether company discloses on stakeholders consulted for formulation of Human Resource Policy?
1(e)	Does the company policy acknowledge that its contractual employees (hired directly or through contractors) are provided with the social benefits (Provident Fund and medical insurance)?
2	Businesses have policies and mechanisms to ensure Safe and healthy workplace.
2(a)	Whether the policy strives for:
i	Safe and healthy workplace
ii	Zero tolerance towards all forms of violence at work
2(b)	Whether the company has systems to assess safety training given to following:
i	Permanent Employees
ii	Permanent Women Employees
iii	Casual/Temporary/Contractual Employees

iv	Employees with Disabilities
2(c)	Whether the company has mechanisms to assess Health and safety conditions?
3	Businesses have policies to prohibit child labour
3(a)	Whether the company has policy on prohibition of child labour?
4	Businesses assess the situation of Workers rights and labour issues in core business?
4(a)	Businesses assess the situation of Workers rights and labour issues in core business?
4(b)	Whether the business records and discloses on complaints related to violation of workers' rights?
5	Businesses extend their workers policies to Group and Joint ventures
5(a)	Does the company policy on workers' rights extend to Group and joint ventures?

Number of companies to whom datasheets were sent: 98

Number of companies that responded, as on 9 October 2015: 27

Number of companies that sent comments to data, as on 9 October 2015: 4

Annexure 4: Question schedule

The schedule was split into three sections: Policy, performance and knowledge. These are detailed in the tables below:

POLICY

1. People	
1.1.1 (i)	Does the company policy recognise equal opportunity for recruitment to: Affirmative action/reservation can be considered as a mechanism. Mechanism can include but not limited to the following: committee, designated official/department, officer, evaluation, assessment, audit "Mechanism with detail" band will be applicable when company details out the functional aspect about the mechanism
A	Disadvantaged
B	Women
C	PWD
D	Sexual Minorities
E	SC
F	ST (only if there is a specific mention of it, does not include ethnicity)
1.1.1 (ii)	Does the company policy recognise equal opportunity for career advancement (promotion) to: (Affirmative action/reservation can be considered as mechanism but not mechanism in detail until there is details about the system/committee etc.)
A	Disadvantaged
B	Women
C	PWD
D	Sexual Minorities
E	SC
F	ST
1.1.2	Does the company policy recognise the need for diversity while making appointments in the board of directors:
A	Disadvantaged
B	Women
C	PWD
D	Sexual Minorities

E	SC
F	ST
1.1.3	Does the company policy provide for grievance redressal system for discriminatory employment (at the time of recruitment)? For detailed mechanism it should include: (Highest band will be applicable only if all the below three components are mentioned) - How the grievance is raised – who do you go to? - Presence of a committee/person/ department specifically looking into the issue - Timeline for redressal
1.1.4	Does the company policy acknowledge its efforts towards creating enabling/facilitating environment for women and disabled:
A	Provisions for maternity benefits
B	Disabled friendly workspace
C	Safety of women traveling to and from work on company-related business
1.1.5	Whether the company has policy on sexual harassment according to the law? (Highest band will be applicable only if all the below three components are mentioned) As per law this policy has been defined including the below three components: - Defines sexual harassment and elaborates procedures for filing complaints - Clearly states composition of committee - Mandates the display of details related to sexual harassment policy in the workspace
1.2	No to Child Labour or Forced labour
1.2.1	Does the company policy explicitly prohibit use of child labour (including supply chain/contractors/service providers)?
1.2.2	Does the company policy prohibit use of forced labour or any form of involuntary labour, paid or unpaid?
1.3	Workers Rights
1.3.1	Does the policy of the company recognise paying minimum wages to all workers?
1.3.2	Does the company policy state paying fair living wage to all women and men in the workforce?
1.3.3	Does the company policy recognise workers Right to Association?
1.3.4	Does the company policy recognise engaging with trade unions/ collective bargaining?
1.3.5	Does the company policy mandate zero-tolerance towards all forms of violence at work, including verbal and/or physical abuse?
1.3.6	Does the company policy strive to achieve a healthy and safe workplace?
1.3.7	Does the company policy acknowledge that its contractual employees (hired directly or through contractors) are provided the with the social benefits (PF and medical insurance)?
1.4	Supply-chain
1.4.1	Whether the company in policy acknowledge priority to the local suppliers for its raw material, services (including basic services) requirement?

1.4.2	Whether the policy provides for special programme (training and orientation, lending etc.) for building capacity of local suppliers/contractors in case raw material or services are procured?
1.4.3	Whether employment policy (minimum wage, working hours, social benefits, safe working environment etc.) of company extends to the supply chain (local vendors and suppliers) as well?
2. Doing no harm	
2.1	Impact Assessments
2.1.1	Whether the company policy recognises the need for impact assessment to assess negative and positive impacts that its services/ products or business operations (such as establishment of plants etc.) would have on key stakeholders such as communities or intended beneficiaries etc. (including third party relations as in case of banking)?
2.1.2	If yes, whether impact assessment systems in policy provides for:
a)	Public hearing/community consultation
b)	Communicating project impacts with community
c)	Publishing impact assessment reports for products/services or business operations in public domain
2.2	Implementing R&R
2.2.1	Does the company policy mandate transparent communication about the compensation to be paid in case of land acquisition or displacement as a result of its direct operation or in any third party relations?
2.2.2	Does the company policy mandate Free, Prior and Informed Consent (FPIC) through discussions for land acquisition or displacement as a result of its direct operation or in any third party relations?
2.2.3	Does the company policy provide similar or better living conditions and services and access to project-affected people as a result of its direct operation or in any third party relations?
2.2.4	Does the company policy provide alternate livelihood options or employment generation for project-affected people as a result of its direct operation or in any third party relations?
3. Sensitive towards local issues	
3.1	Capacitating local stakeholders
3.1.1	Does the company policy endeavour to provide training to local suppliers, vendors and producers for diversifying their markets?
3.1.2	Does the company policy provide for employment to local people?
3.2	Sensitive to local culture and environment
3.2.1	Does the company policy respect local culture and local systems in core business or in its third party relations?
3.2.2	Does the company policy acknowledge judicious use of local resources and not over exploiting the same in core business or in its third party relations?
3.2.3	Does the company policy recognise the negative impacts of its core business by working on locally relevant issues? (e.g. health, – education, livelihoods etc.) – (Not as part of CSR)

3.2.4	Does the company policy intend to invest in strengthening and promoting local knowledge/heritage, and protecting the intellectual property rights of the community? (Not as part of CSR)
3.3	Promoting local procurement at fair price
3.3.1	Does the company policy acknowledge procurement of raw products or services at fair price from local producers/service providers in case procurement takes place from local area?
4. Promoting wellbeing of the society	
4.1	Supporting development priorities
4.1.1	Has the company policy identified thrust areas for their CSR programmes
4.1.2	Does the company policy identify target stakeholders and communities with whom they plan to implement their CSR programme such as:
A	Disadvantaged
B	Women
C	SC
D	ST
E	Youth
F	PWD
G	Children
4.1.3	Does the company policy acknowledge its role in skill enhancement in local area for better employability of:
A	Women
B	SC
C	ST
D	Youth
E	PWD
4.1.4	Does the company policy recognise the need for community development projects in backward region?
4.1.5	Does the company policy have a mechanism for implementing CSR projects?
4.1.6	Does the company policy have a monitoring mechanism for CSR projects?
4.2	Innovations for well being
4.2.1	Does the company policy recognise the need for Investing in products and services as part of its core business that particularly cater to the marginalised with focus on access and reallocation? (May not be applicable for all sectors particularly power, ore, mining, oil etc.)

1.1.1 (i) G	Religion (recruitment)
1.1.1 (ii) G	Religion (career advancement)

PERFORMANCE

People	
1	What is the number of permanent women employees in the total workforce?
A	What is the number of permanent employees with disabilities in the total workforce?
B	What is the number of permanent SC employees in the total workforce?
C	What is the number of permanent ST employees in the total workforce?
D	What is the number of contractual/ temporary and casual employees in total workforce?
2	What is the number of women in the board of directors?
A	What is the number of PWD in the board of directors?
B	What is the number of SC in the board of directors?
C	What is the number of ST in the board of directors?
3	Has the company formed an anti-sexual harassment committee as per the law?
4	Grievance redressal regarding sexual harassment
A	What is the number of complaints received during the financial year?
B	What is the number of complaints pending as on end of the financial year?
5	What percentage of employees was given skill up-gradation training in the last year? (Capture information in any unit man-hours, no. of days etc. and also mentioned the unit as well) (In case the combined information is given, we will repeat the same number in both the categories i.e. skills and safety)
A	What is the % of Permanent Employees?
B	What is the % of Permanent Women Employees?
C	What is the % of Casual/Temporary/Contractual Employees?
D	What is the % of Employees with Disabilities?
6	Number of complaints pending as on end of the financial year for discriminatory employment:
A	What is the number of complaints filed during the financial year?

B	What is the number of complaints pending as on end of the financial year?
7	Number of complaints pending as on end of the financial year Child labour/Forced labour/involuntary labour:
A	What is the number of complaints filed during the financial year?
B	What is the number of complaints pending as on end of the financial year?
8	Does the company disclose its pay structure for board of directors and CEO in the annual report?
9	Does the company have employee association/s recognised by management?
10	Does the company disclose percentage of permanent employees who are members of recognised employee associations?
11	What percentage of employees were given safety training in the last year:
A	What is the % of Permanent Employees?
B	What is the % of Permanent Women Employees?
C	What is the % of Casual/Temporary/Contractual Employees?
D	What is the % of Employees with Disabilities?
12	Does the company have procedures in place for sustainable sourcing (extension of social and environmental standards to the suppliers)?
13	Does the policy of the company on human rights cover only the company?
A	Does it extend to:
B	Group
C	Joint Ventures
D	Suppliers
E	Contractors
F	NGOs
14	How many stakeholder complaints related to human rights violations have been received in the past financial year?
15	What percentage of stakeholder complaints, related to human rights, did the management satisfactorily resolve?
Doing no harm	
1	Does the company publish impact assessment reports for products/services or business operations in public domain?
2	Does the company publish action taken report as response to its impact assessment report in public domain?
3	Whether the company publicly discloses the following:

A	Number of people displaced or affected by its direct operation or in its third party relations?
B	Number of people rehabilitated and resettled as result of its direct operation or in its third party relations?
C	Number of complaints received and addressed vis-à-vis rehabilitation and resettlement
D	Amount of compensation paid by the company
Sensitive towards local issues	
1	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
2	If yes, have steps been taken to improve capacity and capability of local and small vendors? (define) (Providing training to enhance their quality/productivity, credit, inputs etc.)
3	Does the company have representation of the following in these programmes:
A	SC
B	ST
C	Women
D	Disadvantaged
E	PWD
4	What percentage of total employment is generated from local area?
5	Whether the company has taken steps to protect traditional knowledge, or other forms of intellectual property rights? (Core business)
6	Does the company have Fair Trade Certification? (May not be applicable to all sectors)
Promoting wellbeing of the society	
1	What is the contribution of the company for CSR as percentage of profit?
2	What is the number of beneficiaries of their CSR projects:
A	Overall (net beneficiaries)- When total beneficiary base is given
B	Overall (cumulative) - when people reached out is mentioned as per themes
C	Households (cumulative or net)
D	Women (cumulative or net)
E	Children (cumulative or net)
F	SC (cumulative or net)
G	ST (cumulative or net)

H	Disabled (cumulative or net)
3	Does the company provide distribution of its expenses on CSR across themes? (Amount spent theme wise)
4	Whether the company has provided details of the project implemented under the CSR?
5	What was the frequency of meetings of CSR committee (to ascertain the functionality of the committee) for the FY 2013-14?
6	How does the company implement its CSR operations?
A	In-house team
B	Own foundation
C	External NGO
D	Government structure
E	Any other organisation
7	Has the company taken steps to ensure that the community successfully adopts community development initiative?
8	Does the company innovate products and services that particularly enhance access and allocation of resources in core business (communicates its intent along with the product/service details) (May not be applicable for all sectors particularly power, ore, mining, oil etc.)
A	Poor (low-cost housing)
B	Women (low-cost bicycles)
C	Children (low cost child-friendly sanitation)
D	Disabled (accessibility equipment)
E	Elderly (health insurance plans)

KNOWLEDGE

People	
1	Whether the company has its own mechanisms of measurement/ assessment/evaluation/assurances/ audit for the following:
A	Workers rights and labour issues in core business
B	Human rights/workers rights in supply chain
C	Diversity in workforce
D	Health and safety

2	Whether the assessment/evaluation has been done through independent agency?
A	Workers rights and labour issues in core business
B	Human rights/workers rights in supply chain
C	Diversity in workforce
D	Health and safety
3	Has the company consulted key stakeholders for the formulation of policy for the following: (to be mapped in policy)
A	Sexual Harassment (employees - permanent and contractual, women)
B	Remuneration (employees - permanent and contractual, women, SC, ST)
C	Human Resource Policy (employees - permanent and contractual, women)
D	Supplier Code (local suppliers, local vendors)
E	Resettlement and Rehabilitation (Project affected community, including women, marginalised groups)
F	Corporate Social Responsibility (Community, Women, Elderly, Children)
4	Voice
A	Is the company signatory to UNGC Ten Principles as per the company disclosure?
B	Is the company signatory to UNGC as per the website data?
C	Is the company signatory to UN WEP principles?
Doing no harm	
1	Whether impact assessment was done for the projects/products/services undertaken or launched (most recent)?
2	Does the impact assessment report mention about public hearings/community consultations conducted?
3	Does the impact assessment report list out stakeholders that were consulted?
Sensitive towards local issues	
1	Capacity needs of local suppliers, vendors, producers and contractors
A	Whether the company has its own mechanisms of measurement, assessment?
B	If yes, whether the mechanisms of measurement and assessment involved local communities:
2	Needs assessment of local communities in core business (not as part of CSR but core business)
A	Whether the company has its own mechanisms of measurement, assessment?
B	If yes, whether the mechanisms of measurement and assessment involved the following:

A	Women
B	Children
C	Disabled
D	SC
E	ST
F	Elderly
3	Assessment of Local trade/market for its core business (may not be applicable for all sectors)
	Whether the company has its own mechanisms of measurement, assessment?
	If yes, whether the mechanisms of measurement and assessment involved local communities?
Promoting wellbeing of the society	
1	Whether the company has carried out the following:
A	Needs assessment for initiating CSR project
B	Independent impact assessment of its CSR projects
2	Did the needs assessment done for initiating CSR projects involve:
A	Women
B	Children
C	Disabled
D	SC
E	ST
F	Elderly
3	Did the independent impact assessment of its CSR projects involve:
A	Women
B	Children
C	Disabled
D	SC
E	ST
F	Elderly

Annexure 5: Scores of top 100 companies

Company	Ownership	Sector	Non-discrimination in workplace	Employee wellbeing	Community development	Inclusive supply chain	Community as business stakeholder
ABB Limited	Private	Capital Goods	0.49	0.40	0.39	0.34	0.19
ACC Limited	Private	Housing-related	0.62	0.58	0.61	0.26	0.09
Adani Enterprises Limited	Private	Power and Diversified	0.38	0.41	0.60	0.25	0.01
Adani Ports And Special Economic Zone Limited	Private	Transport, Equipments and Services	0.45	0.48	0.67	0.26	0.16
Adani Power Limited	Private	Power and Diversified	0.48	0.24	0.60	0.09	0.10
Ambuja Cements Limited	Private	Housing-related	0.68	0.43	0.81	0.42	0.16
Asian Paints India Limited	Private	Oil and Gas, Chemicals and Petrochemicals	0.33	0.46	0.73	0.42	0.01
Axis Bank Limited	Private	Finance	0.56	0.65	0.83	0.31	0.08
Bajaj Auto Limited	Private	Transport, Equipment and Services	0.39	0.20	0.54	0.30	0.03
Bank Of Baroda	PSU	Finance	0.73	0.36	0.36	0.00	0.03
Bank Of India	PSU	Finance	0.64	0.35	0.39	0.07	0.03
Bharat Electronics Limited	PSU	Capital Goods	0.76	0.64	0.50	0.45	0.19
Bharat Heavy Electricals Limited	PSU	Capital Goods	0.67	0.45	0.89	0.48	0.10
Bharat Petroleum Corpn Limited	PSU	Oil and Gas, Chemicals and Petrochemicals	0.56	0.36	0.76	0.45	0.10
Bharti Airtel Limited	Private	IT, Telecom, Media and Publishing	0.57	0.34	0.73	0.51	0.10
Bosch Limited	Private	Transport, Equipments and Services	0.50	0.73	0.54	0.31	0.03

Company	Ownership	Sector	Non-discrimination in workplace	Employee wellbeing	Community development	Inclusive supply chain	Community as business stakeholder
Cadila Healthcare Limited	Private	FMCG, Textiles, Healthcare and Consumer Durables	0.41	0.08	0.37	0.18	0.09
Cairn India Limited	Private	Oil and Gas, Chemicals and Petrochemicals	0.35	0.43	0.67	0.59	0.23
Canara Bank	PSU	Finance	0.72	0.43	0.83	0.16	0.03
Castrol India Limited	Private	Oil and Gas, Chemicals and Petrochemicals	0.44	0.47	0.73	0.31	0.09
Cipla Limited	Private	FMCG, Textiles, Healthcare and Consumer Durables	0.33	0.51	0.60	0.28	0.11
Coal India Limited	PSU	Metal, Metal Products and Mining	0.51	0.60	0.69	0.40	0.61
Colgate – Palmolive Limited	Private	FMCG, Textiles, Healthcare and Consumer Durables	0.68	0.55	0.29	0.57	0.10
Container Corporation Of India Limited	PSU	Transport, Equipments and Services	0.67	0.48	0.81	0.33	0.01
Cummins India Limited	Private	Transport, Equipments and Services	0.44	0.45	0.76	0.36	0.19
Dabur India Limited	Private	FMCG, Textiles, Healthcare and Consumer Durables	0.54	0.59	0.67	0.57	0.10
DLF Limited	Private	Housing-related	0.36	0.47	0.73	0.43	0.09
Dr Reddy's Laboratories Limited	Private	FMCG, Textiles, Healthcare and Consumer Durables	0.50	0.32	0.36	0.43	0.09
Exide Industries Limited	Private	Transport, Equipments and Services	0.47	0.23	0.53	0.35	0.09
Gail India Limited	PSU	Oil and Gas, Chemicals and Petrochemicals	0.55	0.68	0.91	0.54	0.09
Glaxosmithkline Consumer Healthcare Limited	Private	FMCG, Textiles, Healthcare and Consumer Durables	0.30	0.39	0.46	0.07	0.08

Company	Ownership	Sector	Non-discrimination in workplace	Employee wellbeing	Community development	Inclusive supply chain	Community as business stakeholder
Glaxosmithkline Pharmaceuticals Limited	Private	FMCG, Textiles, Healthcare and Consumer Durables	0.25	0.29	0.67	0.47	0.09
GMR Infrastructure Limited	Private	Power and Diversified	0.28	0.35	0.69	0.51	0.13
Godrej Consumer Products Limited	Private	FMCG, Textiles, Healthcare and Consumer Durables	0.74	0.43	0.61	0.35	0.08
Grasim Industries Limited	Private	FMCG, Textiles, Healthcare and Consumer Durables	0.30	0.35	0.69	0.09	0.08
HCL Technologies Limited	Private	IT, Telecom Media and Publishing	0.56	0.24	0.76	0.52	0.09
HDFC Bank Limited	Private	Finance	0.33	0.13	0.61	0.07	0.08
Hero Motocorp Limited	Private	Transport, Equipments and Services	0.33	0.35	0.53	0.33	0.09
Hindalco Industries Limited	Private	Metal, Metal Products and Mining	0.33	0.44	0.66	0.19	0.09
Hindustan Copper Limited	PSU	Metal, Metal Products and Mining	0.49	0.35	0.37	0.18	0.09
Hindustan Unilever Limited	Private	FMCG, Textiles, Healthcare and Consumer Durables	0.38	0.61	0.91	0.58	0.13
Hindustan Zinc Limited	Private	Metal, Metal Products and Mining	0.42	0.43	0.51	0.24	0.13
Housing Development Finance Corporation Limited	Private	Finance	0.38	0.16	0.61	0.09	0.01
ICICI Bank Limited	Private	Finance	0.23	0.23	0.83	0.07	0.13
Idea Cellular Limited	Private	IT, Telecom Media and Publishing	0.28	0.44	0.47	0.50	0.05
IDFC Limited	Private	Finance	0.59	0.43	0.69	0.47	0.08

Company	Ownership	Sector	Non-discrimination in workplace	Employee wellbeing	Community development	Inclusive supply chain	Community as business stakeholder
Indian Oil Corporation Limited	PSU	Oil and Gas, Chemicals and Petrochemicals	0.68	0.76	0.66	0.47	0.10
Indusind Bank Limited	Private	Finance	0.49	0.36	0.60	0.16	0.03
Infosys Limited	Private	IT, Telecom Media and Publishing	0.46	0.40	0.67	0.47	0.08
ITC Limited	Private	FMCG, Textiles, Healthcare and Consumer Durables	0.62	0.61	0.81	0.48	0.10
Jaiprakash Associates Limited	Private	Housing-related	0.30	0.51	0.64	0.24	0.18
Jindal Steel And Power Limited	Private	Metal, Metal Products and Mining	0.74	0.67	0.74	0.65	0.16
JSW Steel Limited	Private	Metal, Metal Products and Mining	0.65	0.51	0.54	0.54	0.10
Kotak Mahindra Bank Limited	Private	Finance	0.44	0.45	0.57	0.24	0.03
Larsen And Toubro Limited	Private	Capital Goods	0.43	0.45	0.37	0.28	0.09
LIC Housing Finance Limited	PSU	Finance	0.23	0.21	0.47	0.07	0.08
Lupin Limited	Private	FMCG, Textiles, Healthcare and Consumer Durables	0.20	0.23	0.70	0.27	0.10
Mahindra And Mahindra Limited	Private	Transport, Equipments and Services	0.63	0.63	0.90	0.48	0.10
Mangalore Refinery And Petrochemicals	PSU	Oil and Gas, Chemicals and Petrochemicals	0.31	0.20	0.63	0.31	0.09
Maruti Suzuki India Limited	Private	Transport Equipments And Services	0.53	0.53	0.61	0.52	0.18
MMTC Limited	PSU	Metal, Metal Products and Mining	0.37	0.47	0.69	0.07	0.00

Company	Ownership	Sector	Non-discrimination in workplace	Employee wellbeing	Community development	Inclusive supply chain	Community as business stakeholder
National Aluminium Company Limited	PSU	Metal, Metal Products and Mining	0.73	0.47	0.74	0.35	0.12
Nestle India Limited	Private	FMCG, Textiles, Healthcare and Consumer Durables	0.39	0.52	0.67	0.50	0.09
Neyveli Lignite Corporation Limited	PSU	Power and Diversified	0.33	0.35	0.83	0.18	0.30
NHPC Limited	PSU	Power and Diversified	0.64	0.23	0.83	0.09	0.39
NMDC Limited	PSU	Metal, Metal Products and Mining	0.63	0.57	0.93	0.47	0.16
NTPC Limited	PSU	Power and Diversified	0.41	0.42	0.61	0.16	0.37
Oil And Natural Gas Corporation Limited	PSU	Oil and Gas, Chemicals and Petrochemicals	0.52	0.57	0.96	0.44	0.09
Oil India Limited	PSU	Oil and Gas, Chemicals and Petrochemicals	0.57	0.80	0.73	0.57	0.12
Oracle Financial Services Software Limited	Private	IT, Telecom Media and Publishing	0.50	0.52	0.37	0.40	0.01
Petronet LNG Limited	PSU	Oil and Gas, Chemicals and Petrochemicals	0.47	0.51	0.76	0.43	0.08
Power Finance Corporation Limited	PSU	Finance	0.71	0.32	0.70	0.00	0.00
Power Grid Corporation Of India Limited	PSU	Power and Diversified	0.55	0.43	0.61	0.25	0.15
Punjab National Bank	PSU	Finance	0.54	0.27	0.36	0.00	0.03
Ranbaxy Laboratories Limited	Private	FMCG, Textiles, Healthcare and Consumer Durables	0.42	0.32	0.29	0.33	0.08
Reliance Communications Limited	Private	IT, Telecom Media and Publishing	0.30	0.35	0.57	0.40	0.04

Company	Ownership	Sector	Non-discrimination in workplace	Employee wellbeing	Community development	Inclusive supply chain	Community as business stakeholder
Reliance Industries Limited	Private	Oil and Gas, Chemicals and Petrochemicals	0.53	0.55	0.60	0.35	0.13
Reliance Infrastructure Limited	Private	Power and Diversified	0.53	0.26	0.47	0.27	0.03
Reliance Power Limited	Private	Power and Diversified	0.18	0.28	0.41	0.07	0.01
Rural Electrification Corporation Limited	PSU	Finance	0.56	0.21	0.86	0.18	0.08
Sesa Goa Limited Vedanta Industries	Private	Metal, Metal Products and Mining	0.49	0.65	0.61	0.32	0.40
Shree Cements Limited	Private	Housing-related	0.66	0.47	0.67	0.44	0.10
Shriram Transport Finance Co Limited	Private	Finance	0.57	0.56	0.69	0.33	0.05
Siemens Limited	Private	Capital Goods	0.41	0.64	0.69	0.67	0.13
State Bank Of India	PSU	Finance	0.58	0.28	0.54	0.10	0.03
Steel Authority Of India Limited	PSU	Metal, Metal Products and Mining	0.31	0.40	0.60	0.22	0.10
Sun Pharmaceutical Industries Limited	Private	FMCG, Textiles, Healthcare and Consumer Durables	0.53	0.27	0.51	0.27	0.01
Sun TV Network Limited	Private	IT, Telecom Media and Publishing	0.20	0.13	0.30	0.12	0.01
Tata Consultancy Services Limited	Private	IT, Telecom Media and Publishing	0.50	0.45	0.59	0.16	0.08
Tata Motors Limited	Private	Transport, Equipments and Services	0.43	0.48	0.69	0.58	0.10
Tata Power Co Limited	Private	Power and Diversified	0.58	0.55	0.63	0.33	0.10
Tata Steel Limited	Private	Metal, Metal Products and Mining	0.54	0.56	0.83	0.58	0.24

Company	Ownership	Sector	Non-discrimination in workplace	Employee wellbeing	Community development	Inclusive supply chain	Community as business stakeholder
Titan Industries Limited	Private	FMCG, Textiles, Healthcare and Consumer Durables	0.61	0.63	0.61	0.50	0.10
Ultratech Cement Limited	Private	Housing-related	0.30	0.56	0.57	0.35	0.15
Union Bank Of India	PSU	Finance	0.47	0.38	0.57	0.35	0.03
United Breweries Limited	Private	FMCG, Textiles, Healthcare and Consumer Durables	0.30	0.35	0.59	0.25	0.03
Wipro Limited	Private	IT, Telecom Media and Publishing	0.49	0.36	0.61	0.34	0.10
Yes Bank Limited	Private	Finance	0.32	0.23	0.44	0.42	0.10
Zee Entertainment Enterprises Limited	Private	IT, Telecom Media and Publishing	0.38	0.28	0.74	0.35	0.03

Annexure 6: Company ranks for the five elements

Company Name	Company ranks for the five elements				
	Non-discrimination	Employee wellbeing	Community development	Inclusive supply chain	Community as business stakeholders
ABB Limited	47	57	88	48	8
ACC Limited	19	16	51	66	46
Adani Enterprises Limited	68	56	61	68	90
Adani Ports And Special Economic Zone Limited	57	32	39	66	13
Adani Power Limited	52	85	61	86	28
Ambuja Cements Limited	8	48	14	34	13
Asian Paints (India) Limited	77	40	22	34	90
Axis Bank Limited	28	6	8	56	62
Bajaj Auto Limited	68	94	73	60	77
Bank Of Baroda	4	62	94	97	77
Bank Of India	15	66	88	90	77
Bharat Electronics Limited	1	8	81	27	8
Bharat Heavy Electricals Limited	11	41	6	19	28
Bharat Petroleum Corporation Limited	28	62	17	27	28
Bharti Airtel Limited	25	74	22	14	28
Bosch Limited	43	3	73	56	77
Cadila Healthcare Limited	65	99	90	76	46
Cairn India Limited	76	48	39	3	7
Canara Bank	6	48	8	80	77
Castrol India Limited	58	35	22	56	46

Company Name	Company ranks for the five elements				
	Non-discrimination	Employee wellbeing	Community development	Inclusive supply chain	Community as business stakeholders
Cipla Limited	77	28	61	61	27
Coal India Limited	42	14	31	37	1
Colgate-Palmolive (India) Limited	8	22	98	7	28
Container Corporation Of India Limited	11	32	14	50	90
Cummins India Limited	58	41	17	40	8
Dabur India Limited	34	15	39	7	28
DLF Limited	75	35	22	31	46
Dr. Reddy's Laboratories Limited	43	75	94	31	46
Exide Industries Limited	53	87	77	41	46
Gail (India) Limited	32	4	3	10	46
Glaxosmithkline Consumer Healthcare Limited	86	60	85	90	62
Glaxosmithkline Pharmaceuticals Limited	94	78	39	22	46
GMR Infrastructure Limited	92	66	31	14	19
Godrej Consumer Products Limited	2	48	51	41	62
Grasim Industries Limited	86	66	31	86	62
HCL Technologies Limited	28	85	17	11	46
HDFC Bank Limited	77	97	51	90	62
Hero Motocorp Limited	77	66	77	50	46
Hindalco Industries Limited	77	46	46	75	46
Hindustan Copper Limited	47	66	90	76	46

Company Name	Company ranks for the five elements				
	Non-discrimination	Employee wellbeing	Community development	Inclusive supply chain	Community as business stakeholders
Hindustan Unilever Limited	68	12	3	4	19
Hindustan Zinc Limited	63	48	79	71	19
Housing Development Finance Corporation Limited	68	96	51	86	90
ICICI Bank Limited	95	87	8	90	19
Idea Cellular Limited	92	46	82	16	74
IDFC Limited	22	48	31	22	62
Indian Oil Corporation Limited	8	2	46	22	28
Indusind Bank Limited	47	62	61	80	77
Infosys Limited	56	57	39	22	62
ITC Limited	19	12	14	19	28
Jaiprakash Associates Limited	86	28	48	71	11
Jindal Steel & Power Limited	2	5	21	2	13
JSW Steel Limited	14	28	73	10	28
Kotak Mahindra Bank Limited	58	41	69	71	77
Larsen & Toubro Limited	61	41	90	61	46
LIC Housing Finance Limited	95	92	82	90	62
Lupin Limited	97	87	29	63	28
Mahindra & Mahindra Limited	17	10	5	19	28
Mangalore Refinery & Petrochemicals	84	94	49	56	46
Maruti Suzuki India Limited	37	25	51	11	11

Company Name	Company ranks for the five elements				
	Non-discrimination	Employee wellbeing	Community development	Inclusive supply chain	Community as business stakeholders
MMTC Limited	74	35	31	90	98
National Aluminium Company Limited	4	35	21	41	25
Nestle India Limited	68	26	39	16	46
Neyveli Lignite Corporation Limited	77	66	8	76	5
NHPC Limited	15	87	8	86	3
NMDC Limited	17	17	2	22	13
NTPC Limited	65	55	51	80	4
Oil And Natural Gas Corporation Limited	41	17	1	29	46
Oil India Limited	25	1	22	7	25
Oracle Financial Services Software Limited	43	26	90	37	90
Petronet LNG Limited	53	28	17	31	62
Power Finance Corporation Limited	7	75	29	97	98
Power Grid Corporation Of India Limited	32	48	51	68	17
Punjab National Bank	34	82	94	97	77
Ranbaxy Laboratories Limited	63	75	98	50	62
Reliance Communications Limited	86	66	69	37	76
Reliance Industries Limited	37	22	61	41	19
Reliance Infrastructure Limited	37	84	82	63	77
Reliance Power Limited	99	79	87	90	90
Rural Electrification Corporation Limited	28	92	7	76	62

Company Name	Company ranks for the five elements				
	Non-discrimination	Employee wellbeing	Community development	Inclusive supply chain	Community as business stakeholders
Sesa Goa Limited. Merged With Sterlite Industries (Vedanta Industries)	47	6	51	55	2
Shree Cements Limited	13	35	39	29	28
Shriram Transport Finance Company Limited	25	19	31	50	74
Siemens Limited	65	8	31	1	19
State Bank Of India	23	79	73	85	77
Steel Authority Of India Limited	84	57	61	74	28
Sun Pharmaceutical Industries Limited	37	82	79	63	90
Sun TV Network Limited	97	97	97	84	90
Tata Consultancy Services Limited	43	41	67	80	62
Tata Motors Limited	61	32	31	4	28
Tata Power Company Limited	23	22	49	50	28
Tata Steel Limited	34	19	8	4	6
Titan Industries Limited	21	10	51	16	28
Ultratech Cement Limited	86	19	69	41	17
Union Bank Of India	53	61	69	41	77
United Breweries Limited	86	66	67	68	77
Wipro Limited	47	62	51	48	28
Yes Bank Limited	83	87	86	34	28
Zee Entertainment Enterprises Limited	68	79	21	41	77

Annexure 7: A quick guide to the India Responsible Business Index

- The India Responsible Business Index assesses comprehensiveness of company policies against core NVG principles, based on self-reported information disclosures made by the company on their websites. Information from third party sources has not been included.
- Companies may have policies but may not have disclosed them in the public domain. An important constraint of the Index is that it assumes no disclosure is equal to no policy.
- The Index does not measure actual compliance or performance of the companies' vis-à-vis NVG principles or their own policies.
- The NVGs are the backbone of the Index. This version of the Index focuses on NVG principles related to inclusion, under which, four principles have been identified: inclusive growth, stakeholder consultation, employees' wellbeing and human rights.
- This Index makes use of two main kinds of information:
 - a) Company policies' recognition of key aspects of NVG principles, referred to here as **Policy Recognition**
 - b) Information on Community development, Community as business stakeholder, Inclusive supply chain, Employees' wellbeing and Non-discrimination at workplace, referred to here as **Knowledge Systems**
- The Index does not provide aggregate scores across all five elements so scores for each element are to be treated separately.
- The Index is based on self-reported information collected from the public domain, which includes companies' policies, annual reports, BRRs, sustainability reports and related information available on company websites. For policy, information as available on company website till 20th August 2015 has been analysed. For knowledge systems, equivalent information has been used. Additionally, with respect to certain key action questions, information from 2013-14 BRRs has been used as not all companies had submitted 2014-2015 BRRs by the time of our study.
- Analysis of index scores is work in progress. There will in due course be sector-level analysis for better comparison of companies. NVG principles are applicable across sectors and are extendable to third party relations, which makes them relevant to the entire value chain of the company.

- The research team has also collected information on violations as reported during the last 5 years from media sources. The Index does not take any account of violation-related information. This information is used at moments during this report to complement the Index and to illuminate understanding of policy and performance.

Appendix 1: The power of inclusion

*By Seema Chaudhary,
Mint, 26 October 2015*

In the past 10 months or so, one of the top priorities for India has been to figure out ways to make it easy for people and firms who want to do business in the nation to conduct their transactions and go about their work.

It is believed that the growth of the Indian economy (expected to be at 7.5% in 2015) will also usher in a better quality of life for its citizens. However, we have seen that economic growth does not always mean a better life for all citizens—India's development status is a case in point. On the Human Development Index released by the United Nations Development Programme, India ranks 135 out of 187 nations. Among BRICS nations, it has the lowest rank (Brazil ranks 79, China 91, Russia 57 and South Africa 118).

Keeping in mind the inequality between sections of society and the persistent poverty that plagues this country, it is not possible for ease of business and economic growth to be totally divorced. Firms need to take a more active role and be responsible about the environment, the communities and the ethics that they use in their policies and practices. "Participation of people as stakeholders can make businesses responsible," said Tom Thomas, chief executive of Praxis, a development support organization, and convener, Corporate Responsibility Watch.

In association with Oxfam India, a non-profit that works to empower the underprivileged, Corporate Responsibility Watch, Praxis and Partners in Change will on Tuesday release the India Responsible Business Forum (IRBF) Index 2015, which looks at corporate accountability and business responsibility.

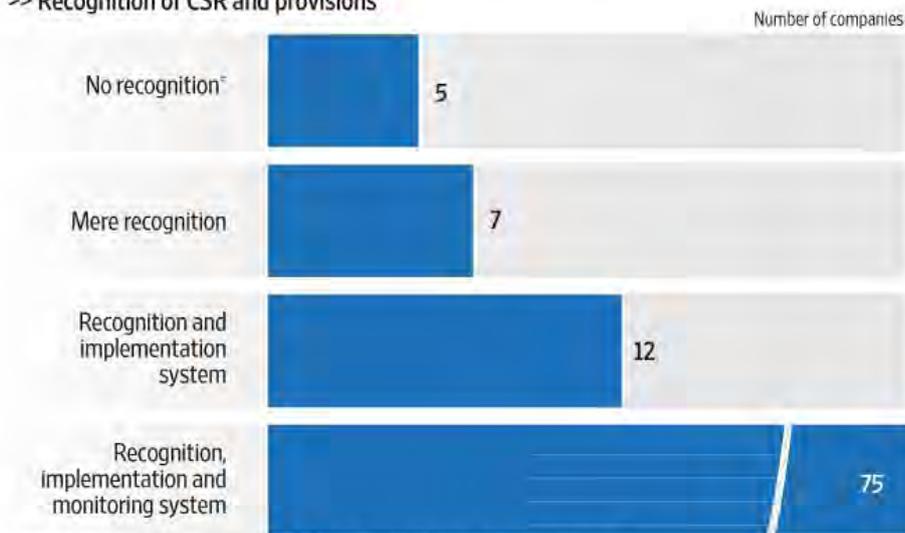
"Oxfam believes in an inclusive society, one in which everyone has the opportunity to live a life of dignity. All this is not possible without the involvement of the private sector. They have a role beyond making profit and providing jobs," said Oxfam India chief executive Nisha Agrawal. "We are all living in a world which has huge problems—like climate change and growing extreme inequality—which can no longer be solved by just governments and civil society alone. We need to partner with the private sector to solve these."

The IRBF Index 2015 (see methodology and disclosures) keeps inclusion as its basic premise and examines publicly disclosed information on five parameters: community development; community as stakeholders; inclusive supply chain; non-discrimination at the workplace; and respecting employee dignity and human rights.

COMMUNITY DEVELOPMENT

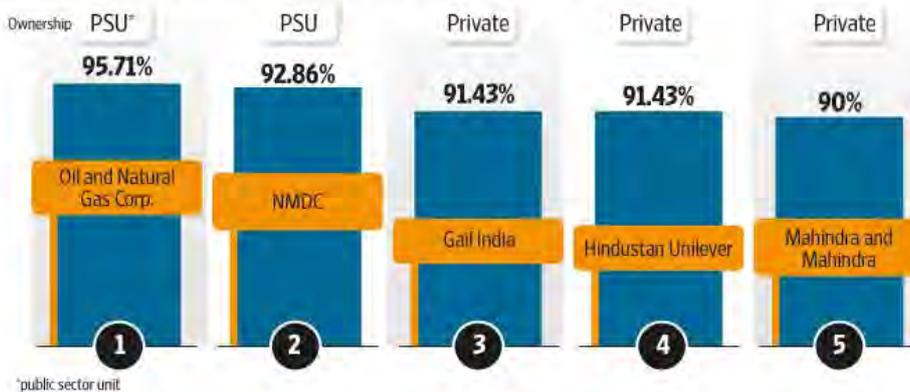
Principle 8 of the National Voluntary Guidelines states that "businesses should support inclusive growth and equitable development". Following the implementation of the corporate social responsibility rules in 2014, community development has become the focus of the philanthropic and social endeavours of most companies. However, the IRBF Index 2015 suggests vulnerable groups, who are most impacted by business processes, are left out in the community development race.

>> Recognition of CSR and provisions



*The cut-off date for data collection was 20 August, and for five of the companies there was wither no CSR policy or mention of CSR till that date

>> Top scorers in the community development parameter



>> Recognition of and provisions for enabling inclusive community development

23* Identify backward regions for implementation of community development projects

63 Identify and specify distinct vulnerable communities as target stakeholders with whom they intend to implement their CSR projects

17 Conduct needs assessment survey before initiating CSR projects

1 Hold stakeholder consultations with whom they intend to implement their CSR projects

22 Have independent impact assessment of CSR projects

68 Estimate the number of beneficiaries

24 Determine distribution of expenses on CSR across themes

*Number of companies

"We have three objectives with this index—namely it will help strengthen the reporting in the annual business responsibility report, put out more disclosures and information in the public domain, and will help to formulate policies to align with the National Voluntary Guidelines. Eventually, moving from CSR to responsible business even in their workspace and supply chain," said Thomas.

Agrawal sees the IRBF index as a tool of engagement, while Thomas hopes it will help point out the difference on being “high on talk and not on the walk. We want companies to self-examine and see how they can do better, to understand that just allocating 2% of profit to corporate social responsibility (CSR) is not enough and work towards making the current beneficiaries of CSR funds partners and even stakeholders.”

Methodology and disclosures

The IRBF Index 2015 is an initiative by not-for-profit Oxfam India in partnership with Corporate Responsibility Watch, Praxis and Partners in Change, non-profits which look at corporate accountability and business responsibility.

The index is based on self-reported information of the top 100 Bombay Stock Exchange (BSE) companies according to market capitalization as on 1 April 2012. Since then, Sesa Goa and Sterlite Industries have merged into one company, called Vedanta Ltd; hence, the data is of 99 companies now.

Every company's policy commitments have been measured against the 2011 National Voluntary Guidelines (NVGs) drafted by the ministry of corporate affairs. The Securities and Exchange Board of India (Sebi) in 2012 issued a directive that required the top 100 companies to publish a business responsibility report (BRR) based on the principles listed in the NVGs.

The IRBF lists 116 questions—drafted on the basis of NVGs—that were answered by the research team from the publicly available documents of companies till 20 August. Documents like the annual reports, directors' reports, BRRs and corporate social responsibility (CSR) reports, company policies published in public domain and sustainability reports were used to answer these questions. These answers were then sent to the companies for verification by 9 October. Twenty-seven companies responded. Responses from the rest are awaited and will be uploaded on the index website in December.

The companies have been graded on five parameters: a) non-discrimination at the workplace, b) employee well-being and human rights, c) community development, d) inclusive supply chain, and e) community as business stakeholders.

For each parameter, a firm's scores in the subsections of that parameter are totalled and converted to a percentage. Each sub-score is arrived at by dividing the firm's score in the subsection by the maximum possible score and the number of questions in the subsection.

The information provided by the companies has been taken at face value and not externally validated, nor does the index measure the practice of or compliance with the policies.

Appendix 2: Stakeholders vs shareholders

By Moyna Manku

Mint, 26 October 2015

The implementation of the corporate social responsibility (CSR) rules, 2014, stressed the need for businesses to work for local communities. However, much before the CSR rules, firms had realized the need to look beyond employees, investors and consumers, knowing well that an unhappy community is a risk to longevity of their own businesses.

"Businesses do not make products or render services from thin air. They use community resources such as land, water, energy, minerals, people, etc. We saw what happens when companies take the community for granted—be it a multinational like Coca-Cola in Plachimada, Kerala, where it had to move out, or Vedanta in Niyamgiri, Odisha. They need a social licence to operate just as much as they need other licences," said Amita Joseph, director of Business and Community Foundation (BCF), a not-for-profit organization.

According to S.K. Jain, CSR general manager at India's largest power producer, NTPC Ltd, communities need to be treated as business stakeholders. "As business, you are sharing the resources of the community. Plus, any business activity has an impact on the community," he said.

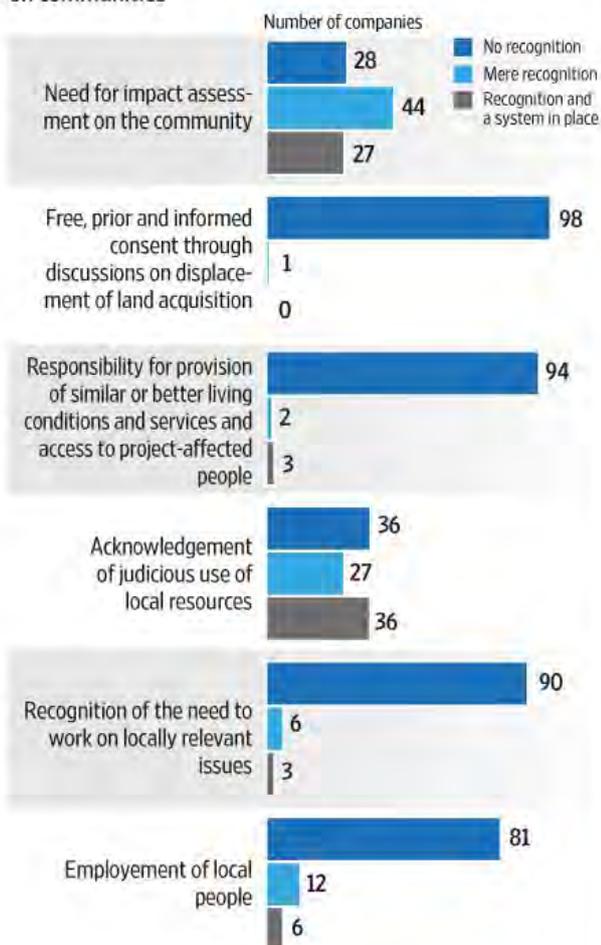
To gauge the extent of community engagement by businesses, Oxfam India, along with Corporate Responsibility Watch, Praxis and Partners in Change, created the India Business Responsibility Forum (IRBF) Index 2015. It divided companies' community engagement into two parts: (i) whether companies view communities as business stakeholders, and if so (ii) what they do for community development. Most firms have scored very high on the latter parameter thanks to the implementation of the CSR 2014 rules. But when it came to seeing the community as business stakeholders, it was found that not many companies consult local communities.

The IRBF Index 2015's grading is based on the data culled from publicly available documents and policies of companies dealing with the impact of business on local communities, resettlement and rehabilitation and the principles of free, prior and informed consent.

COMMUNITY AS BUSINESS STAKEHOLDERS

A key component of ensuring sustainability of business and avoiding conflict with local communities is to treat these communities as business stakeholders. A number of principles of the National Voluntary Guidelines emphasized this need. Though companies have put in place policies to consult and involve local communities, they have not necessarily done so in practice or put in place systems to act on involving the communities.

>> Recognition of and action on business impact on communities



>> Recognition of and provisions for engaging with local communities as business stakeholders

- 9*** Conduct public hearings and communicate project impacts with communities
- 2** Maintain transparent communication about the compensation to be paid in case of displacement or land acquisition
- 14** Practise respect for local culture and systems
- 7** Express an intention to invest in strengthening and promoting local knowledge/ heritage and protecting intellectual property rights of the community
- 2** Publish impact assessment reports in the public domain
- 2** Conduct stakeholder consultations for formulating policy on resettlement and rehabilitation

Number of companies

>> Disclosure of business impact on local communities



The best performers in the category of community development have scored higher than other best performers across IRBF Index 2015's five parameters (non-discrimination at the workplace, employee well-being, inclusive supply chain, community development and community as business stakeholders).

State-owned NMDC Ltd scored 92.8% for community development.

"NMDC becomes a stakeholder in their lives (local communities)—from ensuring employment opportunities for the local populace to providing basic amenities and going beyond to providing them quality education and helping them to realize their aspirations," said Sandeep Tula, executive director (personnel and administration). The company scored 16% in the parameter, which looks at its policies and initiatives to check if it treats communities as business stakeholders.

According to Ranjit Singh, CSR general manager at Maruti Suzuki India Ltd, the country's biggest car manufacturer, community development is critical for business growth. He said that in the company's stakeholder mapping initiative, it included local community as one of the six key stakeholders (apart from customers, shareholders, employees, etc). "Business operations impact the lives of communities in important ways, creating opportunities as well as challenges for them. Often, a business may catalyse prosperity, skill development and mobility in a local community. It can also lead to stress in social and physical infrastructure," Singh said.

He added that if one of the purposes of business is to have a positive and meaningful impact on society around it, then the local community has to be viewed as a critical stakeholder of the business. In the community development parameter of the IRBF Index 2015, Maruti scored 61%, while it got 18% in the community as business stakeholders parameter.

To ensure engagement, NTPC claims to employ a so-called bottom-up approach in its social initiatives. "We have constant consultations with communities and only carry out an activity or initiative once we know that the community needs and wants it," said Jain. "True value in community development is only added if you do what they want and not what you want."

NTPC's first community development policy was adopted in 2004 and ever since then, company says it has conducted need assessment surveys in its areas of operation before undertaking any work.

Despite acknowledging the importance of community engagement and the policy commitments of companies, IRBF Index 2015 suggests companies are not doing enough. NTPC, ranked among the top 10 performers in the community as business stakeholders parameter, scored 37% and 61% in the community development parameter. The IRBF report states, "... local people affected by business are not to be seen merely as recipients of 2% CSR investments, but as stakeholders with an active and non-negotiable interest in core business operations."

According to Joseph of BCF, spending on the social well-being of local communities alone is not sufficient. "It is all about how profits are made and not just a percentage of profits that is given away in CSR," she said. "It can only happen if companies genuinely engage with the communities and treat them as business stakeholders."

The mining sector has topped the list on the community as business stakeholder parameter. But the IRBF Index 2015 points out that it is important to differentiate between what firms in the sector are supposed to do legally as part of compliance and what their CSR initiatives are.

"Most of the time, both compliance and CSR get intermingled and ironically, companies showcase the compliances as part of their CSR," said the report. Mining can bring economic and social benefits to

communities through local job creations and resource revenues; however, "of the 50 major mining districts of India, 60% figure among the 150 most backward districts of the country", states the report.

Protests against large projects by firms such as Vedanta and Posco point to the fact that the lack of sufficient consultation and community engagement could lead to social unrest. However, even severe critics like Joseph believe that things can change.

"Once you treat communities as important stakeholders, you will engage, listen, perhaps understand their perspectives and work towards a win-win for both, not one at the cost of the other. Many companies learnt this too late including the house of Tatas—be it in Singur or Nandigram," she said.

Giving the example of the backlash faced by Hindustan Unilever Ltd after the release of a rap song on the mercury contamination in Kodaikanal in Tamil Nadu (Kodaikanal Won't by Sofia Ashraf, released in July 2015), she said it could have been avoided had the firm taken remedial action earlier.

Working with the community not only helps avert any future conflict, but also helps the business, according to consultants. "Responsible investments and genuine engagement with communities is the key to sustainable corporate longevity and brand equity," said Abhay Gupte, senior director of enterprise risk services at financial advisory firm Deloitte Touche Tohmatsu India Pvt. Ltd.

Appendix 3: India Inc's policies for supply chain not robust

By Arundhati Ramanathan
Mint, 26 October 2015

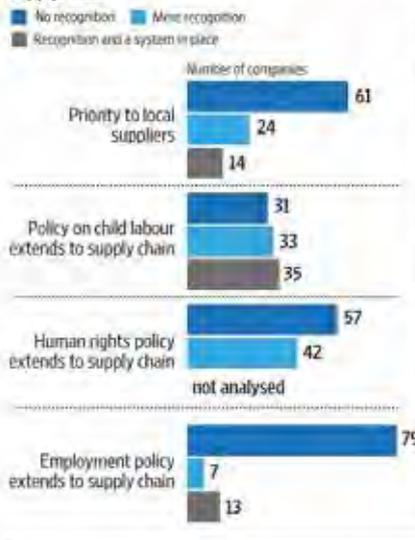
In 2013, the eight-storeyed Rana Plaza in Dhaka, Bangladesh, collapsed, killing over 1,100 garment workers. Major global apparel makers such as GAP Inc., Wal-Mart Stores Inc. and Children's Place Inc., along with many others, drew flak. In their bid to source low-cost clothing, the brands had ignored the working conditions of the people from whom they sourced their goods.

The incident underscores the need for a sustainability policy for supply-chain partners. Till date, India has not made much headway on it. The India Responsible Business Forum (IRBF) Index 2015, an initiative by Oxfam India in partnership with Corporate Responsibility Watch, Praxis and Partners in Change, shows that firms do not hold suppliers to the same standard they expect from their own organisations.

INCLUSIVE SUPPLY CHAIN

Business impact goes beyond the factory walls or the local community. Increasingly, an important measuring tool of how good or bad a company's business practices are is based on the evaluation of the supply chain. The IRBF index 2015 suggests supply-chain management has not become part of the main discourse of business considerations.

>> Recognition of and action on inclusive supply chain



>> Recognition of and provisions for enabling responsible supply chain



>> Top scorers in the inclusive supply chain parameter



Documents of 99 companies available in the public domain such as annual reports, sustainability reports and business responsibility reports, among others, were used to draw up the index. According to the index, 61 companies did not acknowledge local suppliers, and an overwhelming 79 did not extend their employment policies to their supply chain.

"A handful of Indian companies have the concept of a responsible supply chain. In fact, many of the companies are waking up to sustainability practices only now, so it'll take time for it percolate down to their suppliers as well," said Santhosh Jayaram, director (sustainability practice) at KPMG India.

Capital markets regulator Securities and Exchange Board of India (Sebi) in 2012 suggested that the top 100 BSE-listed companies include a business responsibility report (BRR) with their annual reports. A BRR is a voluntary disclosure of the extent of adoption of responsible business practices, in line with those mentioned in the National Voluntary

Guidelines drawn up by the ministry of corporate affairs in 2011. Under a BRR, a company is expected to list all the activities that it is undertaking and the processes it has put in place to encourage its supply-chain partners to embrace practices such as fair and minimum wages, employee health and safety and reduced environmental footprints.

While companies lag with regard to most parameters of supply-chain management, when it comes to procuring from local and small producers, they have done reasonably well. Seventy-one have systems under which they procure goods and services from local and small producers.

Tata Motors Ltd is one such company, with as many as 1,000 suppliers. At all its seven manufacturing plants across the country, it sources material from the auto hubs in the respective region.

"We've set up dedicated vendor parks at Sanand (Gujarat) and Pantnagar (Uttarakhand) to help establish the supply chain base at these greenfield locations. This has led to the growth of the local economy while reducing logistic complexities and minimizing packaging and transportation costs," said a Tata Motors spokesperson.

With most companies ignoring chinks in the supply chain, issues such as employee strife over wages or unsafe work conditions can derail operations and impact business. Sectors such as manufacturing and consumer goods rely heavily on supply-chain partners. Those like banking and financial services don't, the index shows.

"The argument is banks and financial sectors don't leave a major footprint and are not a high-risk sector," said Nusrat Pathan, CSR head at HDFC Bank Ltd. Still, the bank formalized a policy in 2012 for sustainability across the value chain. This means sustainability practices are expected both of vendors they deal with and customers.

For banks, vendors include their IT vendors, security staff and asset providers such as ATM manufacturers. Pathan said that when contracts are drawn up with a vendor, the bank has processes in place to check if it meets minimum-wage norms, does not employ children and complies with all environmental norms.

Though having a sustainable supply chain has its benefits, there are challenges as well. According to Jayaram of KPMG, the biggest hurdle is to get the suppliers to adopt it. "Most suppliers are small and medium enterprises and to get them to adopt best practices is a challenge. Only when more companies add sustainability as a requirement will suppliers take this seriously," he said. Globally, companies are many steps ahead. They have moved from screening suppliers to capacity building, Jayaram said. And since many Indian companies are supplying to global companies, they are increasingly exposed to global standards. So, it is a matter of time before Indian companies and suppliers begin to share the same standards of sustainability, he said.

Appendix 4: Company policies focus more on health and safety of employees

*By Arundhati Ramanathan
Mint, 26 October 2015*

Mumbai: When employees turn against their company, consequences could be grim. The importance of maintaining healthy relations with employees and ensuring their well-being came to the fore yet again when an HR executive was killed on the factory floor of Maruti Suzuki Ltd in 2012.

The India Responsible Business Forum Index (IRBF Index 2015), an initiative of not-for-profit organizations which includes Oxfam India, Corporate Responsibility Watch and Partners in Change along with research organization Praxis, shows that of the top 99 companies, as many as 82 recognise their employees' need for healthy and safe working conditions.

Documents in the public domain such as annual reports, sustainability reports and business responsibility reports (BRR) were used to draw up the index. On issues such as disclosing complaints on child labour and freedom to form unions, companies have fared reasonably well with 85 and 66 companies, respectively, disclosing these principles in their policies. However, on many others, companies did not measure up.

The BRR calls for a policy on fair wages, saying companies should ensure timely payment of fair living wages to meet basic needs and economic security of the employees. But as many as 57 companies have not recognised fair living wages as a core principle for employee well-being, according to the index.

Similarly, though 63 companies prohibit forced labour in their policies, only 9 companies have conducted assessments of workers' rights and labour issues. "Many companies don't have a policy for this, and even if they do, it is not well-thought out. A policy cannot be just an intent. It should also lay out the tools and method of assessment and implementation," said Aditya Narayan Mishra, director and CEO, Ciel HR services, an HR consultancy.

The index shows that many banks fared poorly when it comes to public disclosure of policies on employee well-being. "This is because on certain aspects like prohibition of forced labour, it is not applicable for a bank, since the incidence of forced labour in the banking sector would be from nil to negligible," said Namita Vikas, senior president and country head, responsible banking, Yes Bank.

In service sectors like IT and banking, employee well-being is traditionally more focused on safety, engagement and health and wellness of employees.

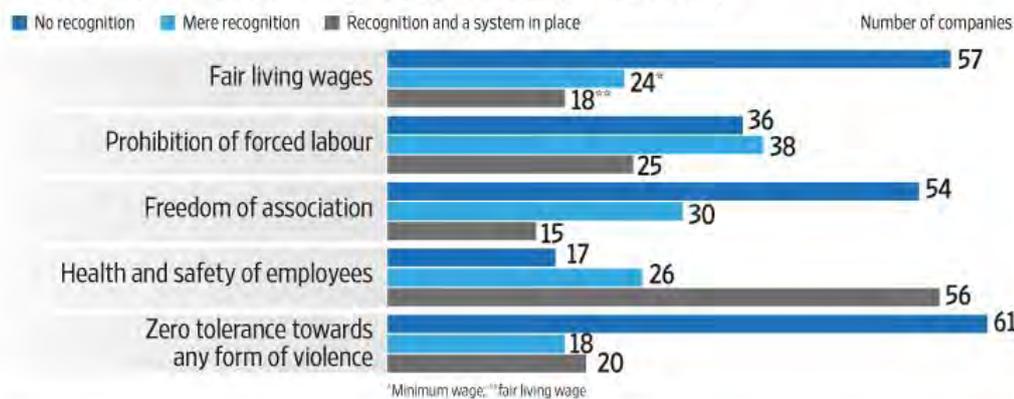
For instance, Infosys Ltd launched an initiative in 2001 to address rising concerns on employee health and the impact of work stress on its employees and their families. "Employee engagement and well-being are

directly linked, and must be balanced," said Richard Lobo, senior vice-president & head of HR at Infosys. "Where there is high employee engagement but low employee well-being, there is a risk that the employees will get fatigued and 'burn out' over time. And where there is high well-being but low engagement, employees may feel satisfied in general, but unconnected to the organization and its purpose."

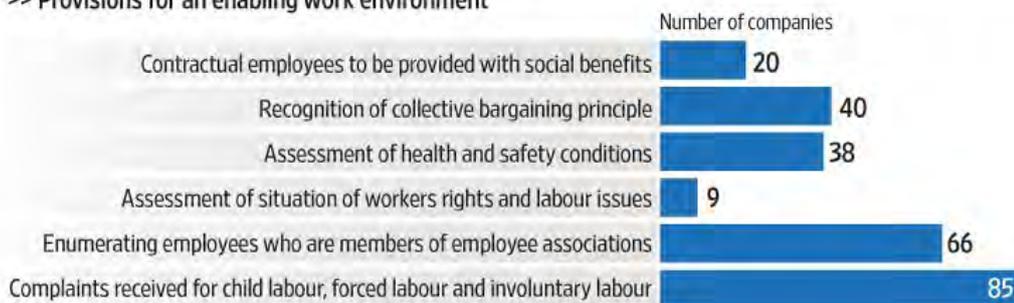
RESPECTING EMPLOYEE DIGNITY AND HUMAN RIGHTS

Employee well-being is recognized as a critical aspect of good business, but the data analysis of the IRBF Index 2015 suggests that while many companies have policies in place, they do not have systems to address some critical employee well-being issues such as safety training, fair living wages and health of employees.

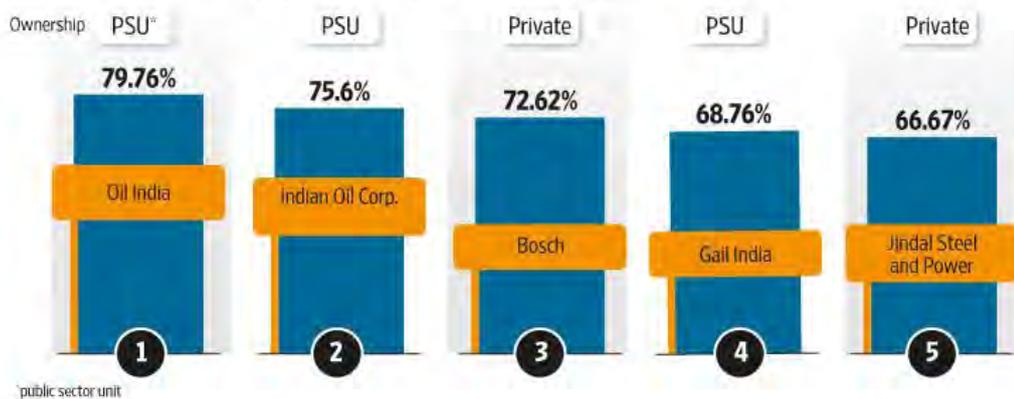
>> Recognition of and action on workers rights and employee wellbeing



>> Provisions for an enabling work environment



>> Top scorers in the employee wellbeing and human rights parameter



>> Disclosure of data on safety training for different categories of workers



Permanent employees



Permanent women employees



Contractual employees



Employees with disabilities

The other area of high disclosure standards was in prevention of harassment. The passing of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, has brought a lot of attention to harassment-free workplaces. Infosys and Yes Bank are among the 73 top companies that have a

policy for this in the public domain.

The index shows that at the policy level, many companies don't apply the same standards of well-being to all employees. While 66 companies disclosed data as per the BRR format on safety training provided to permanent employees, the numbers fell to 44 for contract employees.

"You cannot have different standards for employees, even if they are contract workers. There needs to be same work hours and same quality of training given to all employees, and this needs to be made clear even at the policy level," said Mishra.

Appendix 5: Policy focus is on women

By Arundhati Ramanathan
Mint, 26 October 2015

The Companies Act and business responsibility reporting (BRR) have together pushed companies to increase their disclosure standards when it comes to having policies for a non-discriminatory workplace. While having more women has resonated with companies at a policy level, hiring people from the LGBT (lesbian, gay, bisexual and transgender) community has not.

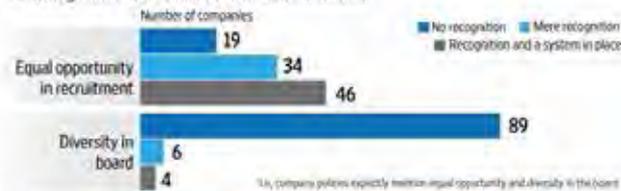
The India Responsible Business Forum (IRBF) Index 2015, an initiative by Oxfam India in partnership with Corporate Responsibility Watch, Praxis and Partners in Change, shows that among 99 companies, by and

large, most firms' public statements talk about equitable recruitment and career advancement to marginalized and excluded groups. About 60% of companies recognized the importance of not discriminating against women (63), scheduled castes (62), religious groups (62) or people with disabilities (58) during initial recruitment

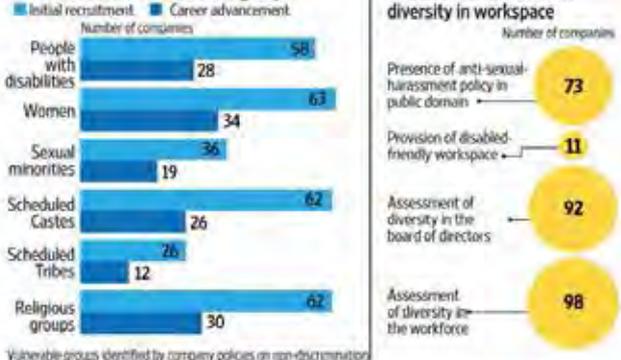
NON-DISCRIMINATION IN THE WORKSPACE

One of the core elements of the National Voluntary Guidelines was non-discrimination in the workspace. IRBF Index 2015 shows there is slow progress in terms of equal opportunity for all in the private sector.

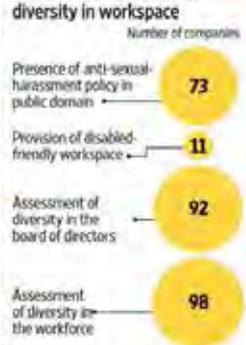
>> Recognition and action on non-discrimination*



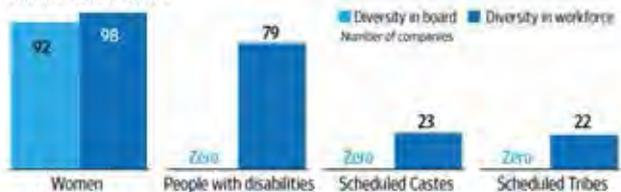
>> Identification of vulnerable groups



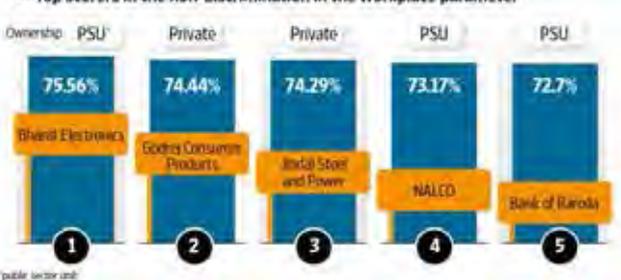
>> Provisions to facilitate diversity in workspace



>> Disclosure of data regarding the social categories of workforce and board of directors



>> Top scorers in the non-discrimination in the workplace parameter



The Companies Act's mandate to have at least one woman board director has forced firms to take a hard look at the gender ratio in their firms and the number of women in senior management. As many as 92 of the 99 companies have publicly shared information on the number of women on their boards and also in their workforce.

"The Companies Act has been an impetus to increasing women in the workforce. When you have a policy in place, it puts the issue on centrestage. But unless it is driven by the leadership and they commit to it, the policy will stay on paper," said Saundarya Rajesh, founder-president, FLEXI Careers India, an HR consultancy.

Having a stated policy and following it up with programmes to improve the gender ratio surely helped firms in the Godrej group. With programmes to increase the number of women in specific

business units and an intent to make increases every year, the number of women in Godrej & Boyce's workforce rose from 7% in fiscal 2012 to 10% in fiscal 2015.

"In manufacturing companies, the number of women has not been very favourable. But having a policy helps state the management intent, and align the mindset of people, irrespective of their biases," said Harpreet Kaur, general manager and head of HR at Godrej & Boyce. The IRBF Index 2015 showed that at the initial recruitment stage, there were more takers for policies for inclusion of women (63) and scheduled castes (62) in the workplace than for those promoting sexual minorities (36).

Conglomerates such as the Tata group and the Godrej group have stated that equal opportunities will be provided to all irrespective of sexual orientation. For the Godrej group, this was added to the policy six years ago to ensure that there was no discrimination against LGBT employees at the workplace. "We did this because our focus has always been on merit and is not dependent on one's sexual orientation in anyway," said Kaur, given that the LGBT community is 5–10% of the total population of the country.

For addressing the inclusion of people from neglected communities such as schedules castes and tribes, the Tata group put in place the Tata Affirmative Action policy in 2007, long before the BRR. It focuses on employment, employability, education and entrepreneurship opportunities for Dalits and Adivasis, said Shankar Venkateswaran, chief of Tata Sustainability Group.

Among the various initiatives under it, Tata companies are asked to encourage vendor-entrepreneurs from marginalized communities. "We need to do this in a formal way, because in my opinion, the issue of inclusion of (SC/ST) is complex. Because government mandates reservation for these communities, in general people see this as a contradiction to merit. So it needs a lot more work and having a policy helps in promoting affirmative action," said Venkateswaran.

But these conglomerates are an exception. Most companies, as the IRBF Index 2015 shows, do not publicly disclose their stated intent to hire people from minority communities.

"Companies could still be uneducated about the benefits of true diversity. Or it could also be that HR does not have the wherewithal to ensure employees across the organization are equipped to deal with issues that could crop up from this," said Rajesh of FLEXI Careers.

The index is an outcome of a collaborative partnership of



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