

2017

Making Growth Inclusive

Analysing Inclusive Policies, Disclosures and Mechanisms of Top 100 Companies

Disclosure Matters Series: Part IV

February 2017

Disclosure Matters Series

Disclosure by Business lies at the core of successful realisation of the National Voluntary Guidelines. 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 conflict of interest in forms. Corporate Responsibility Watch (CRW) has taken lead in analysing Business Responsibility Reports and other disclosure made by companies through Disclosure Matters series. Corporate Responsibility Watch India is a voluntary network of organisations and prominent independent consultants that has come together to analyse and watch the corporate environment in India from a civil society perspective. More details at www.corporatewatch.in



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Preface

Twenty-five years after economic liberalisation, the biggest challenge remains the correction of inequity in the distribution of the enormous wealth that has been created over this period. With unemployment reducing by less than one per cent (from 4.3% in 1991 to 3.6% in 2014), and abject poverty unreduced, the whopping 1,388 per cent (Rs 6,270 in 1991 to Rs 93,293 in 2016) jump in per capita income remains a cruel statistical vanity. As Raghuram Rajan said in a recent interview, we are far from 'wiping the tear from every eye' and that 'reasonable distribution' of income is a precondition to eradicate extreme poverty.

It is time for businesses that is both the largest beneficiary and the key driver of this enormous wealth creation, and which is pushing the GDP up by 2,216 per cent (Nominal GDP at current prices- Rs 5,86,212 crore in 1991 to Rs 1,35,76,086 crore in 2016), to introspect on how it failed to contribute to reducing unemployment significantly as well as distributing gains equitably. Our collective wisdom tells us clearly that 2 per cent (mandated Corporate Social Responsibility) is not the answer.

The year 2015-16 saw the state that is tasked with regulation of wealth distribution through its policies and taxation, being caught in a demonetisation drive that did not stay the course of its stated intentions. It has, by most measures, dented the growth trajectory, at least in the short term, for both the formal and the informal sector - the latter more severely. The state has also not managed to fulfil its ambition of exponential progress on the ease of doing business index. For the country to stay the growth path and find better ways of redistribution of wealth, businesses will need to think beyond the profit box and partner with the state, the civil society and the communities in finding creative, sustainable solutions.

India Responsible Business Index (IRBI) has been gaining a lot of currency in this collective quest to explore ways of correcting India's growth story. The Index was originally conceived through a collaborative partnership between Corporate Responsibility Watch (CRW), Oxfam India, Change Alliance, Praxis Institute for Participatory Practices (Praxis) and Partners in Change (PiC). Last year's report received a lot of attention by media, corporates, academic institutions as well as civil society for bringing the community-business relationship back into focus. The five parameters of this Index, non-discrimination in the workplace, employees' dignity and human rights, community development, inclusiveness in supply chain and community as business stakeholders continue to remain very significant, especially in the background of a number of policy changes. The success of the Index inspired Praxis, CRW, Oxfam India and PiC to come together again and come out with the second edition.

Businesses need to go beyond 'profit-making' for shareholders to 'quality of life' to all its stakeholders. This year's report provides companies a new set of data and analyses to help evolve policies that are aligned to the National Voluntary Guidelines and thereby create an enabling ecosystem in which there is a level playing field in community-corporate negotiations. While there are examples of good practices on almost all elements in some company or the other, it is important for them to go beyond the 'regular' - for instance, as few as six companies conduct assessments on the situation of workers' rights and labour issues. This will help eliminate crony capitalism and create better ways of distributing the benefits of growth propelled by the business sector.

Tom Thomas

Convenor, Corporate Responsibility Watch

List of Abbreviations

ASH	Anti-Sexual Harassment
BR	Business Responsibility
BRR	Business Responsibility Report
BSE	Bombay Stock Exchange
CAG	Comptroller Auditor General
CRB	Centre for Responsible Business
CRW	Corporate Responsibility Watch
CSR	Corporate Social Responsibility
CSO	Civil society organisations
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
IRBF	India Responsible Business Forum
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
PiC	Partners in Change
PSU	Public Sector Undertaking
SDG	Sustainable Development Goals
SEBI	Securities and Exchange Board of India
UN	United Nations

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The Index was originally an outcome of a collaborative partnership between Corporate Responsibility Watch (CRW), Oxfam India, Change Alliance, Praxis Institute for Participatory Practices (Praxis) and Partners in Change (PiC). The success of the Index inspired Praxis, CRW, Oxfam India and PiC to come together again and come out with the second edition.

India Responsible Business Index: Basic Facts

What is being measured?

The Index measures alignment of policies available in the public domain with the National Voluntary Guidelines and the disclosure of systems of information on the company's performance on elements as detailed below. It does not measure the compliance or performance of the company against these elements below:

1. Non-discrimination in the workplace
2. Respecting employee dignity and human rights
3. Community Development
4. Inclusiveness in supply chain
5. Community as business stakeholders

	IRBI 2015	IRBI 2016
Coverage	N=99 (given the merger of Sesa and Sterlite as Vedanta which were both BSE Top 100 companies based on market capitalisation as of 31st March 2012)	N=100 (BSE Top 100 companies based on market capitalisation as of 31st March 2015)
Source of information	<ol style="list-style-type: none"> 1. Business responsibility reports 2. Annual reports 3. Sustainability reports (where applicable) 4. CSR reports 5. Policies of companies available in the public domain (website) 6. Any other relevant documents made available on the website 	
Cut-off date for index data	Information available in the public domain as of 30th September 2015	Information available in the public domain as of 31st October 2016
Index report production process	<ol style="list-style-type: none"> Step 1: Data collection by researchers Step 2: Company wise collated data shared with respective companies Step 3: Feedback if any, incorporated Step 4: Analysis and Indexation 	

Nature of analysis presented in report

1. Scores: Each score represented in the report is against a total of 1.
2. Policy scores: 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.
3. Knowledge scores: refer 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.
4. Quartiles: are scores that have been mapped into 4 quartiles vis a vis 0-0.25, 0.26-0.50, 0.51-0.75 and 0.76-1.00. The lowest quartile signifies poor performance and highest signifies best performance.
5. Comparative Analysis: between IRBI 2015 and IRBI 2016 are presented as quartile based scores. The companies analysed in both IRBI 2015 and IRBI 2016 include the top-100 companies in the respective years
6. Cohort analysis also presented as quartile based scores, uses the same companies as in IRBI 2015. Some of the companies from IRBI 2015 are not in the top 100 for IRBI 2016 due to reduction in their market capitalisation or merger. The objective of doing this is to ascertain the change in scores of the same companies irrespective of whether they are in top 100 or not.

¹ National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, Ministry of Corporate Affairs, Government of India – July 2011
http://www.mca.gov.in/Ministry/latestnews/National_Voluntary_Guidelines_2011_12jul2011.pdf

² Making Growth Inclusive has findings based on information available in the public domain as on 15th August 2015. IRBI -2015 subsequently revised the data as on 30th September 2015

³ n=98 given that between 30th September 2015 and 31st October 2016, there was another merger of Sun Pharma and Ranbaxy which were initially both in the top-100 list of IRBI 2015

IRBI 2016 Key Highlights

Ten years ago, it was inconceivable that corporates would disclose aspects of their core business in the public domain. In fact, many have hesitated to even consider aspects like community as business stakeholders or supply chain as part of their core business. That both public and private sector companies, even if only the top 100 listed companies on the Bombay Stock Exchange (which will soon include 500 top listed companies on the Bombay Stock Exchange and National Stock Exchange) are doing so is a matter of success. Detailed below are some key emergent issues across the five elements

Non-discrimination in the workplace

- At the level of creating facilitative systems to promote diversity there is still gap in terms of explicitly stating commitment through Sexual Harassment Policy. There are still 8 companies who have not stated their commitment in explicit terms to a sexual harassment policy.
- A look at the systems to enumerate employees from SC/ST communities depicts that only 16 companies have measurement systems for the same. There is significant fall from last year, from 23, which can be attributed to the fall out of number of PSUs from top 100 companies list as compared to those in IRBI 2015.
- When it comes to recognition of non-discrimination there are more companies in the top most quartile (scores above 0.75) in IRBI 2016 than there were in IRBI 2015.
- Despite strong policy commitments only 16 companies have been able to score above 0.75 in both Policy and Knowledge components of this element.

Respecting employee dignity and human rights

- More companies in IRBI 2016 (77) than those in IRBI 2015 (55) have a system in place to ensure the health and safety of employees, followed by prohibition of forced labour. Fair living wages though, is a component that the fewest companies (16) recognise.
- Only 18 companies recognize providing social benefits like Provident Fund and medical benefits etc. to their contractual employees.
- The number of companies that conduct assessments

on the situation of workers' rights and labour issues is dismally low with only 6 companies having systems related to this component as opposed to 9 in IRBI 2015.

Community development

- 85 companies have identified and specified some distinct vulnerable identities as target stakeholders with whom companies plan to implement their CSR programmes.
- The number of companies reporting on independent impact assessment of CSR projects has come down from 22 companies of IRBI 2015 to 14 companies of IRBI 2016.
- Similarly number of companies having systems in place for needs assessment for initiating CSR programme has come down from 17 in IRBI 2015 to 11 in IRBI 2016 and for having a stakeholder consultation the number has come down from 2 in IRBI 2015 to 1 in IRBI 2016.

Inclusiveness in supply chain

- In the case of extending employment policies to the supply chain only 29 among the current top 100 listed companies recognise it. Among them, only half (15) have a system in place to monitor its implementation.
- As few as 6 of the current top 100 listed companies have systems to assess issues related to workers' rights in the supply chain.
- It is, however, heartening to note that 79 companies in IRBI 2016 recognise the extension of their policy on child labour to their supply chains.

Community as business stakeholders

- The need for conducting an impact assessment on the community has been more widely recognised by 72 companies with 31 of these companies also have a system in place. It is to be noted that most of these companies have been assessing environmental impacts while recognition of social impacts is quite dismal.
- Only 2 companies recognised the principle of Free, Prior and Informed Consent, but none reported having a system

to enforce it.

- 16 companies have stated a commitment to provide employment to local people; only five have a system in place.
- The overwhelming majority of companies 95 have not recognised their responsibility to provide similar or better opportunities to project affected people.
- The number of companies that have disclosed numbers related to displacement, rehabilitation and resettlement and employment for people in the project area are two in each segment.
- No company disclosed having a system for stakeholder consultation for formulating policy on resettlement and rehabilitation

Overall, the scores also highlight that while policy commitments are high, knowledge commitments are low. This is reflected in the fact that overall policy scores are higher than overall knowledge scores, which means that while companies are disclosing policies they are not yet disclosing on how those policies are functional.

A noteworthy aspect is that the scores of PSUs and private sector companies indicate that PSUs are performing better

and point to the fact PSUs are disclosing more of their policies in the public domain than the private sector, but this does not mean that they are more socially responsible. Despite PSUs being only 19% of the pool of companies assessed, there are between three and five PSUs in the top-scoring companies across all elements.

Disclosure of policies is gaining momentum but there is much to be desired, as companies have to move forward to secure the dignity of stakeholders in the different geographies of workplace, supply chain and the wider community. There is scope for companies to play their role as non-state actors rather than as providers of fringe benefits to community under the garb of CSR, thereby playing a genuine role in sustainable development.

The need of the hour is for companies to use the opportunity provided by SEBI to not only disclose information, but also proactively introspect whether they are aligning to the mandate of the NVGs towards responsible business practices. The time is ripe for all companies to share such information in the public domain so that all stakeholders can come together to draft India's inclusive growth story.

1. Introduction

1.1 Setting the scene

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) received significant reassurance in the year 2016 because of two important steps. First, the Securities and Exchange Board of India (SEBI) extended the Business Responsibility Reporting (BRR) mandate from top 100 to top 500 companies listed on BSE and NSE. Bombay Stock Exchange (BSE) recognises that “sustainable business practices are critical to the creation of long-term shareholder value in an increasingly resource-constrained world”. So, not only are BRRs here to stay, their reach is also being expanded. In a very recent development, the Securities and Exchange Board of India or SEBI, has asked top 500 listed companies to voluntarily adopt integrated reporting framework from 1 April to improve disclosure standards and help shareholders make informed decision. This would essentially include information about the company's business and non-business activities so that there is more clarity in the public about the company's dealings.

Second, an exercise to update the NVGs has been initiated by the Indian Institute of Corporate Affairs (IICA). The adopted approach (a) segregates the Principles (and core elements) across Environment, Social and Governance (ES&G) categories and (b) identifies cross cutting focus areas as pivots. Consultations were setup with specific subcommittees having the necessary expertise and experience. The outcome of these consultations has resulted in the revision and updation of the NVGs and Business Responsibility Reporting (BRR) frameworks, which is in the process of being finalised and released in the public domain. This endorses and reiterates the business case for disclosure – which studies in countries with large and active equity markets show has been a powerful tool for influencing the behaviour of companies, protecting investors, attracting capital and maintaining confidence in capital markets. The BRR system institutionalises democratisation of access to information about businesses and their policy commitments. The great achievement of the BRR mechanism has been to make this information – or in many cases the lack of it – publicly available to interested investors and other stakeholders.

There is growing recognition that financial disclosures in themselves do not tell the full story about an organisation's health. The recent announcement by SEBI about integrated reporting will indicate a concise communication about how an organisation's strategy, governance, performance and prospects create value over time. A balanced approach and equal weightage to both financial and non-financial information disclosure

would give a holistic picture; thus enabling investors and other stakeholders to understand how value is created, shared, managed and sustained. More transparency would drive India's companies towards long-term performance, enhance competitiveness and lead to creation of more jobs.

Given the various challenges that face the global community, the need for a multi-stakeholder partnership is non-negotiable. In India, engaging with businesses on issues such as human rights, labour rights and the environment is perhaps more important today than it ever was, as the private sector is entrusted with more and more responsibilities. Goal 16 of the Sustainable Development Goals (SDGs) mentions the importance of “developing effective, accountable and transparent institutions” and the need to “ensure public access to information”.

While India is moving forward with an agenda of economic, expectations from businesses role in global development and poverty alleviation is gaining momentum as the Sustainable Development Goals (SDGs) and targets were rolled out in early 2016. Goal 1 on poverty alleviation, Goal 8 on decent work and economic growth, Goal 12 on responsible consumption and production, Goal 16 on creation of strong institutions and Goal 17, which calls for partnerships, map the range of goals that contribute to a sound mandate and set the tone for realistic indicators addressing inequities and anti-labour measures.

Internationally, sustainable development and poverty alleviation have seen a strong push by global leaders and other stakeholders, including business and civil society organisations (CSOs). In December 2016, the United Kingdom's Independent Anti-Slavery Commissioner (IASC), called for written submissions on how a central repository for modern slavery statements could work to help monitor the impact of the Act. This has been a pointer for effectively addressing issues of forced, bonded, camp labour practices, especially in the context of extra-territorial obligations of large multinational and transnational companies.

In India, in the last year, the government has been focusing on ensuring labour market flexibility, to facilitate investments and to ensure job creation. There requires more consultation on whether the dilution of labour laws would benefit overall business responsibility as well as India's commitments to SDGs. There is an attempt to make it more conducive to do business in India through changes to legislations such as those dealing with labour. On 27th April 2015, the Ministry of Labour and Employment of the Government of India published the Draft Labour Code on Industrial Relations Bill. This was essentially aimed at repealing and then combining three major Central Government legislations pertaining to

⁴ http://www.sebi.gov.in/cms/sebi_data/boardmeeting/1449642399967-a.pdf

⁵ <http://www.livemint.com/Companies/TNq1HX1YBMN1xW4yvAjvsl/BSE-extends-business-responsibility-reporting-to-top-500-fir.html>

⁶ http://iica.in/images/Draft_per_cent20Notice_per_cent20for_per_cent20IICA_per_cent20website.pdf

industrial relations -- the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947. In addition, the amendment made to the Child Labour (Prohibition and Regulation) Amendment Act, 2016, prohibited the employment of children under the age of 14 in all occupations and enterprises with two important clauses except in those run by his or her own family; and after school hours and during vacations. Similarly, there are provisions relating to easing retrenchment, lay-offs and closure norms and tougher rules for forming unions. There have also been amendments to the Industrial Code and the Small Factories Bill with the intent of creating an encouraging ecosystem for small businesses. These amendments seek to exempt small businesses employing less than 40 workers from filing compliance on 14 different labour laws, including the Employees Provident Funds and Miscellaneous Provisions Act and Employees State Insurance (ESI) Act. It will be important to review these proposed changes in the light of situation of workers and communities in the business supply chain.

Another priority area for the Government is also the difficult financial position of India's public sector banks (PSBs), as the gross non-performing assets (NPAs) rose to 9.5 per cent of total advances in 2015-16, up from five per cent the year before. The other important area which The issue pertaining

to Non-Performing Assets (NPAs) of banks became quite contentious in the year 2016 against the backdrop of recovery of farmers' debts. As of June 2016, the total amount of gross NPAs for public and private sector banks combined stood around Rs 6 lakh crore.

Significantly, the National Human Rights Commission of India called a meeting of businesses on human rights and business in January, 2017. The meeting, to be followed by similar meetings in other regional centres, underlines the NHRC's recognition of the relevance of human rights for businesses, and signals its commitment to engage businesses in discussions about human rights. The move by NHRC is in line with India's affirmation of the 2011 UN Guiding Principles on Business and Human Rights, which posits a clear role for businesses as upholders of human rights through its 'Protect, Respect, Remedy' framework. With the NHRC in India serious about business and human rights, and most of the major businesses internationally stating their adherence to the UN Global Compact, there is clear traction for a movement towards rights-based business, both nationally and globally. In this context, the IRBI, which supports human rights across all its elements, serves as an enabler for businesses that are concerned to respect human rights, by helping them to recognise and reflect on areas of strength, and areas that they fall short in.

Social and Economic Indicators: Directions for policy radars

- India's GDP growth is being projected as between 6.75-7.5% in 2017/18 .
- Only 125 million of the roughly 380 million working-age Indian women are seeking work or are currently employed
- India is home to the world's largest concentration of child labour
- India tops world hunger list with 194.6 million undernourished people - the highest in the world which translates into over 15 per cent of India's population
- India has the world's highest number of malnourished and hungry children
- 55 per cent women in India are anaemic. India continues to have serious levels of widespread hunger forcing it to be ranked a lowly 97 among 118 developing countries for which the Global Hunger Index (GHI) was calculated in October 2016.

⁷ <http://www.epw.in/journal/2015/40/commentary/seismic-shifts-indian-labour-laws.html>

⁸ Schemes to provide hidden subsidies to large business through nationalised banks surface from time to time as NPAs, estimated anywhere between Rs 500 crore and Rs 10 lakh crore (a recent estimate puts it at Rs 6.3 lakh crore for the 36 largest banks) "Concentration, Collusion and Corruption in India's Banks," Economic & Political Weekly, Vol 51, No 28, 9 July, p 12., <http://www.epw.in/journal/2016/29/commentary/concentration-collusion-and-corruption-indias-banks.html>.

⁹ Economic Survey of India, 2016-17.

¹⁰ <https://www.imf.org/external/pubs/ft/wp/2015/wp1555.pdf>.

¹¹ The National Plan of Action For Children, 2016 -21 Draft Ministry of Child Development, February 2016 p.21.

¹² www.dnaindia.com/india/report-152-of-india-s-

¹³ <http://ebrary.ifpri.org/utills/getfile/collection/p15738coll2/id/129681/filename/129892.pdf>. Page 18.

¹⁴ The RSoC-Rapid Survey on Children of 2013-14 was conducted by the Ministry of Women and Child Development found 29.4 per cent of children (aged less than three years) to be underweight (low in weight for their age), while 15 per cent were wasted (low weight for their height) and 38.7 per cent were stunted (low in height for age). On the face of it, this compares well with the NFHS-3 data, in which the corresponding figures were 40.4 per cent (underweight), 22.9 per cent (wasted) and 44.9 per cent (stunted).

1.2 Catalysing business responsibility

The NVGs primarily encourage companies on one hand to adopt sustainability reporting and on the other to mainstream disclosure on environmental, social and governance metrics. The underlying assumption is that the measurement of these will trigger change. NVGs contain nine broad principles to guide businesses towards more responsible operations and its definition of business responsibility includes three core areas of sustainability namely environmental, social and governance. 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 reporting.

Corporate Responsibility Watch's (CRW's) pathway to corporate citizenship – of businesses' responsibility to wider society and environment and it being ready to meet various legal, ethical and economic responsibilities placed on them by stakeholders, is illustrated in Figure 1.1 below.

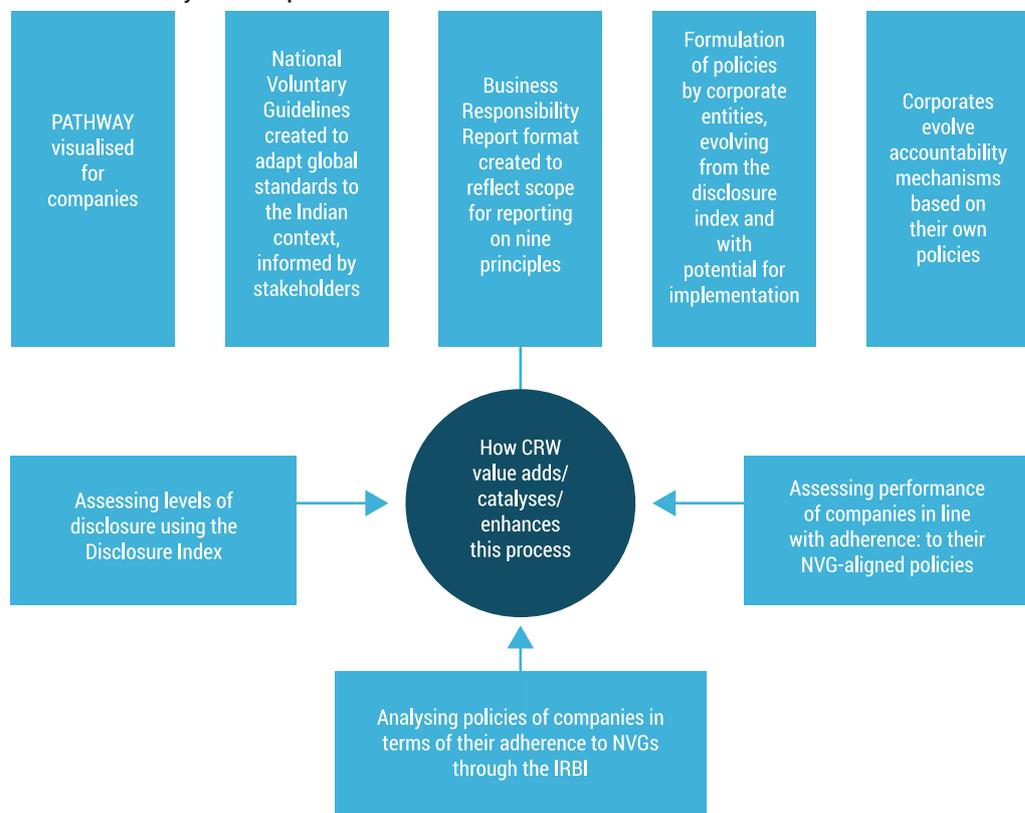
This pathway resonates with the Ministry of Corporate

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.

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), businesses and civil society organisations actively participated in the development and framing exercise. Thus, the ownership of the NVGs and responsibility for its promotion, uptake and implementation is jointly vested in businesses, government and civil society organisations. An index based on NVGs therefore has value and relevance for each of these three key institutional stakeholders. It can be used as a constructive engagement tool to help companies adopt inclusion as a means of doing business; the insights can offer companies an opportunity to make corrective measures to their policies and operations and also help consumers and other stakeholders make informed choices about a company and its products and services.

The figure below details the different kinds of varied analyses that CRW has facilitated over the last few years as part of the Disclosure Matter Series in attempting to create an encompassing NVG-based index.

Figure 1.1:
Pathway to responsible business and corporate citizenship



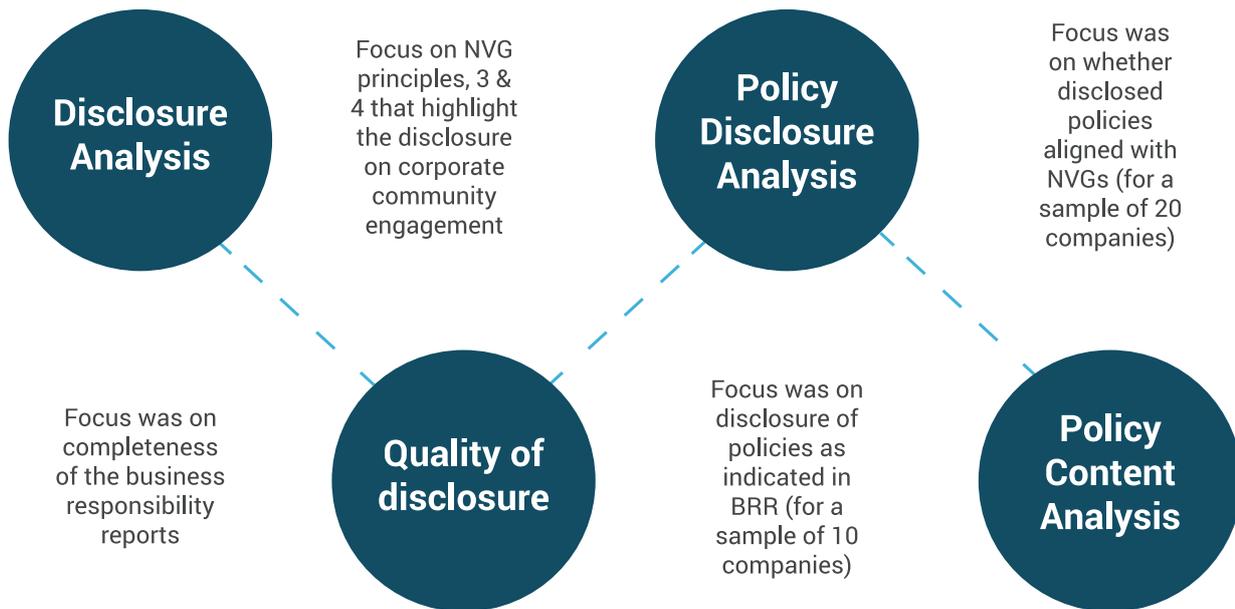
¹⁵ India Health Report (IHR) 2015 prepared by Public Health Foundation of India (PHFI) and Global Nutrition Report (GNR) 2015 of International Food Policy Research Institute.

¹⁶ Global Hunger Index, International Food Policy Research Institute, Ethiopia.

¹⁷ Introduction to National Voluntary Guidelines – Business Responsibility Reporting, Harsha Yadav, in <http://efficientcarbon.com/blog/introduction-to-national-voluntary-guidelines-business-responsibility-reporting>

¹⁸ 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: CRW Disclosure Series journey



1.3 India Responsible Business Index

Having explored multiple ways of analysing and nuancing information from the NVGs and BRRs, the India Responsible Business Index (IRBI) evolved as a tool that has been designed to measure (i) voluntary disclosure by companies and (ii) policy commitments of companies to NVG principles and, in doing so, incentivise greater levels of disclosure and policy commitments.

The India Responsible Business index aims to encourage companies to:

- i) 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
- ii) 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

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 under four key categories:

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

The NVGs are crosscutting and therefore the above categories are also overlapping, acting as lenses through which we can view key interrelated concerns rather discrete and distinct agendas.

The focus of this current version of the index continues to be 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 of this index 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 the bottom line, with their rights, their equity and their participation as they interact with businesses across different geographies and roles. Further, the NVGs also recognise that many people are marginalised because of 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 CSR projects. While the index covers four of these spaces and identities as indicated in Figure 1.3, a limitation is that attention to inclusion does not, at present, extend to consumers within the wider market. This is a domain that will be taken up in subsequent stages. A detailed note on the above was developed and consultations were organised to evolve key parameters of inclusion in businesses.



Figure 1.3: Geographies and identities

Ultimately, the following five elements of inclusion were articulated as the most appropriate measurement categories as seen in Figure 1.4 below

The long-term goal of the index is to enable systematic measurement of responsible business practice. At this stage, it offers a way of analysing policy commitments and so also of 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 scores in terms of social inclusion. Such insights offer companies an opportunity to make corrective measures to their policies and operations. It would also help companies; consumers and other stakeholders make informed choices about a company and its products and services.



Figure 1.4: Elements included in the index

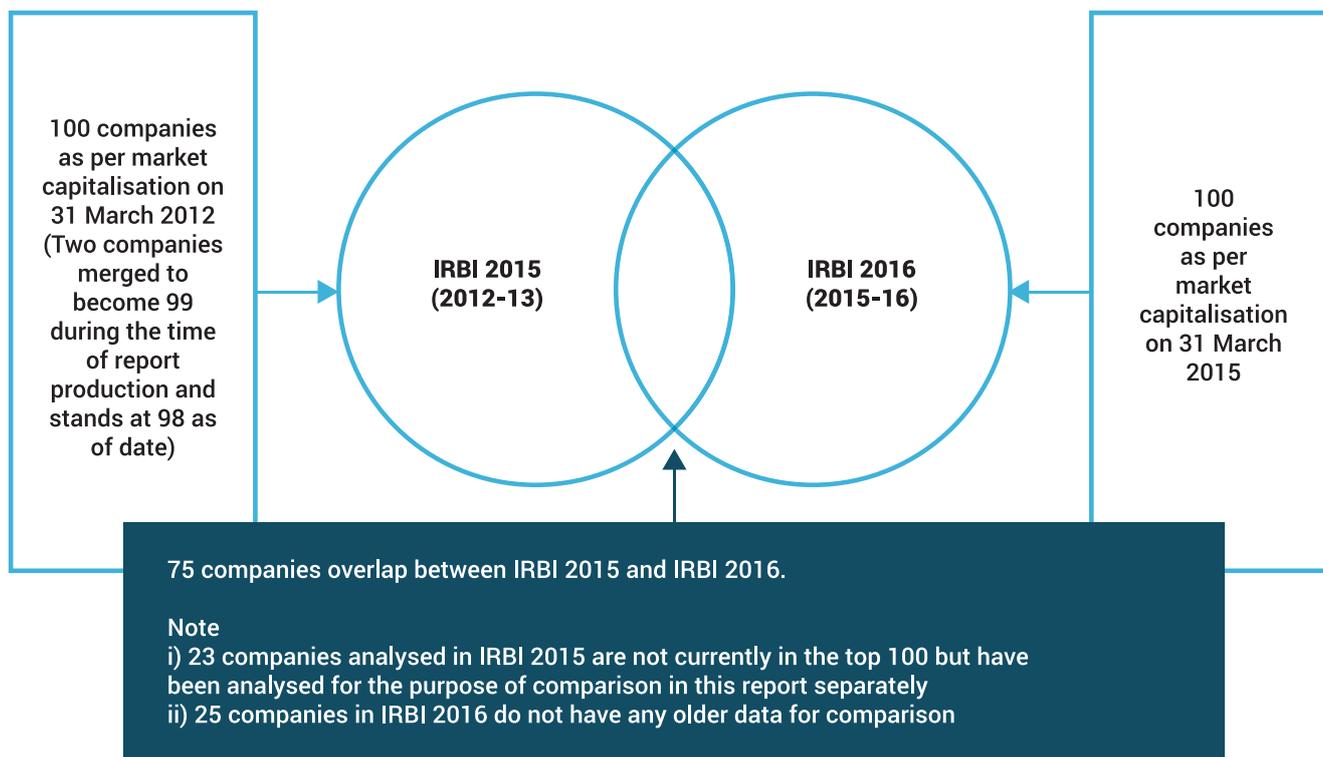
The India Responsible Business Index uses self-reported company information, which measures an entity's policy commitment with the NVG as a benchmark. The information so provided by the companies is assumed to be true and is not externally validated. Further, the index does not in itself measure practice or compliance with policies.

2. Designing the Index

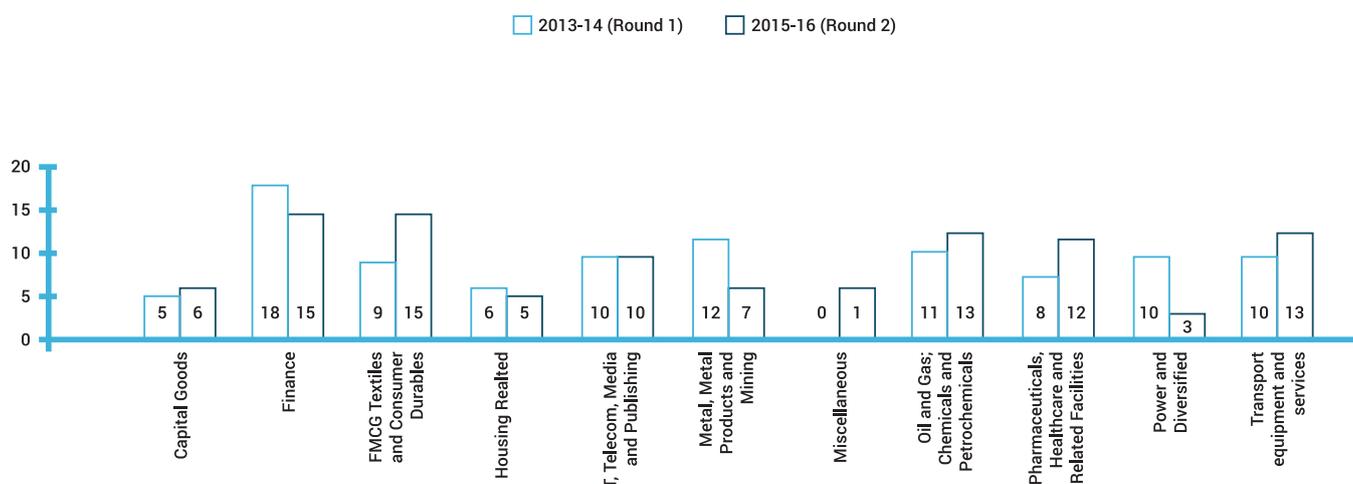
2.1 Sample

The top 100 companies listed on the Bombay Stock Exchange (BSE) as per market capitalisation on March 31, 2012 were mandated by a circular of SEBI to issue annual Business Responsibility Reports (BRRs) as part of their annual reports. The sample for the study, using the IRBI 2015, was restricted to self-disclosed data of these top 100 companies, consistent with the date referred to in the above-mentioned circular. In IRBI 2016, the list of companies used is top 100 BSE listed companies as on 31st March 2015. The image below details the nature of overlap of companies (details available in Annex 1).

Figure 2.1 Companies Analysed in IRBI 2015 and IRBI 2016



The figure below presents a comparison of the number of companies by sector across the IRBI 2015 and IRBI 2016:



¹⁹ Market capitalisation refers to the aggregate value of a company in terms of its share price and the overall value of its stocks.

²⁰ Source: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1344915990072.pdf

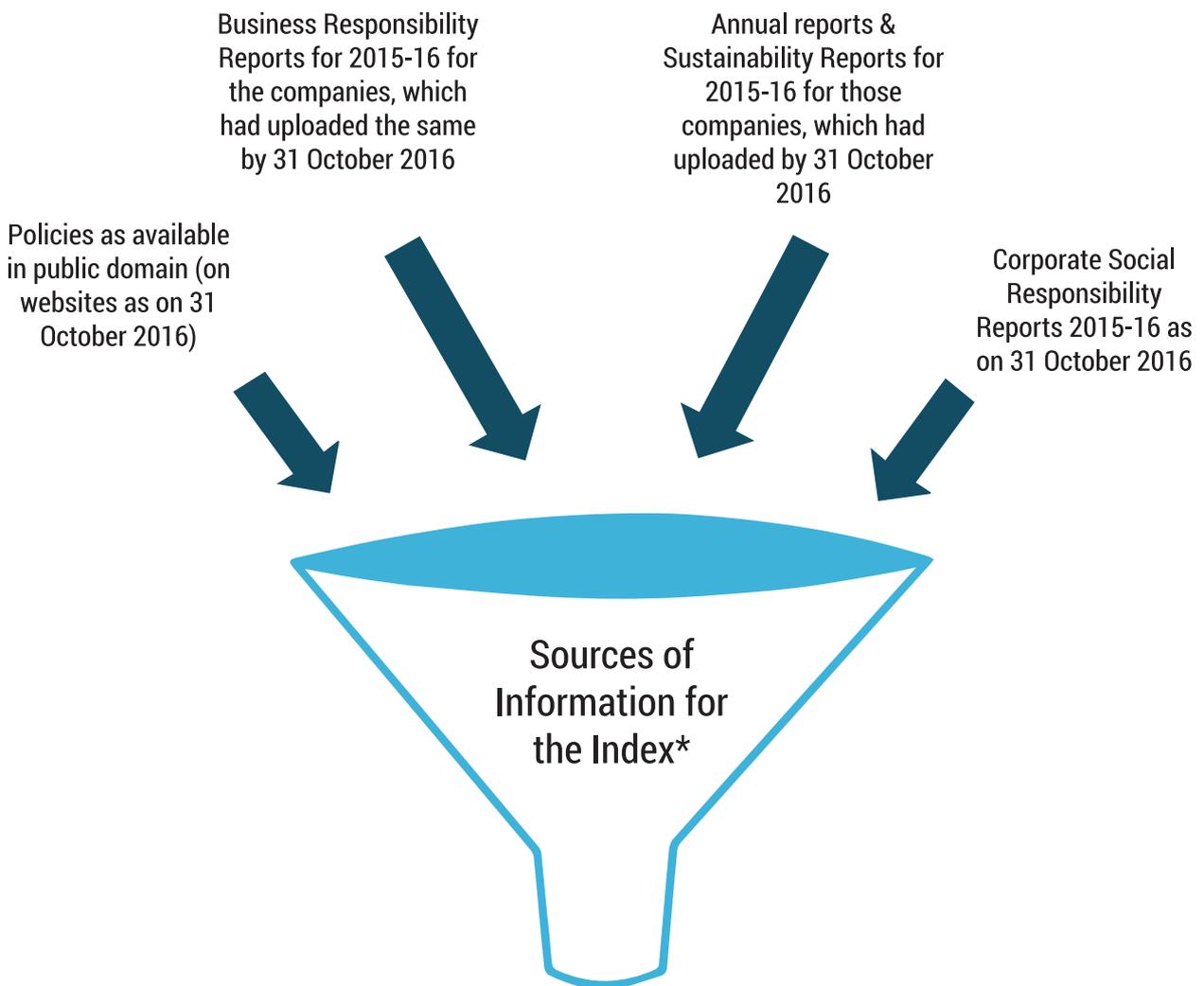
2.2 Data Collection Tool

Questions related to the five elements of the index (namely: community development, community as business stakeholders, strengthening the supply chain, non-discrimination in the workplace and respecting employee dignity and human rights) from the NVG principles and BRR formats were framed. The questions are based exclusively on the NVG document and the BRR template. (Please refer to Annexure 2 for a copy of the schedule).

2.3 Sources of Information

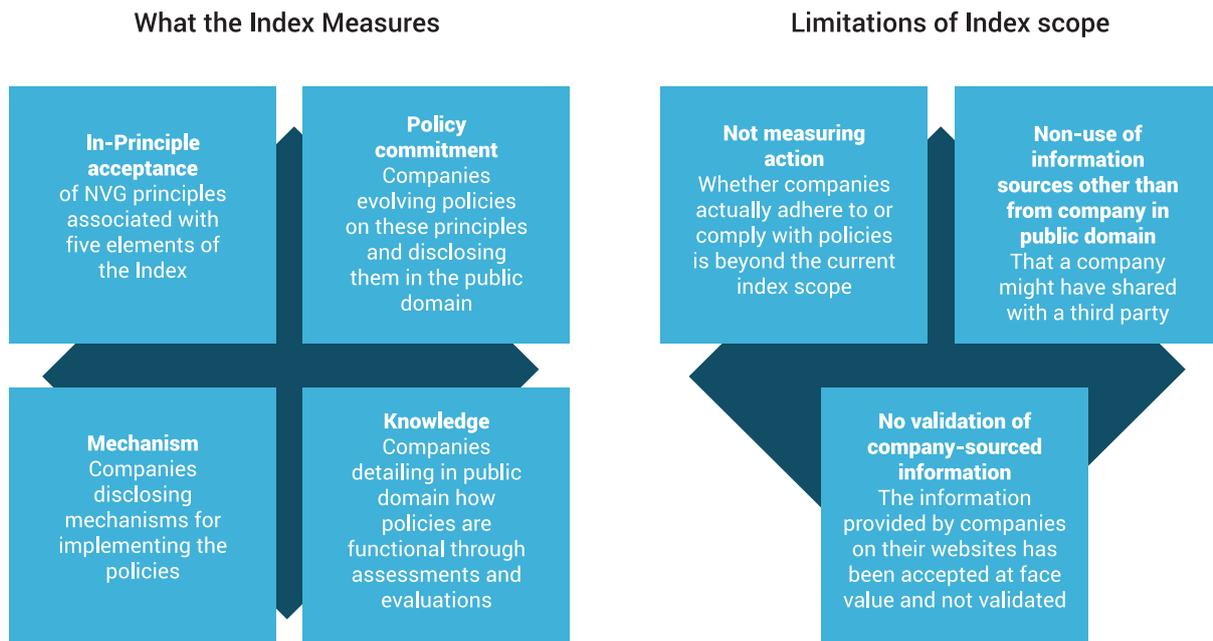
Documents available in the public domain and self-disclosed (largely sourced through websites of respective companies) as on 31st October 2016 was used for the purpose of this analysis. The four different types of documents used are shown in the figure below:

Figure 2.3: Sources of Information used for IRBI 2016



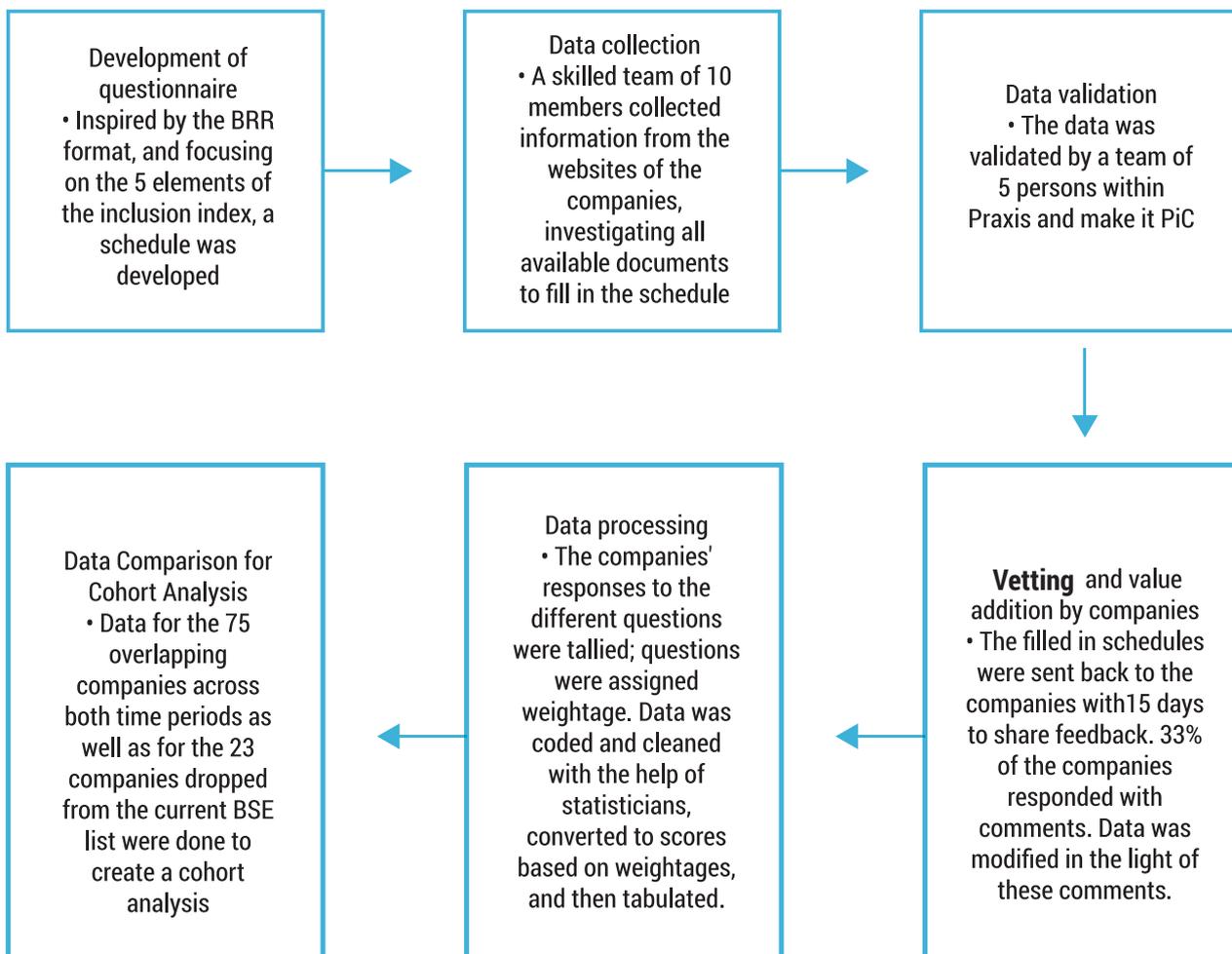
*For the Index, we have used only the above sources of information, given that these are all reports sourced from companies.

Figure 2.4 What the Index measures and what it doesn't



2.4 Key Steps

The process of designing the data instruments, collecting the data, analysing and processing it, took approximately four months. The main steps are detailed below:



2.5 Design Principles

To summarise, three principles that govern the IRBI and highlight their genuine implementation are:

1. **Only “Policy commitment” is being measured, not performance or compliance.**
2. **Policies and mechanisms are measured only if they get disclosed in the public domain.** 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 and easily accessible by these communities. Even though companies may have very progressive policies. 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.

3. **Self-disclosure by the company gets measured.** Indexation is not based on any third party data, such as in the form of newspaper reports

CHAPTERS 3-7: FINDINGS

In this section, information is presented across the five elements of the index, namely:

1. Element 1: Non-discrimination in the workplace
2. Element 2: Respecting employee dignity and human rights
3. Element 3: Community development
4. Element 4: Inclusiveness in supply chain
5. Element 5: Community as business stakeholders

These are based on the NVGs and from the BRR framework that emerged from it. Data pertaining to these different components is analysed in each of the subsequent chapters. Each of the five sections details a snapshot of IRBI 2015; findings of the top-100 companies for 2015-16; a comparison showing movement between IRBI 2015 and IRBI 2016 and pegging each sub-element on a progression band.

3. Non-discrimination in the Workplace (Element 1)

A diverse workforce is an asset as it brings together a vast pool of lived experiences and contributes to collective decision-making processes and brainstorming. The National Voluntary Guidelines Principle 3 lays down that “Businesses should provide and maintain equal opportunities at the time of recruitment as well as during employment, irrespective of caste, creed, gender, race, religion, disability or sexual orientation”. It calls for an inclusive workplace, especially for women and people with disability, and sees diversity in the workplace as an important outcome of non-discrimination in the workplace.

IRBI, Element 1, focussed on the following domain areas:

- Policies that explicitly mention non-discrimination and detail out the case for equal opportunity in recruitment, trainings and career advancement opportunities
- 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
- Mechanisms for the maintenance of non-discriminatory workplace for all, with welfare measures based on gender equity and parity

Primarily IRBI measure two aspects, commitment to the principle of non-discrimination, especially against excluded communities; and the existence of systems to measure diversity in the organisation

3.1 Commitment to Non-Discrimination

The Indian Constitution, in Article 16, enshrines the principle of equal opportunity for all in matters of public employment. While some policies, such as the one on Reservation in education and government employment for SC/ST candidates are much older, more recent judgments have increased the scope of inclusion and diversity in the workplace. From time to time, the Supreme Court has passed rulings mandating inclusion of people from groups that are often excluded, such as people belonging to different castes and tribes, people with disability or sexual minorities. The legislature has also done its bit when it comes to passing inclusive laws such as the recent Rights of Persons With Disabilities, which lay down provisions for 4 per cent reservation for people with disabilities in government jobs.

Recognition of equity and diversity in recruitment and career advancement

The Index aims to find out whether companies use the term “equal opportunities” and “non-discrimination” in terms of recruitment and career advancement, for all employees as well as for Board members. It further tries to understand whether they actually have systems to measure diversity and non-discrimination; and to address complaints if any. Given that, for example, any candidate, who is recruited, should also have access to these policies, the intent of Index is that the policies get disclosed in the public domain.

²⁰ IRBI 2016 analysed the disclosures made by the top listed companies according to market capitalisation on the Bombay Stock Exchange in 2015-16. This round analysed data available in the public domain as on 31 October 2016.

²¹ Article 16 of the Indian Constitution enshrines the principle of equality of opportunity in matters of public employment. Article 16(1) & 16(2) have laid down a general rule that there shall be equal opportunity for all citizens and thus emphasizes on universality of Indian Citizenship.

²³ The Supreme Court of India, in 2014, passed a judgment recognising transgenders as the third gender and directing states and the Centre to provide them benefits including, but not limited to, reservation in employment.

Table 3.1 Policy commitment to non-discriminatory recruitment to services and board level appointments in companies
(IRBI 2015, N=99, 30th September 2015, and IRBI 2016, N=100, 31st October, 2016)

Aspects of Element 1	Level of comprehensiveness of policy					
	IRBI 2015			IRBI 2016		
	POLICY RECOGNITION					
	No	Explicitly States	Provides for Systems	No	Explicitly States	Provides for Systems
Equal opportunity in recruitment	19	35	45	17	27	56
Diversity on board	22	59	18	32	43	25

Table 3.1 clearly indicates that more than 80 per cent of companies disclose their commitment to non-discrimination and little more than half the total number of companies disclose even the system through which they ensure non-discrimination in recruitment. It is significant to note here that the public disclosure

of commitment is more among the current top 100 companies in IRBI 2016 (56 companies) than those in IRBI 2015 (45 companies). The number of current 100 companies not disclosing their commitment to non-discrimination in diversity on the board is, however, high at 32. This is also more than those in IRBI 2015 (22).

Table 3.2: Number of companies identifying specific groups vulnerable to discrimination at recruitment and career advancement, through policies

(IRBI 2015, N=99, 30th September 2015; IRBI 2016, n=100, October 31, 2016)

Stage in career	Vulnerable Groups Identified by Company policies on Non-Discrimination											
	Person with Disability		Women		Sexual Minorities		SC		ST		Religious Minorities	
	IRBI '15	IRBI '16	IRBI '15	IRBI '16	IRBI '15	IRBI '16	IRBI '15	IRBI '16	IRBI '15	IRBI '16	IRBI '15	IRBI '16
Initial recruitment	58	70	63	71	35	38	61	62	28	27	62	68
Career advancement	26	36	32	41	17	23	24	33	11	15	29	35

Among the vulnerable communities that the companies identify as generally being discriminated against, Table 3.2 indicates that there is growing recognition for persons with disability (PwD) communities at initial recruitment level with 70 companies having relevant policies while only 27 companies having such policies for scheduled tribes (ST). However, at the career advancement level such recognition is missing with only 36 companies having policies for PwD and only 15 companies for ST.

the companies agreed to a voluntary Code of Conduct for Affirmative Action, which committed them to vocational training, educational scholarships and efforts to increase procurement from lower-caste entrepreneurs.

A study show similarly, how “caste-blind” recruiting policies still end up being favourable to upper caste Hindus, in comparison to whom Dalits were 33% less likely to get a call back for the next stage of any hiring process.

The Confederation of Indian Industry launched an affirmative action initiative in 2007, which had as many as 729 signatory companies until 2011. Under the initiative,

²⁴ The Rights of People with Disabilities Act was passed in Parliament in December 2016.

²⁵ 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.

3.2 Presence of Systems to understand diversity

While commitment to non-discrimination in policies is in fact a legal requirement, the proactiveness of the companies can be measured only by the extent to which companies have developed proper systems for its implementation, e.g. measuring diversity in the organisation, and usage of this information to make the requisite policy changes.

Table 3.3 Identification of specific provisions that facilitate diversity in workplace

(IRBI 2015, n=99, 30th September 2015; IRBI 2016, n=100, October 31, 2016)

Availability of Policy commitment on Company website of the following	No. of companies	
	IRBI 2015	IRBI 2016
Presence of Anti-Sexual Harassment Policy	73	92
Explicit provisions for disabled-friendly workplace	32	49
Assessing diversity in Board of Directors	92	96
Assessing diversity in workforce	99	94

Table 3.3 shows that the number of companies in IRBI 2016 that are disclosing details about their anti sexual harassment policies and provisions for disabled people have increased from 73 to 92 and 32 to 49 respectively. However, the number of companies reporting on diversity in workforce has come down from 99 companies in IRBI 2015 to 94 companies in IRBI 2016.

Table 3.4 Number of companies that disclosed disaggregated data on social categories In terms of membership in Board and the workforce

(IRBI 2015, N=99, 30th September 2015; IRBI 2016, N=100, October 31, 2016)

Elements of diversity	Women		PWD		SC		ST	
	IRBI '15	IRBI '16						
Diversity in Board	92	100	0	0	0	0	0	0
Diversity in Workforce	98	94	79	73	23	16	22	16

While all 100 companies disclose gender disaggregated data for its board none of the companies disclose any data disaggregated based on disability, caste or tribe in the board. In the workforce while 94 companies disclose data disaggregated based on gender only 16 companies do so based on caste and tribe.

Many companies insist in their policies that there is no bias in the hiring process. The National Sample Survey (68th round) results indicated that in 2011-2012 women's participation was drastically less in urban areas. To every 54.6 employed men, there were just 14.7 working women. However, Similarly, a recent Credit Suisse report (2016), noted that there was just a 1% increase in the percentage of women in boards in India – from 10.2% to 11.2% from 2014 to 2015. In fact, there was a drop in women in management roles from 7.8% in 2014 to 7.2% in 2016.

Source: The CS Gender 3000: The Reward for Change; Credit Suisse Research Institute; September 2016; CSR In India 2016, Corporate Responsibility Watch

3.3 Index Scores: variations across IRBI 2015 and IRBI 2016

IRBI 2015 covers the list of top 100 companies as of 31st March 2012 and analyses data as of 30th September 2015. IRBI 2016 covers the list of top 100 companies as of 31st March 2015 and analyses data as of 31st October 2016. The companies in these two lists are not all the same. Figure 3.1 below details how top 100 companies of IRBI 2015 have performed vis-à-vis top 100 companies of IRBI 2016. Figure 3.2 shows how top 100 companies of the IRBI 2015 have moved in terms of scores between 30th September 2015 and 31st October 2016

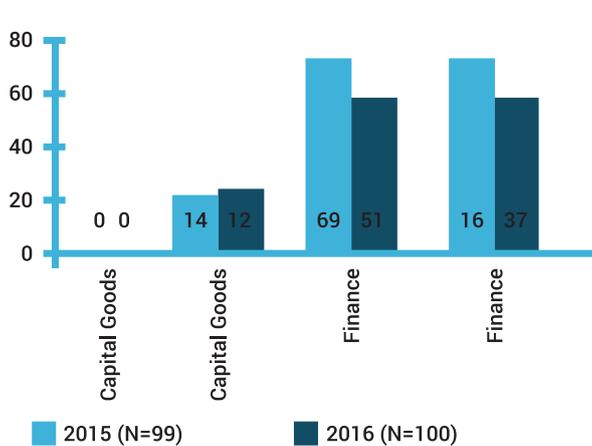


Figure 3.1: Distribution of companies by score quartiles for two years: Non Discrimination

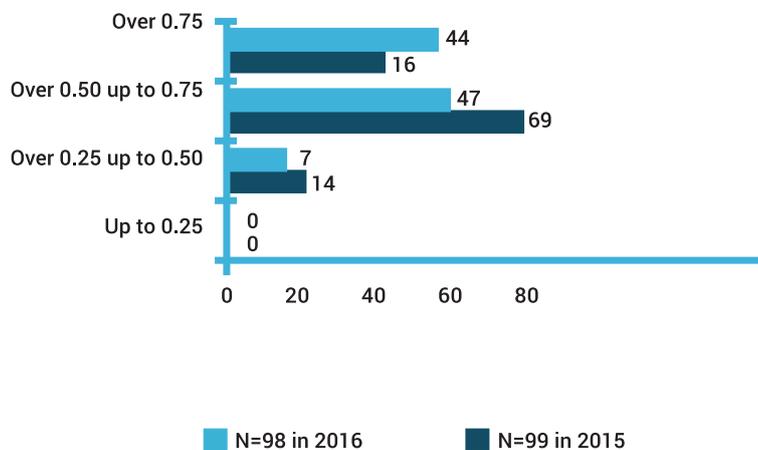


Figure 3.2: Distribution of Cohort Companies by score quartile: Non Discrimination

There are more companies in IRBI 2016 than IRBI 2015 that were in the over 0.75 quartile, when it came to recognition of non-discrimination, as seen in Figure 3.1. Even with the cohort companies, they did much better this year with recognition of non-discrimination, as seen in Figure 3.2.

The current top 100 companies have more mechanisms in place for non-discrimination than the previous year. The scores are high because the index offers flexibility and if even one of the six communities, as mentioned in table 3.2 are merely mentioned, it fetches the company a positive score. This scoring system will be made more rigorous in subsequent rounds.

The variation among companies is larger when one looks at the disclosures on whether a diversity assessment is done. IRBI 2016 shows reduced disclosure on SC/ST employees, because of the reduction of PSUs in the sample (from 29 in IRBI 2015 to 19 in IRBI 2016), who invariably disclosed the SC/ ST employees.

Nevertheless, almost 62 companies are now talking about caste in their recruitment, mostly from a non-discrimination or equal opportunity framework point of view. Bajaj Auto discloses the number of SC/ ST among employees very prominently; Godrej Consumer Products Limited shares disaggregated numbers of SC/ ST employees for one of the plants while Tata Steel has provided disaggregated employment figures under affirmative action but not necessarily with caste as a factor. The CII's initiative on affirmative action shared in the above section, and a policy commitment by 60% companies clearly shows that the businesses are on the verge of creating a system by which they might diversify their workforce in terms of SC and STs.

4. Respecting Employee Dignity and Human Rights (Element 2)

In order to uphold several rights enshrined in the Indian Constitution with regard to respecting employee dignity and human rights, the National Voluntary Guidelines reaffirm through Principle 3 that businesses should promote the well being of all employees, including those in the supply chain and through Principle 5 a much-needed rights-based perspective, urging companies to “respect and promote human rights”.

The IRBI Index, Element 2, focussed on the following domain areas:

- Policies related to fair living wages, safe, 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

Diversity Case Study

Forbes Marshall (FM), a family-owned company based out of Pune, was awarded in 2012 and 2013 as one of the great places to work in India because of its culture based on core values such as Integrity, Innovation and Entrepreneurship, Value Delivery to its members, society and customers. Their interventions such as Vision, Value Dilemma Workshops and a committed Values Council enhance and strengthen their core values. FM's philosophy is based on equality and all interventions and benefits are extended to not only members but also their families and contract members. Employees are all called members. With 22 per cent of employee strength being women in the manufacturing industry it also has a reputation of being one of the most secure and safe workplaces.

With an open-door policy, practice and approachability, collaborative leadership and transparent communication, FM was one of the first organisations in the industry to implement Flexi time for all members, including shop floor members. Engagement activities like an in house band, women's association, Children's Appreciation Award etc creates an environment which fosters professional and personal well being. FM has a workforce of 500 with 100% of them being permanent members and contracts are only for services that are not from the core domain. Benefits like Medicare, children's scholarship, medical allowances etc are customised and extended to all members on rolls as well as on contract. Contract workers are less than 7 per cent of the overall workforce. Overall, FM has policies that take into consideration the diverse workforce, thus creating equity and a sense of fairness.

Amita Joseph, Business and Community Foundation

4.1 Commitment to employees’ dignity and human rights

Article 16 of the Indian Constitution talks about Equality of opportunity in matters of public employment. Article 16 (1) & 16(2) have laid down a general rule that there shall be equal opportunity for all citizens and thus emphasizes on universality of the Indian Citizenship. Similarly, the Supreme Court of India has interpreted that although the principle of ‘equal pay for equal work’ is not expressly declared by our Constitution to be a fundamental right, it is certainly a constitutional goal under Articles 14, 16 and 39 (c) of the Constitution. Article 41 of the Directive Principles of State Policy provide for right to work, education and public assistance in certain cases such as unemployment, old age, sickness and disablement. Article 42 stands for providing just and human conditions of work and maternity relief. Article 43 deals with living wage for workers and Article 43-A intend to secure worker's participation in management of industries. More recently, the Supreme Court has also ruled that contract workers are eligible for pay on par with permanent workers and stated that denial of the principle of equal pay for equal work is a violation of human dignity .

Recognition for workers’ dignity and human rights

The index aims to understand whether in the wide range of issues that can be subsumed under workers’ rights, there is recognition of some key aspects like the recognition and prohibition of forced labour of various forms and non-violence in the workplace, a fair living wage and freedom of association for employees as well as the health and safety of all employees. Beyond recognition or acknowledgement of these aspects, the index then measures whether there are also systems in place to ensure that these aspects of workers rights are upheld and whether such information is available in the public domain for all employees to access.

Table 4.1 Policy commitment to recognition of workers' dignity and human rights

(IRBI 2015, N=99, 30th September, 2015; IRBI 2016, N=100, 31st October, 2016)

Aspects of Element 2	No. of companies across levels of policy comprehensiveness					
	IRBI 2015			IRBI 2016		
	No recognition	Explicitly States	Provides for Systems	No recognition	Explicitly States	Provides for Systems
Minimum wage and fair living wages	61	27*	11**	53	31*	16**
Prohibition of forced labour	37	36	26	28	42	30
Freedom of association	55	29	15	32	48	20
Health and Safety of employees	17	27	55	9	14	77
Zero tolerance towards any form of violence	61	19	19	51	22	27
*Minimum wage, **Fair living wage						

Table 4.1 shows that there is a higher level on recognition as well as provision of systems of different components of respecting employee dignity and human right. More companies in IRBI 2016 (77) than those in IRBI 2015 (55) have a system in place to ensure the health and safety of employees, followed by prohibition of forced labour. Fair living wages though, is a component that the fewest companies (16) recognise

Table 4.2: Recognition and related knowledge systems that support the creation of an enabling environment for better working conditions

(IRBI 2015, N=99, 30th September, 2015; IRBI 2016, N=100, 31st October, 2016)

Number of companies		
Recognition of key aspects	IRBI 2015	IRBI 2016
Contractual employees to be provided with social benefits	20	18
Engagement with unions (including collective bargaining principle)	41	59
Presence of system on		
Assessments on health and safety conditions	42	46
Assessments on situation of workers' rights and labour issues	9	6
Enumerating employees who are members of employees' association	59	62
Complaints received for child labour, forced labour and involuntary labour	84	79

As seen in table 4.2 above, while, there is an increase in the number of companies having systems on health and safety and enumeration of employees who are members of employee associations, there is a decrease in the workers' and labour rights and complaints received for different kinds of illegal labour practices (from 84 in IRBI 2015 to 79 in IRBI 2016). There has also been a drop in the number of companies in IRBI 2016 that have recognised provision of social benefits to contractual employees. The number of companies that conduct assessments on the situation of workers' rights and labour issues is dismally low with only six companies having systems related to this area.

²⁷ AIR 1997 SC 3014, Randhir Singh v. Union of India

²⁸ Article 16 of Indian Constitution talks about Equality of opportunity in matters of public employment. Article 16(1) & 16(2) have laid down a general rule that there shall be equal opportunity for all citizens and thus emphasizes on universality of Indian Citizenship.

²⁹ Article 39(c) in The Constitution Of India 1949(c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment;

³⁰ <http://www.thehindu.com/opinion/op-ed/On-parallel-tracks/article16090950.ece>

Workers Rights Across Sectors

Death Trap - Mining fatalities

“The mine collapse at Eastern Coalfields Ltd’s Lal Matia coal mine in Jharkhand in December 2016, rounds up one of the deadliest years for mine workers. The 17 mine worker deaths reported sharply push up the mining fatality count, which stood at 65 across both coal and non-coal mines during just the first six months of 2016, translating into a fatality every three days. More than a dozen workers remain trapped. To add to this, at least 122 people were documented to have met with a serious accident during this period, which translates into a serious accident every one and a half days. With a fatal accident every three days, mining is arguably the most dangerous profession in India, alongside ship-breaking”.

Source: Indian Express, “After Jharkhand toll, 2016 one of deadliest years for mine workers”, 3 January 2017

Sumangali: An Intersection of Class, caste and Gender based Exploitation

An estimated 100,000 largely SC girls, work under employment schemes often referred to as Sumangali. Sumangali Thittam (wedding scheme) is when young girls are recruited with the promise of a large pay out (for their dowry) at the end of 3-5 years. The girls live in hostels and have hardly or no contact with the outside world, even family members. They work long hours, including forced overtime, under unhealthy conditions, with less than minimum wages. 28% girls, as per a recent study, are below the 14 years and the rest are below 18 years. Respondents had poor diets and toilet facilities. 82% faced verbal abuse; 86% long working hours; 48% shared not being allowed to use the toilet.

As seen in table 4.3 below, in the category of providing safety training to permanent, permanent women, contractual and disabled employees there is an increase of 3 companies as compared to IRBI 2015. In the category of disclosing training data for employees with disability, there is a drop in the already low reporting from 38 companies in IRBI 2015 to 36 companies in IRBI 2016

Table 4.3: Number of companies disclosing data on safety trainings provided to different categories of employees

(IRBI 2015, N=99, 30th September, 2015; IRBI 2016, N=100, 31st October, 2016)

	Permanent employees		Permanent Women employees		Contractual employees		Employees with disabilities	
	IRBI 2015	IRBI 2016	IRBI 2015	IRBI 2016	IRBI 2015	IRBI 2016	IRBI 2015	IRBI 2016
Safety training provided to employees	68	71	52	55	49	52	38	36

4.2 Index Scores: variations across IRBI 2015 and IRBI 2016

IRBI 2015 covers the list of top 100 companies as of 31st March 2012 and analyses data as of 30th September 2015. IRBI 2016 covers the list of top 100 companies as of 31st March 2015 and analyses data as of 31st October 2016. The companies in these two lists are not all the same. Figure 4.1 below details how top 100 companies of IRBI 2015 have performed vis-à-vis top 100 companies of IRBI 2016. Figure 4.2 shows how top 100 companies of the IRBI 2015 have moved in terms of scores between 30th September 2015 and 31st October 2016.

More companies in IRBI 2016 than IRBI 2015 were in the third quartile of recognition to employee dignity and human rights as seen in figure 4.1 below. In the cohort companies, as seen in figure 4.2, many moved into the third quartile from the second. It is significant to note that none moved to the fourth quartile.

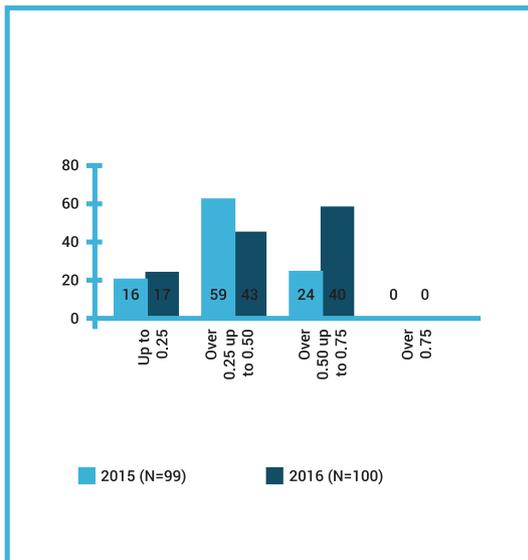


Figure 4.1: Distribution of companies by score quartiles for two years: Employee Dignity and Human Rights

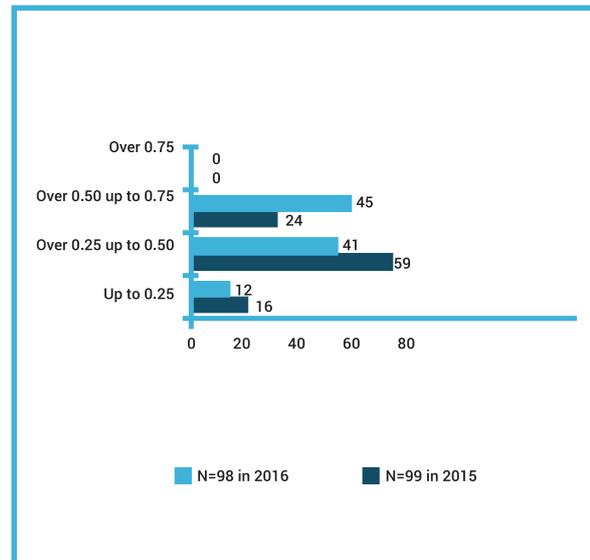


Figure 4.2: Distribution of cohort companies by score quartiles: Employee Dignity and Human Rights

A combination of collectivisation, fair wages, health and safety standards and employee rights make up the workers’ dignity and human rights element. The number of companies disclosing their policies on these aspects, in the public domain, is very few. While many seem to be sharing these internally, disclosing commitment by PSUs is high. Sectors that have factory-based entities, end up employing large numbers of contractual workers (including sectors like construction or mines). It is very difficult for such workers with limited access internal mechanisms for understanding more about policies on their rights. It is for this reason that policies need to be made available in the public domain.

Almost 60% companies state a commitment to collective bargaining and engaging with unions, however their disclosures on trade unions recognised by management, falls short in a big way. A look at the level of unionisation amongst PSU and private companies also shows a much lower number of unions among the latter .

In terms of systems related to assessing the safety need and training of contractual workers, these have not sufficiently disclosed. And only 6 per cent companies actually disclose the assessment of workers rights and labour issues in their core operations.

³¹ CSR in India, 2016: http://www.corporatewatch.in/images/CSR_in_India.pdf

5. Community Development (Element 3)

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, identified as CSR beneficiaries. The principle emphasises the significant role that companies can play in overall development of the country whilst supporting the development of marginalised communities.

The Companies Act 2013 further mandated “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”. India, probably, is the first country in the world to enshrine corporate giving into law. While the promise was that the provision would “release the much-needed fund for social development, while critics warned of a tick-box mentality and efforts at evasion. Nearly three years on, the arguments remain unresolved”.

Within the purview of the Schedule VII of the Companies Act a CSR policy has to be approved by its Board and should provide a list of CSR projects or programmes, which a company plans to undertake. However, most policies are, at best, just a list of domains picked up from Schedule VII that the companies plan to implement. Preparing a policy by involving and discussing with the community as required under the Business Responsibility Report is found wanting in most cases. In this context, the fear is that CSR soon may become a dumping ground for expenditure which a company cannot put anywhere.

IRBI Element 3, is focussed on the following domain areas

- Policies of CSR recognise processes for genuine engagement with Key Stakeholders such as concerned communities - to engage them in needs assessment, planning, implementation and impact assessment processes
- The systems and mechanisms adopted by companies is monitored by CSR committee to ensure and enhance the participation of communities in the CSR process and ensure the role of corporate citizenship
- The role of the committee is to implement and monitor the CSR projects and how they are effectively engaged in monitoring as well as mitigating the impacts of the business processes on communities monitor changes in the working and living conditions of affected communities or concerned communities.
- The role of community in conducting an impact assessment of CSR projects and building synergies among companies and communities

5.1 Commitment to community development in IRBI 2016

The evolution of corporate social responsibility in India refers to changes over time in India of the cultural norms of corporations’ engagement of corporate social responsibility (CSR), with CSR referring to way that businesses are managed to bring about an overall positive impact on the communities, cultures, societies and environments in which they operate. The fundamentals of CSR rest on the fact that not only public policy but even corporates should be responsible enough to address social issues.

MAKING CSR MORE SUSTAINABLE

Presently, the enhancement in CSR expenditure is being chiefly driven by legal compliance. Questions are being raised about its efficacy or even if it will be sustainable, since corporates could always find ways of overcoming the legal challenge. Therefore the need is to develop mechanisms on how Corporate Social Responsibility can become an integral part of business strategy. Aim has to be to make it Vertical, aligning with various aspects of corporate activities.

One of the major criticisms of present CSR strategies remains that it only talks of where its CSR investments will take place with little linkage on long-term benefits that engaging with communities will provide the company. That is one of the reasons that present policy is a standalone document with little in the manner of how it impacts the company in the long-term. Getting more stakeholders in developing CSR strategy should help it making it a more integrated statement, recognising the benefits to the corporate of working with the communities. Therefore it is essential that apart from the CSR Department, stakeholders in formulating corporate strategy could include, representatives of local communities, trade unions, company’s strategists, HR, marketing and brand building departments.

Further, communication by a company of its CSR activities focuses on spending on various projects. It needs to move from a focus on ‘2% spending’ to ‘how lives have been impacted’. A CSR Report, which focuses on improvements in the essential indicators (education, health, livelihood, etc.) of the communities in its operational areas would be far more effective, than just how much it has spent through CSR.

Subhash Mittal, Social Research Reform Foundation

³² <https://www.theguardian.com/sustainable-business/2016/apr/05/india-csr-law-requires-companies-profits-to-charity-is-it-working>

³³ http://www.corporatewatch.in/images/CSR_in_India.pdf, Author Subhash Mittal

Policy recognition and disclosure on Corporate Social Responsibility

The Index aims to find out whether companies recognise needs assessments and independent impact systems as critical knowledge systems for companies to evolve their programmes as well as their policies.

Table 5.1: Recognition and related knowledge systems on community development

(IRBI 2015, N=99, 30th September, 2015; IRBI 2016, N=100, 31st October, 2016)

Recognition of key aspects:	Number of companies	
	IRBI 2015	IRBI 2016
Identification of backward regions for implementing community development projects	25	32
Identify and specify some distinct vulnerable identities as target stakeholders with whom companies plan to implement their CSR programme	71	85
Presence of system for/to		
Needs assessment for initiating CSR projects	17	11
Stakeholder consultation for formulating CSR policy	2	1
Independent impact assessment of CSR projects	22	14
Estimate number of beneficiaries	71	80
Determine distribution of expenses on CSR across themes	26	90

Table 5.1 above shows that a greater number of companies of IRBI 2016 are disclosing details about distribution of expenses on CSR across themes. However, the number of companies reporting on Independent impact assessment of CSR projects has come down from 22 companies of IRBI 2015 to 14 companies of IRBI 2016 as has number of companies having systems in place for needs assessment for initiating CSR programme (from 17 in IRBI 2015 to 11 among the current top 100 companies in IRBI 2016) and for having a stakeholder consultation (from 2 in IRBI 2015 to 1 among the current top 100 companies).

In a study carried out by McKinsey, it found over 90 per cent of CSR investment flowing into only 7 to 10 development sub sectors from a list of 50 subsectors it considered. Even within some of the well-endowed sectors such as education, much of the contribution has remained with primary education, leaving little for pre-primary, teacher training or special education needs. This skewedness is not only limited to thematic areas of investment but also extend to geographic areas of investment. The seemingly normal phenomena of highly industrialized and developed states getting the bulk of CSR investment and less industrialized – less developed states getting very little, is also a paradox when it comes to development paradigm.

Pradeep Patra, The landscape of CSR In India; CSR in India 2016

Undoubtedly, CSR spending has been rising. As per data released by the Ministry of Corporate Affairs, CSR spending of 460 top corporates, including 51 PSUs, in FY 2014-15 was around Rs 6,338 crore . According to other data top 250 companies allocated almost 14 per cent budget higher than the previous year. However, at the same time, companies are finding it difficult to spend these allocations. This under-spending is understandable, since it takes time to identify good projects and then mobilise human resources, and win confidence of communities to implement projects, which are credible. However, the question is what processes are in place to ensure that CSR funds genuinely reflect efforts of corporates in implementing their social commitments .

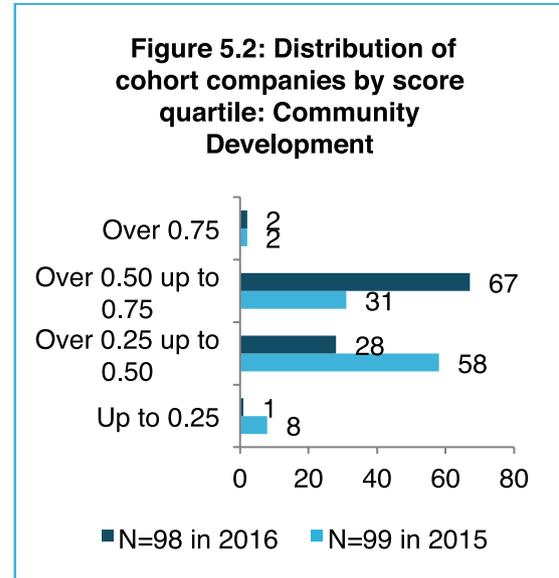
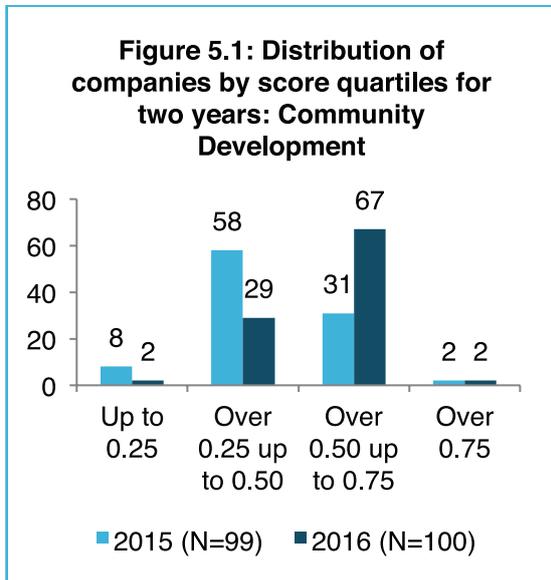
Participation of vulnerable groups is a critical component of CSR programmes and reflects the extent to which the programmes are inclusive. However, last year only 2 companies mentioned involvement of vulnerable groups such as children, people with disabilities, women, SCs and STs in needs assessment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

³⁴ <http://pib.nic.in/newsite/PrintRelease.aspx?relid=136942>

³⁵ http://www.corporatewatch.in/images/CSR_in_India.pdf

5.2 Index Scores: variations across IRBI 2015 and IRBI 2016

IRBI 2015 covers the list of top 100 companies as of 31st March 2012 and analyses data as of 30th September 2015. IRBI 2016 covers the list of top 100 companies as of 31st March 2015 and analyses data as of 31st October 2016. The companies in these two lists are not all the same. Figure 5.1 below details how top 100 companies of IRBI 2015 have performed vis-à-vis top 100 companies of IRBI 2016. Figure 5.2 shows how top 100 companies of the IRBI 2015 have moved in terms of scores between 30th September 2015 and 31st October 2016.



Close to double the number of companies in IRBI 2016 compared to IRBI 2015 were in the third quartile of community development as seen in figure 5.1 above. It was a similar movement among the cohort companies, as seen in figure 5.2, with more than 30 companies moving from the first and second quartile into the third.

Currently, what is driving the CSR implementation mechanism seems to be the legislative requirement. To ensure genuine CSR activities are undertaken, adequate and stringent processes need to be put in place. Else the risk is that the objectives for which it was brought in will be defeated by the CSR mandate companies need to comply with, becoming a mere compliance issue.

Data shows that only 10 per cent companies disclosed that they carried out needs assessment in the last one year. Only 13 companies acknowledged doing independent impact assessments for recently started CSR projects in the public domain. 79 companies identified and specified some distinct vulnerable identities as their target stakeholders with whom companies plan to implement their CSR programme.

6. Inclusiveness in Supply Chain (Element 4)

The element concerns itself with social and economic inclusion in the supply chains of businesses. It reiterates Principle 4 of the NVGs, which says that companies “should respect the interests of, and be responsive towards all stakeholders”, especially the “disadvantaged, vulnerable and marginalised”. The NVGs also stress that the responsibilities of businesses extend beyond the traditional boundaries to include its value chain. It calls upon companies to respect interests of all stakeholders, especially the disadvantaged, marginalised and vulnerable. The element also seeks to extend both well being (NVG Principle 3) and human rights (NVG Principle 5) to the supply chains of businesses, while placing an emphasis on a business's responsibility towards workers in its locality.

IRBI Element 4, is focussed on the following domain areas:

- 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 supply chain, specifically 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 are would be within the head office of the company

Supply Chain Transparency

NVGs emphasise responsibilities of businesses beyond traditional boundaries to extend to its value chain. It calls upon companies to respect interests of all stakeholders especially the disadvantaged, marginalised and vulnerable. Companies that have policies and practices which are inclusive of informal workers/ suppliers and protect the rights of women, SC/ ST, children and disabled across the supply chain are better positioned to mitigate supply chain related risks.

Informality is a key characteristic of India's commercial supply chain. 92% workers in India are in informal employment without access to any social security. This share of informal workers in the organised sector is on the rise due to increased use of contractual and other forms of casual labour. In 2011-12, 79 per cent of non-agricultural wage-workers had no written contract and only 23.8 per cent were eligible for social security benefits. The status of women workers is even worse within this scenario with about 120 million women (around 95 per cent of women in paid work) working informally.

Export market potential for some lead products for India has a potential to increase by over 100% most significantly in US, UK and European markets. Initiatives and regulations such as the UK Modern Slavery Act, The California Transparency in Supply Chains Act and EU Directive on disclosure of non-financial and diversity information are clear indications that a rights based approach to supply chain transparency is an important indicator for trade competitiveness.

Namit Agarwal, Oxfam India

6.1. Commitment to inclusiveness in supply chains

This element of the index recognises that it is not enough if businesses follow the rule book for their direct staff and acknowledges the importance of extending it to its entire supply chain. The element aims to see whether businesses extend progressive policies to its supply chain or not. It also examines whether businesses have knowledge systems that strengthen the supply chain by holding stakeholder consultations, having proper guidelines for procurement, and assessing needs of vendors as well as rights of workers in the supply chain.

³⁶ Companies that have policies and practices which are inclusive of informal workers/ suppliers and protect the rights of women, SC/ST, children and disabled across the supply chain are better positioned to mitigate supply chain related risks. The responsibilities that companies take for their supply chains should be consonant with the enormous benefit that they derive from them. Contemporary trends in international legislation are recognise this 'downward accountability'.

Sources: India Labour Market Update – ILO Country Office for India, July 2016 http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-new_delhi/documents/publication/wcms_496510.pdf; Leave No One Behind – Report of the UN Secretary General's High-Level Panel On Women's Economic Empowerment, 2016 – Available at <http://www.womenseconomicempowerment.org/assets/reports/UNWomen%20Full%20Report.pdf>; Accessed on

Table 6.1 Recognition of key aspects that contribute to inclusive in supply chain IRBI 2015 (n=99) 30th September 2015 and IRBI 2016 (n=100) 31st October 2016

Aspects of Element 4	Level of comprehensiveness of policy					
	IRBI 2015			IRBI 2016		
	Policy recognition			Policy recognition		
	No	Explicitly states	Provides for system	No	Explicitly states	Provides for system
Priority to local suppliers	60	25	14	39	38	23
Policy on child labour extends to supply chain	33	32	34	21	41	38
Human rights policy extends to supply chain	59	40	Not analysed	46	54	Not analysed
Employment policy extends to supply chain	78	7	14	71	14	15

Table 6.1 shows that the disparities between commitments to company employees and those working in the wider supply chain are very stark. In the case of extending employment policies to the supply chain only 29 companies in IRBI 2016 recognise it. Among them, only half (15) have a system in place to monitor its implementation. As many as 21 companies do not recognise extending child labour policies to the supply chain.

Table 6.2 Recognition and related knowledge systems that contribute to developing and strengthening of a responsible supply chain

IRBI 2015 (n=99) 30th September 2015 and IRBI 2016 (n=100) 31st October 2016

Recognition of key aspects	Number of companies	
	IRBI 2015	IRBI 2016
Procurement of raw products at a fair price	4	9
Presence of system for/to		
Stakeholder consultation for formulating supplier code	1	0
Determine steps taken to procure goods and services from local & small producers, including communities surrounding their place of work	72	73
Assessment of capacity needs of local suppliers, vendors, producers and contractors	3	3
Assessment of issues related to worker rights in supply chain	8	6

As table 6.2 above shows, a promising number of the companies (73) have systems by which they can determine steps to procure goods and services from local and small producers, but not a single company has reported a process for consulting with stakeholders in order to formulate a supplier code. As few as six of the current top 100 listed companies have systems to assess issues related to workers' rights in the supply chain.

Human rights and supply chain

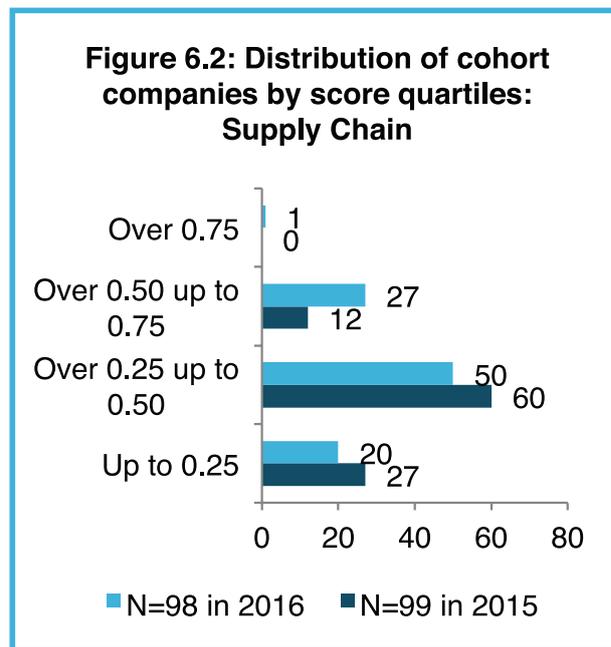
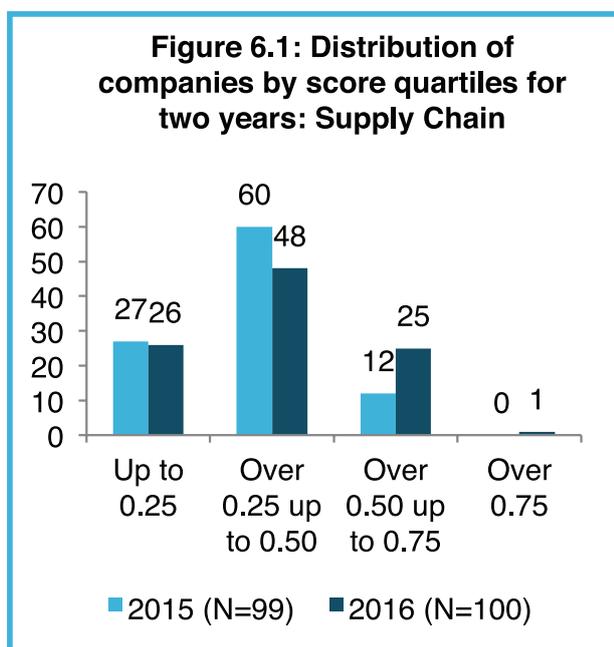
Whilst the NVGs, released by the MCA in 2011, are applicable to all businesses, irrespective of their size, it will undoubtedly take a dedicated and concerted effort to integrate these provisions to the MSME sector. Simultaneously, the NVGs encourage companies to extend their provisions across supply chains. We see very little evidence that listed companies (since the NVG-spawned SEBI-ABRR covers them) are taking the steps required to embed social, environmental and ethical principles within their supply chains and vendors. Very notably, there are a number of growing instances of supply chain transparency and reporting being mandated, including the UK Modern Slavery Act 2015, which has a legal requirement for UK companies to report on the steps they are taking to prevent, mitigate, and act on risks of modern slavery issues. It is pertinent to note the growing impact of the UNGPs on the supply chain discourse, as new tools for due diligence to manage human rights issues in supply chains, (particularly worker and workplace-rights related) are developed by multi-stakeholder initiatives.

The Indian context is substantially different: there is an absence of a middle-class consumer demand for responsible supply chains, and there is no immediate likelihood of the Government mandating the same. However, it would be a major step in the right direction if the Government were to consider sustainable public procurement based on the NVG principles in its dealing with the private sector, formal or informal. What we do have evidence of in India, is companies taking steps to source goods and services from local suppliers and small producers, whether derived out of a voluntary effort to add economic value to the local economy, or from a State Government requirement to use local labour and suppliers, especially in regions populated by marginalised and economically excluded communities. It will be helpful to analyse the economic and social impacts of such inclusive practices.

Viraf Mehta, Member, NVGs Drafting Committee and Advisor, Partners in Change

6.2 Index Scores: variations across IRBI 2015 and IRBI 2016

IRBI 2015 covers the list of top 100 companies as of 31st March 2012 and analyses data as of 30th September 2015. IRBI 2016 covers the list of top 100 companies as of 31st March 2015 and analyses data as of 31st October 2016. The companies in these two lists are not all the same. Figure 6.1 below details how top 100 companies of IRBI 2015 have performed vis-à-vis top 100 companies of IRBI 2016. Figure 6.2 shows how top 100 companies of the IRBI 2015 have moved in terms of scores between 30th September 2015 and 31st October 2016.



As seen in figure 6.1 above, while a similar number of companies from IRBI 2015 and IRBI 2016 stayed in the first quartile, there was movement from the second to the third quartile and one company in IRBI 2016 was in the fourth quartile. In the cohort companies as seen in 6.2, the number of companies in the third quartile doubled.

Overall, only 29 companies have commitment to extend their employment policy to the supply chain. Of these, only 15 have a system in place for facilitating the same. As few as 6 companies have disclosed an assessment of issues related to worker rights in the supply chain. It is, however, heartening to note that 79 companies in Round II recognise the extension of their policy on child labour to their supply chains.

7. Community as Business Stakeholders (Element 5)

Local communities are stakeholders in business processes and impacts and must be regarded as such, not seen merely as beneficiaries but active players. Three principles of the NVGs have very clearly laid out that community must be seen as a stakeholder in the Company's business; widening the scope from the earlier narrow concept of "shareholders" that a company is answerable to. 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 them to be responsible for, accountable to, and aware of the community's needs and aspirations.

Thus, local people affected by business are not to be seen merely as recipients of 2 per cent contributions under the head of corporate social responsibility, but as stakeholders with an active and non-negotiable interest in core business operations.

IRBI Element 4, focussed on the following domain areas:

- Free, Prior and Informed Consent: Consent of community that is prior, free and informed, meaningful public hearings with the potentially affected communities with full recognition and respect for human rights, impact assessment of the business process that have implications on communities, respecting local culture and systems and most importantly recognising and implementing the resettlement and rehabilitation of affected communities are essential.
- Disclosure: Disclosing transparently information on compensation awarded and responses to litigations, grievances and petitions be filed by stakeholders
- Alternate livelihood provision: Ensuring alternate livelihood choices similar to the source areas for the communities and as far as possible ensuring in-situ habitations.
- Use of local resources: Rational and judicious use of local resources and ability to recreate the resources to balance the biodiversity disturbed, or environment harmed.
- Employment from local community: Mandate to employ local community directly in decent and remunerative positions not in an ad-hoc manner and with tokenistic attitude.

7.1. Commitment to treating community as business stakeholders

The Index recognises that local communities must be treated as business stakeholders who have a stake in business and how they impact them. Keeping this in mind, the index explores whether business even recognise the various provisions in place such as free, prior, informed consent, access to information about impacts and alternate livelihood opportunities among other things. Are the company policies in the public domain mindful of their commitment to treating the communities as business stakeholders? And have the disclosed figures related to these areas in the public domain? These are some of the questions this section seeks to address.

Recognition of need for prior impact assessment in their policies

Table 7.1: Recognition of the need to assess business impact on communities and means to minimise the negative impacts

IRBI 2015 (n=99) 30th September 2015 and IRBI 2016 (n=100) 31st October 2016

Domain	Level of comprehensiveness of policy					
	IRBI 2015			IRBI 2016		
	Policy recognition			Policy recognition		
	No	Explicitly states	Provides for system	No	Explicitly states	Provides for system
Need for impact assessment on environment and the community	28	44	27	28	41	31
Free, Prior and Informed Consent (FPIC) through discussions for land acquisition or displacement	98	1	0	98	2	0
Responsibility for provision of similar or better living conditions and services and access to Project Affected People	94	2	3	95	1	4
Acknowledgement of judicious use of local resources	35	27	37	31	26	43
Recognition of the need to work on locally relevant issues	90	6	3	84	10	6
Employment of local people	80	13	6	79	16	5

Only 2 companies recognised the principle of Free, Prior and Informed Consent, but none reported having a system to enforce it. The need for conducting an impact assessment has been recognised with a system in place by 31 companies (with very few recognising impact assessments on communities). While 16 companies have stated a commitment to provide employment to local people, only five have a system in place. The overwhelming majority of companies 95 have not recognised their responsibility to provide similar or better opportunities to project affected people. Only 3 companies have a policy on transparent communication about compensation to be paid to Project Affected Population.

Extensive environmental abuse

The High Court has observed that Adani Ports and Special Economic Zone Ltd are guilty of “extensive environmental abuse” in the Mundra and Dhrab forests in Kutch. The Court ordered to replant mangroves on at least 200 hectare, directed to remove all embankments, bunds or obstructions to creeks in the entire belt of 5,333.73 ha of mangrove forest (Mundra) and 250 hectare of forest land at Dhrab.

The Parliamentary Committee also observed that Adani Ports and Special Economic Zone violated “Previous show-cause notice by the UPA government for creation of Environment Relief Fund (ERF) worth one per cent of the project cost or Rs 200 crore, whichever was higher, for environmental violations at the Mundra Port in Gujarat, was not backed by any law under the Environment (Protection) Act, 1986, and was deemed to be legally incorrect.

Table 7.2: Recognition and knowledge systems that promote companies to be sensitive to local concerns, culture and environment and engage with communities

IRBI 2015 (n=99) 30th September 2015 and IRBI 2016 (n=100) 31st October 2016

Recognition of key aspects	Number of companies	
	IRBI 2015	IRBI 2016
Public hearing and communication of project impacts with community	9	13
Transparent communication about the compensation to be paid in case of land acquisition or displacement	2	3
Respect for local culture and systems	15	15
Intention to invest to strengthen and promote local knowledge/heritage, and protect the Intellectual property rights of the community	7	11
Publishing of impact assessment reports in public domain	2	6
Presence of system for		
Stakeholder consultation for formulating policy on Resettlement and Rehabilitation (Project affected community, including women, marginalised groups)	2	0

As seen in Table 7.2 above, there is a minimal increase in the number of companies in IRBI 2016 that have policies which show commitment to treating the community as a business stakeholder. However, the numbers are very dismal. Just three companies have disclosed policies for transparent communication related to compensations and only six publish impact assessment reports in the public domain. As far as knowledge systems are concerned, not a single company has mechanisms for stakeholder consultation on resettlement and rehabilitation.

Table 7.3 Number of companies that disclose data on impacts of their business operations on local communities

IRBI 2015 (n=99) 30th September 2015 and IRBI 2016 (n=100) 31st October 2016

Elements for which disclosure of data is measured	Number of companies	
	IRBI 2015	IRBI 2016
People displaced or affected	7	2
People rehabilitated and resettled	5	2
Employment generated from local area	6	2

The number of companies that have disclosed numbers related to displacement, rehabilitation and resettlement and employment for people in the project area are two in each segment. No company disclosed having a system for stakeholder consultation for formulating policy on resettlement and rehabilitation.

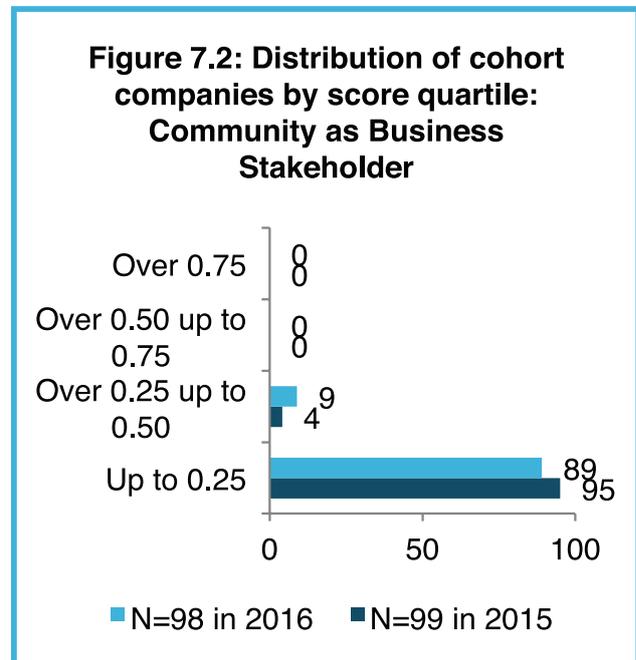
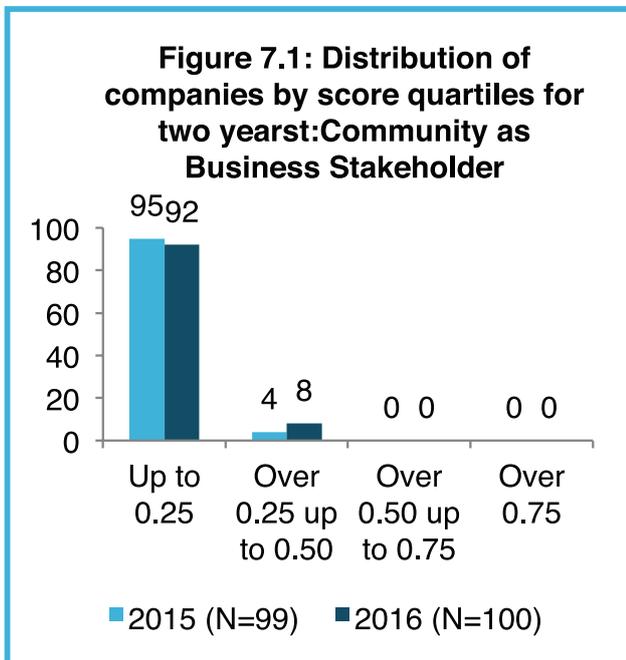
Community versus Business?

Residents have been protesting the acquisition of land by the NTPC (formerly, the National Thermal Power Corporation Ltd) for their coal-mines. The public-sector firm had proposed to start mining coal in the Karanpura valley, in the east Singhbhum district of Jharkhand, over an area of 47 square kilometers. The land acquisition for the project began in 2004, though slow progress was made on the proposed mines in what is claimed to be one of the largest coal blocks of Asia. In May last year, villagers in the area initiated a Chita Satyagraha opposing the land acquisition without their consent. Government officials intervened and promised to resolve the matter, asking them to dismiss the satyagraha. Just before the protest, the villagers began a Kafan (Shroud) Satyagraha, demanding that the district collector investigate whether the NTPC had obtained the approval of the gram sabha, as required by law.

Source: <https://thewire.in/70306/hazaribagh-four-dead-police-firing-anti-mining-protest/>

7.2 Index Scores: variations across IRBI 2015 and IRBI 2016

IRBI 2015 covers the list of top 100 companies as of 31st March 2012 and analyses data as of 30th September 2015. IRBI 2016 covers the list of top 100 companies as of 31st March 2015 and analyses data as of 31st October 2016. The companies in these two lists are not all the same. Figure 7.1 below details how top 100 companies of IRBI 2015 have performed vis-à-vis top 100 companies of IRBI 2016. Figure 7.2 shows how top 100 companies of the IRBI 2015 have moved in terms of scores between 30th September 2015 and 31st October 2016.



As seen in figure 7.1 above, there are no companies from the IRBI 2015 pool or from IRBI 2016 that find a place in the third or fourth quartile in relation to the community as a business stakeholder. In the case of cohort companies as well, 5 companies moved from the first to the second quartile, but 90 per cent still stayed in the lowest quartile, as can be seen in figure 7.2

Overall, 31 companies recognised having commitment as well as systems to understand impacts of their core business activities on communities. But only 2 companies recognised Free, Prior and Informed Consent (FPIC) through discussions for land acquisition or displacement. Publishing of impact assessment reports in public domain was recognised by 10 companies. Alarming, no company has policy for stakeholder consultation related to rehabilitation.

There is need to engage with community as a prime stakeholder of the business in a responsive and sustainable manner to make the business doable.

Responsible and sustainable Business practices:

- **The end of charity and giving back in CSR initiatives:** Understand how the landscape is changing and the opportunities that are aligning commercial and financial goals with macro societal needs
- **Data, information and insight:** Using the right data (baseline, needs assessment) to mitigate risks, measure impact and progress, deliver trust and positive social transformation
- **Internal engagement strategy – Prove your case:** Advocates, influencers and ambassadors work. Get that internal buy-in
- **External engagement and Communications - You can't do it alone:** Understanding your stakeholders' agendas, co-create alliances and coalitions, build agile and transparent partnerships.
- **Link with macro agenda:** to tackle some of the critical issues: human rights, deforestation, SDG integration, carbon emissions, circular economy, partnerships

Companies have to understand and commit to build relationship and partnership between company and community and also value the rights of the local community leading to more sustainable impacts for company and community both.

Contributed by Archana Shukla Mukherjee, Change Alliance

8. Financial Sector

Banks have an instrumental role in ensuring that economic development respects people and the environment. Within the regulatory and operational constraints of the Indian context, they are co-architects of the wider ecosystem in which businesses, large and small, operate. Banks can invest, and help to enable investment in, areas of the economy needing it most, such as agriculture. They can promote equitable access to credit through financial inclusion schemes. In their appraisal of loans, and in their investment decisions, banks also have responsibility to assess risks. These risks, if not properly assessed and managed, have the potential to impact much more than just the banks' core business.

Banks and other financial institutions constitute the largest group within the Top 100 companies featured in this Index. Beyond their unique role as financiers of other businesses, they are also of course businesses themselves, with significant responsibilities to their thousands of workers and their supply chains, and, through the Companies Act 2013, to disadvantaged communities.

On December 20, 2007, the Reserve Bank of India released a notification on the responsibility of financial institutions towards sustainable development, CSR and Non-Financial Reporting (NFR). It stated:

"The contribution of financial institutions including banks to sustainable development is paramount, considering the crucial role they play in financing the economic and developmental activities of the world. In this context, the urgency for banks to act as responsible corporate citizens in the society, especially in a developing country like ours, need be hardly overemphasized. Their activities should reflect their concern for human rights and environment."

Reflecting on the issues at stake, including climate change and global warming, the RBI further advised financial institutions to consider putting in place a "suitable and appropriate plan of action towards helping the cause of sustainable development, with the approval of their Boards." In this regard, the RBI directed the sector specifically towards the "IFC Principles on project finance (the Equator Principles) and carbon trading" and suggests that banks' progress in this areas "could be placed in the public domain along with the annual accounts of banks".

Emphasising a similarly holistic conception of business responsibility, the Ministry of Corporate Affairs released the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) in 2011, which has listed nine ESG principles, and covers multiple geographies of a business, from the workplace to the supply chains, and also refers to businesses' accountability for third party actions.

This brings financial institutions firmly into the wider picture of responsible business in India. Importantly, in 2012, SEBI made it mandatory to report on the NVGs for the top 100 listed businesses through Business Responsibility reports (BRRs). As of now, 21 banks and other financial institutions report regularly on NVGs.

The National Voluntary Guidelines of 2011 on which the BRR is based makes it clear that businesses' transparent "communication" and "promotion" of responsible policy and practice is also important, as is responsibility for "third party" activities. And globally, there are also several initiatives underway, including the United Nations Environment Programme Finance Initiative (UNEP FI), Global Reporting Initiative (GRI), Equator Principles, Collavecchio Declaration on Financial Institutions, London Principles, etc., which convey "the articulation of civil society's expectations of the financial sector's role and responsibilities with respect to sustainability". These have had significant influence internationally, with many of the most powerful global banks having signed up to them. Similarly, reporting has become more demanding and banks, like all businesses, are increasingly putting more detailed updates on various aspects of their operations into the public domain. Banks and financial institutions' progress towards genuine transparency and greater accountability is monitored by international networks such as the Fair Finance Guide International, a growing movement of coalitions across 9 countries including Southern nations such as Brazil and Indonesia.

The following sections present findings from both the IRBI and sector specific studies that Partners in Change has been engaged in.

Table 8.1 below presents indicative findings on steps that financial institutions have taken to understand what is happening within those domains of influence scrutinised in the IRBI. For financial institutions as for any other business, this knowledge is crucial both to discern policy requirements and to assess the efficacy of existing policy and compliance measures. Table 8.2.1 below shows that 1 financial institution has a policy alignment score above 0.75 and 3 financial institutions have a policy alignment score of more than 0.50 and less than 0.75. Overall, 9 of the 15 financial institutions have policy alignment above 0.5. The financial institutions are less impressive in terms of their stated commitments to and systems to support employee well-being (Table 8.2.2), with 4 of the 15 scoring less than 0.25 for both policy alignment and for knowledge systems.

Table 8.1 Knowledge generation for responsible businesses: Mapping key steps (n=21)

S.No.	Elements	IRBI 2015 & IRBI 2016 (n=21)
1	Community Development	
	1.1 Recognition of key aspects	
	Identify and specify some distinct vulnerable identities as target stakeholders with whom companies plan to implement their CSR programme	20 (95.2%)
	Identification of backward regions for implementing community development projects	9 (42.8%)
	1.2 Presence of system for/to:	
	Needs assessment for initiating CSR projects	2 (9.5%)
	Independent impact assessment of CSR projects	2 (9.5%)
	Disclosure on CSR Committee meetings	21(100%)
2	Inclusiveness in the Supply Chain	
	Priority to local suppliers	8 (38.1%)
	Employment policy extends to supply chain	2 (9.5%)
2.2	Presence of system for/to:	
	Determine steps taken to procure goods and services from local & small producers, including communities surrounding their place of work	10 (47.6%)
	Assessment of issues related to worker rights in supply chain	1 (4.7%)
	Community as a business stakeholder	
3.1	Recognition of key aspects:	
	Need for impact assessment on the community	10 (47.6%)
	Employment of local people	2 (9.5%)
	Respect for local culture and local systems	2 (9.5%)
3.2	Presence of system for/to:	
	Employment generated from local area	0
	Publishing of impact assessment reports in public domain	3 (14.2%)
4	Employee well-being	
4.1	Recognition of key aspects:	
	Fair living wages	5 (23.8%)
	Freedom of association	9 (42.8%)
	Contractual employees to be provided with social benefits	3 (14.2%)
4.2	Presence of system for/to:	
	Assessments on situation of workers' rights and labour issues	0
	Enumerating employees who are members of employees association	7 (33.3%)

5	Non-discrimination in the workplace	
5.1	Recognition of key aspects:	
	Equal opportunity in recruitment	19 (90.4%)
S.No.	Elements	IRBI 2015 & IRBI 2016 (n=21)
	Equal opportunity in Career Advancement	12 (57.1%)
	Initial Recruitment of SCs	18 (85.7%)
5.2	Presence of system for/to:	
	Assess diversity in Workforce specifically for SCs	8 (38.1%)
	Assess diversity in Workforce specifically for PWDs	14 (66.6%)
	Assess diversity in Workforce specifically for STs	8 (38.1%)

When one looks at the banking sector in comparison with certain other sector like capital goods or FMCG, in the inclusiveness in supply chain element, it is noteworthy that while the financial institutions score 0 as per sector minimum score (as seen in Table 8.2 below), there are some that have scores 0.5 which is even higher than the FMCG sector average. This is significant because the FMCG sector tends to be a supply chain intensive sector whereas the financial sector is typically not considered so.

Table 8.2: Comparison between Finance and FMCG sector supply chain scores.

S.No.	Sector	Private Sector Average Score	PSU Average Score	Sector Average	Sector Maximum Score	Sector Minimum Score
1	Finance	0.21	0.12	0.18	0.50	0.00
2	FMCG, Textiles And Consumer Durables	0.45		0.45	0.64	0.07

Clearly the need is to facilitate a disclosure movement among financial institutions. Being financiers or the corporates, they are significant for their instrumental value in institutionalising wider corporate social responsibility among businesses. There is no doubt that the Government has created a compliance system but as RBIs circular in 2007 suggests, there is a need for wider disclosure from the banks.

9. Conclusions

Ten years ago, it may have been inconceivable that corporates would disclose in the public domain aspects of their core business relating to employee well-being or supply chain. At that time, the normative view was that such information was as only of interest to shareholders. In fact, many businesses have hesitated to consider these aspects as part of their core business. That both public and private sector companies, even if only the top 100 listed companies on the Bombay Stock Exchange (which will soon include 500 top listed companies on the National Stock Exchange) are doing so is a matter of success. The larger collective of companies, government and civil society deserves commendation for successfully disclosing for three consecutive years now.

The Business Responsibility Report framework and reporting system has motivated companies towards diligent disclosure of policies and practices in the public domain and it has been a step forward in the right direction. In keeping with the overall pathway visualised for responsible business and corporate citizenship, laid out in Figure 1 of the report, this then raises the question whether companies disclose critical policies in the public domain. The table below presents a snapshot of the number of companies across three categories of policy recognition for some sub-elements of IRBI 2016.

Table 9.1: Snapshot of companies across categories of policy recognition for some key sub-elements

Policies within critical sub-elements	No recognition	Explicit recognition	Provides for a system
Equal opportunity in recruitment	17	27	56
Diversity on board	32	43	25
Fair living wages	53	31	16
Freedom of association	32	48	20
Corporate Social Responsibility	1	6	93
Priority to local suppliers	39	38	23
Employment policy extends to supply chain	71	14	15
Need for impact assessment on the community	28	41	31
Free, Prior and Informed Consent (FPIC) through discussions for land acquisition or displacement	98	2	0

It is noteworthy that the sub-elements with the highest number of companies that provide a system for implementation are of equal opportunity in recruitment and corporate social responsibility, both of which are now mandated by law. Whereas NVGs expect companies to be proactive both in disclosure and policy making, unfortunately that is not getting reflected in other aspects, especially with regards to supply chain and free, prior and informed consent.

The data shows that while acknowledging the intention of transparency and openness, proactive disclosure has been witnessed liberally in the non-critical areas (given that only generic data has been disclosed) and critical areas have been either side-lined or ignored. This includes disclosure of data related to marginalised communities such as SC, ST groups in the workforce and issues of workers' rights. While companies are more forthcoming on disclosure related to health and safety, 16 companies recognise fair living wages in their policies and just six have assessment systems on situations of workers' rights and labour issues.

The hesitation to extend employment policy to the supply chain is seen in the limited disclosures in this area. There is a greater openness about extending child labour policies to the supply chain with almost 80 per cent companies doing so. Even for legally mandated enforcement and disclosure, for instance on an Anti-Sexual Harassment policy, there are still eight companies who have not presented their commitment in the public domain.

There is a need for companies to shift their perspective of looking at communities as people who are impacted by business to treating them as genuine business stakeholders. This is not going forward as intended. Disclosure by companies about mechanisms such as free, prior and informed consent for land acquisition or displacement as well as on employment of local people is negligible. The policies on resettlement and rehabilitation of project-affected communities are required to be in the public domain, but companies have not adhered to this.

Table 9.2: Private Sector Vs. PSUs

Elements	Private Sector Average Score	PSU Average Score
Non-discrimination in the workplace	0.66	0.77
Employee dignity and human rights	0.41	0.49
Community development	0.52	0.60
Inclusive in supply chain	0.37	0.39
Community as business stakeholder	0.13	0.18

Table 9.2 presents the average scores of the 19 PSUs and the 81 private sector entities across the five elements. What is evident is that the PSU average scores are better than those of the private sector companies across all the elements. What is also noteworthy is that among the top 10 scoring companies in each element, despite PSUs being 19% of the overall pool of companies assessed in IRBI 2016, there are five PSUs each in the elements of non-discrimination in the workplace, employee dignity and human rights and community as business stakeholders and four and three PSUs respectively in community development and inclusiveness in supply chain. It is clear that PSUs are disclosing more of their policies in the public domain than the private sector, but this does not mean that they are more socially responsible.

A significant question, then, that arises from the data and findings of IRBI 2016 is whether companies are socially responsible towards communities? Table 9.3 below tries to answer the same based on the findings across the five main elements based on their knowledge and policy performance scores:

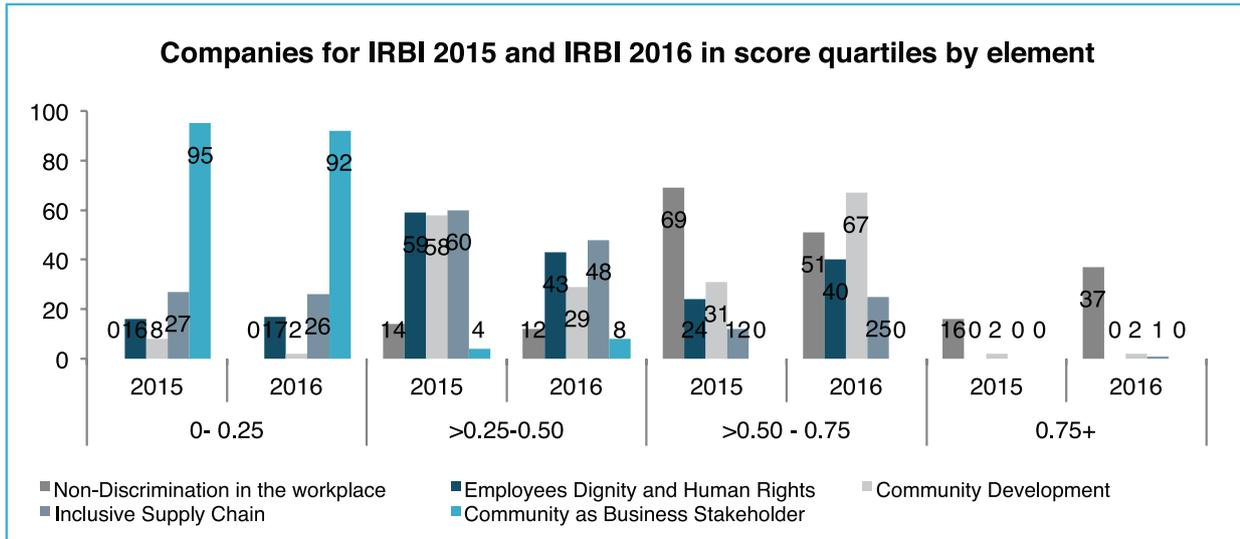
Table 9.3: Are companies socially responsible towards communities?

Elements	Score bands			
	0-0.25	Over 0.25 - 0.50	Over 0.50 to 0.75	Over 0.75
Non-discrimination in the workplace	0	36	48	16
Employee dignity and human rights	12	66	22	0
Community development	2	61	37	0
Inclusive in supply chain	15	82	2	1
Community as business stakeholder	83	17	0	0

As the table above shows, the companies are most committed to non-discrimination at the workplace and least committed to treating communities as business stakeholders. The highlighted cells show in which score band a majority of the companies lie. In between these two, lies their commitment to the other elements. That said, the commitment to non-discrimination in the workplace extends only to gender, disability and caste, and within this, is limited only to recruitment systems not to non-discrimination in career advancement. The mandatory 2 per cent CSR rules seem to have had a positive impact on how companies view their commitment to the committees, with just two companies in this element lying in the negligible band. There is, however, a long way to go for extension of their knowledge and policies to building inclusiveness in supply chain.

This then raises an associated question of whether companies are becoming socially responsible. To answer this, we look at a comparison of the findings from IRBI 2015 and IRBI 2016.

Figure 9.1: Are companies becoming socially responsible towards communities?



Certainly, the trend in Figure 9.1 shows that many companies moved towards building linkages among their own policies and NVG principles, with at least one company moving into the last quartile (significant band), when it comes to inclusiveness in the supply chain. In other elements too, there is an improvement towards the commitment to inclusive growth. The future, it appears, is not bleak. That said companies are still wary of seeing the community as business stakeholders.

Disclosure of policies is gaining momentum but there is much to be desired, as companies have to move forward to secure the dignity of stakeholders in the different geographies of workplace, supply chain and the wider community. There is scope for companies to play their role as non-state actors rather than as providers of fringe benefits to community under the garb of CSR, thereby playing a genuine role in sustainable development.

Table 9.4: Classification of Scores as Knowledge and Policy commitment

	Average Knowledge Score	Average Policy Score
Non-discrimination in the workplace	0.82	0.55
Employee dignity and human rights	0.41	0.44
Community development	0.46	0.81
Inclusive in supply chain	0.31	0.45
Community as business stakeholder	0.13	0.15

The scores for each element is a combination of policy score (the alignment of policies to NVGs) and the knowledge score (which is the disclosure by companies on their actions against principles in BRR and others documents). Table 9.4 brings to light a concern: while policy commitments are high, knowledge commitments are low. In comparison with data from IRBI 2015, it is additionally clear that while policy commitments are increasing, there is a decrease in the information provided in BRRs.

This could have happened either because certain companies have not provided assessment data in their business responsibility reports or because many companies that provided integrated sustainability reports this time, did not adequately include information sought by the BR reporting framework. It is important for businesses to introspect, whether the BRRs have become routinised or mechanical or whether they have just moved down the priorities of the companies, from being the responsibility of a team, to the job of just one person or two.

Currently, disclosure is seen more to adhere to the BR reporting framework rather than to an alignment of the policies with the spirit of inclusion embodied in the NVGs. Some companies have submitted BRRs with complete information but with answers to most questions in the negative. One has to also acknowledge that many companies do have progressive policies and practices such as a human resource policy, supply chain policy as well as those that reflect the NVGs in its entirety, but whether there was a satisfactory process of discussions or deliberations while formulating them still remains unanswered.

The critical need for companies is to use the opportunity provided by SEBI to not only disclose information, but also proactively introspect whether they are aligning to the mandate of the NVGs towards responsible business practices. The time is ripe for all companies that to share such information in the public domain so that all stakeholders can come together to draft India's inclusive growth story.

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

SECTORS FOR THIS STUDY	
1.	Oil and Gas, Chemicals and petrochemicals
2.	IT, Telecom, Media and Publishing
3.	FMCG, Textiles and Consumables
4.	Healthcare
5.	Transport equipment and services
6.	Metal, Metal Products and Mining
7.	Miscellaneous
8.	Power
9.	Finance
10.	Capital goods
11.	Housing related
12.	Diversified

Annexure 2: Companies, Sector, Ownership Status and Scores for each element

The table below details scores of 123 companies.

Company names in black include the 75 which overlap between IRBI 2015 and IRBI 2016.

Company names in red include the ones which were in the top 100 in IRBI 2015 but not in the top 100 in IRBI 2016

Company names in blue are those which are currently in the top 100 and included in IRBI 2016 but not in IRBI 2015

	Company Name	Sector	Ownership	Year	Non Discrimination	Employee Dignity & Human Rights	Community Development	Supply Chain	Community Business Stakeholder
1	ABB LTD	Capital Goods	Private	2015	0.65	0.40	0.24	0.34	0.15
				2016	0.69	0.44	0.31	0.43	0.15
2	ACC LTD	Housing Related	Private	2015	0.79	0.60	0.47	0.26	0.13
				2016	0.88	0.55	0.54	0.35	0.13
3	Adani Enterprises Ltd	Power And Diversified	Private	2015	0.55	0.36	0.39	0.25	0.06
				2016	0.58	0.42	0.53	0.07	0.06
4	Adani Ports And Special Economic Zone Ltd	Transport Equipment & Services	Private	2015	0.67	0.40	0.46	0.26	0.13
				2016	0.70	0.31	0.54	0.26	0.15
5	Adani Power Limited	Power And Diversified	Private	2015	0.65	0.22	0.39	0.16	0.15
				2016	0.67	0.22	0.60	0.45	0.22
6	Ambuja Cements Ltd	Housing Related	Private	2015	0.84	0.46	0.53	0.42	0.13
				2016	0.78	0.55	0.67	0.40	0.13
7	Apollo Hospitals Enterprise Ltd	Pharmaceuticals, Healthcare And Related Facilities	Private	2016	0.61	0.36	0.53	0.34	0.15
8	Ashok Leyland Ltd	Transport Equipments And Services	Private	2016	0.43	0.05	0.43	0.07	0.05
9	Asian Paints India Ltd	Oil And Gas Chemicals And Petrochemicals	Private	2015	0.50	0.46	0.51	0.42	0.06
				2016	0.53	0.69	0.53	0.24	0.22
10	Aurobindo Pharma Ltd	Pharmaceuticals, Healthcare And Related Facilities	Private	2016	0.43	0.25	0.47	0.25	0.12
11	Axis Bank Ltd	Finance	Private	2015	0.73	0.53	0.83	0.31	0.12
				2016	0.73	0.53	0.70	0.31	0.12

	Company Name	Sector	Ownership	Year	Non Discrimination	Employee Dignity & Human Rights	Community Development	Supply Chain	Community Business Stakeholder
12	Bajaj Auto Limited	Transport Equipments And Services	Private	2015	0.61	0.12	0.26	0.30	0.07
				2016	0.66	0.38	0.57	0.47	0.17
13	Bajaj Finance Ltd	Finance	Private	2016	0.56	0.13	0.46	0.07	0.05
14	Bajaj Finserv Ltd	Finance	Private	2016	0.40	0.13	0.53	0.07	0.05
15	Bank Of Baroda	Finance	PSU	2015	0.78	0.38	0.21	0.07	0.07
				2016	0.84	0.46	0.34	0.07	0.07
16	Bank Of India	Finance	PSU	2015	0.69	0.38	0.24	0.07	0.07
				2016	0.77	0.52	0.10	0.07	0.07
17	Bharat Electronics Ltd	Capital Goods	PSU	2015	0.81	0.65	0.50	0.45	0.16
				2016	0.88	0.65	0.57	0.54	0.16
18	Bharat Forge Ltd	Capital Goods	Private	2016	0.52	0.34	0.50	0.31	0.06
19	Bharat Heavy Electricals Ltd	Capital Goods	PSU	2015	0.72	0.36	0.60	0.48	0.15
				2016	0.75	0.40	0.61	0.64	0.15
20	Bharat Petroleum Corpn Ltd	Oil And Gas Chemicals And Petrochemicals	PSU	2015	0.65	0.44	0.61	0.45	0.15
				2016	0.70	0.57	0.63	0.67	0.15
21	Bharti Airtel Ltd	IT Telecom Media And Publishing	Private	2015	0.74	0.29	0.51	0.42	0.15
				2016	0.74	0.42	0.47	0.26	0.07
22	Bharti Infratel Ltd	IT Telecom Media And Publishing	Private	2016	0.73	0.38	0.63	0.36	0.22
23	Bosch Ltd	Transport Equipments And Services	Private	2015	0.72	0.70	0.47	0.31	0.07
				2016	0.81	0.74	0.61	0.49	0.15
24	Britannia Industries Ltd	FMCG Textiles And Consumer Durables	Private	2016	0.67	0.43	0.09	0.25	0.05
25	Cairn India Limited	Oil And Gas Chemicals And Petrochemicals	Private	2015	0.57	0.30	0.60	0.59	0.20
				2016	0.60	0.42	0.53	0.59	0.20
26	Canara Bank	Finance	PSU	2015	0.77	0.56	0.54	0.16	0.07
				2016	0.83	0.56	0.47	0.27	0.07

	Company Name	Sector	Ownership	Year	Non Discrimination	Employee Dignity & Human Rights	Community Development	Supply Chain	Community Business Stakeholder
27	Castrol India Ltd	Oil And Gas Chemicals And Petrochemicals	Private	2015	0.61	0.47	0.51	0.31	0.12
				2016	0.66	0.34	0.47	0.40	0.13
28	Cipla Ltd	Pharmaceuticals, Healthcare And Related Facilities	Private	2015	0.50	0.51	0.39	0.35	0.15
				2016	0.47	0.51	0.40	0.35	0.15
29	Coal India Limited	Metal, Metal Products And Mining	PSU	2015	0.58	0.53	0.47	0.40	0.34
				2016	0.73	0.36	0.63	0.38	0.34
30	Colgate-Palmolive India Ltd	Fmcg Textiles And Consumer Durables	Private	2015	0.79	0.51	0.36	0.66	0.13
				2016	0.79	0.60	0.43	0.55	0.15
31	Container Corporation Of India Ltd	Transport Equipments And Services	PSU	2015	0.72	0.48	0.60	0.41	0.05
				2016	0.74	0.53	0.61	0.43	0.05
32	Cummins India Ltd	Transport Equipments And Services	Private	2015	0.61	0.40	0.61	0.36	0.24
				2016	0.70	0.49	0.64	0.45	0.34
33	Dabur India Ltd	FMCG Textiles And Consumer Durables	Private	2015	0.76	0.51	0.53	0.57	0.13
				2016	0.76	0.51	0.39	0.57	0.13
33	Divis Laboratories Ltd	Pharmaceuticals, Healthcare And Related Facilities	Private	2016	0.61	0.55	0.47	0.36	0.13
34	Dlf Limited	Housing Related	Private	2015	0.58	0.42	0.51	0.43	0.13
				2016	0.77	0.42	0.61	0.43	0.13
35	Dr Reddy's Laboratories Ltd	Pharmaceuticals, Healthcare And Related Facilities	Private	2015	0.72	0.26	0.36	0.43	0.13
				2016	0.75	0.40	0.43	0.59	0.13
36	Eicher Motors Ltd	Transport Equipments And Services	Private	2016	0.46	0.31	0.40	0.31	0.22

	Company Name	Sector	Ownership	Year	Non Discrimination	Employee Dignity & Human Rights	Community Development	Supply Chain	Community Business Stakeholder
37	Emami Ltd	FMCG Textiles And Consumer Durables	Private	2016	0.82	0.61	0.44	0.35	0.13
38	Exide Industries Ltd	Transport Equipments And Services	Private	2015	0.64	0.33	0.37	0.35	0.13
				2016	0.67	0.38	0.40	0.40	0.16
39	Gail India Ltd	Oil And Gas Chemicals And Petrochemicals	PSU	2015	0.72	0.65	0.77	0.45	0.12
				2016	0.88	0.65	0.70	0.59	0.12
40	Glaxosmithkline Consumer Healthcare Ltd	Pharmaceuticals, Healthcare And Related Facilities	Private	2015	0.47	0.42	0.31	0.16	0.12
				2016	0.67	0.64	0.46	0.42	0.13
41	Glaxosmithkline Pharmaceuticals Ltd	Pharmaceuticals, Healthcare And Related Facilities	Private	2015	0.46	0.18	0.46	0.47	0.13
				2016	0.56	0.46	0.67	0.12	0.13
42	Glenmark Pharmaceuticals Ltd	Pharmaceuticals, Healthcare And Related Facilities	Private	2016	0.40	0.08	0.17	0.24	0.05
43	GMR Infrastructure Limited	Power And Diversified	Private	2015	0.50	0.29	0.54	0.49	0.17
				2016	0.47	0.25	0.57	0.59	0.20
44	Godrej Consumer Products Ltd	Fmcg Textiles And Consumer Durables	Private	2015	0.82	0.42	0.54	0.37	0.15
				2016	0.91	0.56	0.61	0.59	0.15
45	Grasim Industries Ltd	Fmcg Textiles And Consumer Durables	Private	2015	0.47	0.29	0.47	0.09	0.12
				2016	0.47	0.56	0.61	0.50	0.12
46	Havells India Ltd	FMCG Textiles And Consumer Durables	Private	2016	0.73	0.43	0.51	0.35	0.06
47	Hcl Technologies Ltd	It Telecom Media And Publishing	Private	2015	0.73	0.08	0.47	0.44	0.13
				2016	0.82	0.27	0.70	0.52	0.15
48	Hdfc Bank Ltd	Finance	Private	2015	0.55	0.05	0.40	0.07	0.12

	Company Name	Sector	Ownership	Year	Non Discrimination	Employee Dignity & Human Rights	Community Development	Supply Chain	Community Business Stakeholder
				2016	0.55	0.05	0.47	0.07	0.12
49	Hero Moto-corp Limited	Transport Equipments And Services	Private	2015	0.50	0.34	0.31	0.33	0.13
				2016	0.66	0.42	0.49	0.41	0.13
50	Hindalco Industries Ltd	Metal, Metal Products And Mining	Private	2015	0.61	0.40	0.37	0.19	0.13
				2016	0.64	0.22	0.54	0.17	0.07
51	Hindustan Copper Ltd	Metal, Metal Products And Mining	PSU	2015	0.66	0.38	0.37	0.18	0.13
				2016	0.77	0.38	0.40	0.35	0.13
52	Hindustan Petroleum Corporation Ltd	Oil And Gas Chemicals And Petrochemicals	PSU	2016	0.70	0.44	0.50	0.33	0.07
53	Hindustan Unilever Ltd	Fmcg Textiles And Consumer Durables	Private	2015	0.60	0.54	0.63	0.58	0.17
				2016	0.63	0.49	0.63	0.64	0.29
54	Hindustan Zinc Ltd	Metal, Metal Products And Mining	Private	2015	0.64	0.38	0.30	0.24	0.13
				2016	0.67	0.52	0.37	0.38	0.22
55	Housing Development Finance Corp Ltd	Finance	Private	2015	0.60	0.13	0.33	0.09	0.05
				2016	0.67	0.44	0.47	0.07	0.06
56	Icici Bank Ltd	Finance	Private	2015	0.40	0.16	0.69	0.07	0.07
				2016	0.50	0.24	0.61	0.07	0.07
57	Idea Cellular Ltd	It Telecom Media And Publishing	Private	2015	0.50	0.31	0.47	0.50	0.10
				2016	0.54	0.31	0.63	0.55	0.17
58	IDFC Limited	Finance	Private	2015	0.66	0.34	0.49	0.42	0.13
				2016	0.74	0.38	0.64	0.50	0.13
59	Indiabulls Housing Finance Ltd	Finance	Private	2016	0.67	0.04	0.54	0.07	0.07
60	Indian Oil Corporation Ltd	Oil And Gas Chemicals And Petrochemicals	PSU	2015	0.74	0.69	0.51	0.55	0.15

	Company Name	Sector	Ownership	Year	Non Discrimination	Employee Dignity & Human Rights	Community Development	Supply Chain	Community Business Stakeholder
				2016	0.85	0.70	0.51	0.47	0.31
61	Indusind Bank Ltd	Finance	Private	2015	0.69	0.34	0.46	0.24	0.07
				2016	0.80	0.38	0.54	0.48	0.15
62	Infosys Ltd	It Telecom Media And Publishing	Private	2015	0.69	0.35	0.39	0.55	0.12
				2016	0.82	0.31	0.54	0.52	0.12
63	Interglobe Aviation Ltd	Transport Equipments And Services	Private	2016	0.43	0.17	0.53	0.07	0.06
64	ITC Ltd	FMCG Textiles And Consumer Durables	Private	2015	0.75	0.53	0.67	0.48	0.13
				2016	0.79	0.67	0.76	0.57	0.16
65	Jaiprakash Associates Limited	Housing Related	Private	2015	0.47	0.33	0.43	0.24	0.15
				2016	0.50	0.42	0.60	0.26	0.15
66	Jindal Steel And Power Ltd	Metal, Metal Products And Mining	Private	2015	0.88	0.60	0.67	0.56	0.13
				2016	0.81	0.56	0.60	0.62	0.13
67	JSW Steel Limited	Metal, Metal Products And Mining	Private	2015	0.82	0.51	0.33	0.44	0.15
				2016	0.85	0.55	0.54	0.10	0.15
68	Kotak Mahindra Bank Ltd	Finance	Private	2015	0.61	0.35	0.43	0.32	0.07
				2016	0.71	0.65	0.50	0.24	0.07
69	Larsen And Toubro Limited	Capital Goods	Private	2015	0.60	0.35	0.23	0.28	0.13
				2016	0.67	0.62	0.66	0.83	0.15
70	Lic Housing Finance Ltd	Finance	PSU	2015	0.40	0.18	0.26	0.16	0.12
				2016	0.71	0.27	0.47	0.24	0.13
71	Lupin Ltd	Pharmaceuticals, Healthcare And Related Facilities	Private	2015	0.37	0.29	0.49	0.35	0.15
				2016	0.40	0.47	0.50	0.47	0.15

	Company Name	Sector	Ownership	Year	Non Discrimination	Employee Dignity & Human Rights	Community Development	Supply Chain	Community Business Stakeholder
72	Mahindra And Mahindra Ltd	Transport Equipments And Services	Private	2015	0.80	0.60	0.54	0.55	0.13
				2016	0.85	0.60	0.64	0.52	0.13
73	Mangalore Refinery And Petrochemicals	Oil And Gas Chemicals And Petrochemicals	PSU	2015	0.37	0.18	0.41	0.31	0.13
				2016	0.58	0.22	0.41	0.40	0.13
74	Marico Ltd	FMCG Textiles And Consumer Durables	Private	2016	0.80	0.55	0.69	0.57	0.21
75	Maruti Suzuki India Ltd	Transport Equipments And Services	Private	2015	0.70	0.49	0.47	0.69	0.22
				2016	0.70	0.44	0.54	0.61	0.22
76	MMTC Ltd	Metal, Metal Products And Mining	PSU	2015	0.71	0.38	0.40	0.00	0.05
				2016	0.74	0.38	0.56	0.00	0.05
77	Motherson Sumi Systems Ltd	Transport Equipments And Services	Private	2016	0.52	0.47	0.54	0.24	0.13
78	National Aluminium Co Ltd	Metal, Metal Products And Mining	PSU	2015	0.75	0.47	0.53	0.35	0.12
				2016	0.79	0.56	0.46	0.42	0.12
79	Nestle India Ltd	Fmcg Textiles And Consumer Durables	Private	2015	0.61	0.44	0.46	0.50	0.13
				2016	0.71	0.64	0.60	0.52	0.13
80	Neyveli Lignite Corporation Ltd	Power And Diversified	PSU	2015	0.50	0.29	0.54	0.18	0.13
				2016	0.65	0.31	0.57	0.00	0.13
81	NHPC Limited	Power And Diversified	PSU	2015	0.75	0.21	0.61	0.09	0.39
				2016	0.86	0.25	0.63	0.35	0.42
82	NMDC Ltd	Metal, Metal Products And Mining	PSU	2015	0.69	0.49	0.64	0.47	0.21
				2016	0.82	0.69	0.64	0.52	0.21
83	NTPC Limited	Power And Diversified	PSU	2015	0.47	0.42	0.40	0.16	0.42
				2016	0.81	0.51	0.76	0.45	0.37

	Company Name	Sector	Ownership	Year	Non Discrimination	Employee Dignity & Human Rights	Community Development	Supply Chain	Community Business Stakeholder
84	Oil And Natural Gas Corporation Ltd	Oil And Gas Chemicals And Petrochemicals	PSU	2015	0.57	0.62	0.67	0.44	0.13
				2016	0.69	0.62	0.69	0.47	0.13
85	Oil India Limited	Oil And Gas Chemicals And Petrochemicals	PSU	2015	0.63	0.74	0.59	0.57	0.12
				2016	0.74	0.65	0.69	0.48	0.13
86	Oracle Financial Services Software Limited	It Telecom Media And Publishing	Private	2015	0.72	0.47	0.23	0.40	0.05
				2016	0.82	0.56	0.44	0.50	0.05
87	Petronet Lng Ltd	Oil And Gas Chemicals And Petrochemicals	PSU	2015	0.63	0.38	0.47	0.43	0.12
				2016	0.63	0.38	0.56	0.45	0.12
88	Pidilite Industries Ltd	Oil And Gas Chemicals And Petrochemicals	Private	2016	0.50	0.29	0.40	0.07	0.06
89	Power Finance Corporation Ltd	Finance	PSU	2015	0.82	0.38	0.49	0.00	0.05
				2016	0.88	0.30	0.56	0.00	0.12
90	Power Grid Corporation Of India Limited	Power And Diversified	PSU	2015	0.72	0.47	0.40	0.25	0.20
				2016	0.77	0.51	0.63	0.24	0.22
91	Procter & Gamble Hygiene And Health Care Ltd	FMCG Textiles And Consumer Durables	Private	2016	0.74	0.17	0.37	0.07	0.12
92	Punjab National Bank	Finance	PSU	2015	0.59	0.25	0.21	0.00	0.07
				2016	0.77	0.34	0.40	0.43	0.15
93	Rajesh Exports Ltd	Miscellaneous	Private	2016	0.62	0.00	0.46	0.00	0.05
94	Ranbaxy (Company Merged)	Pharmaceuticals, Healthcare And Related Facilities	Private	2015	0.70	0.26	0.21	0.33	0.12
95	Reliance Communications Limited	IT Telecom Media And Publishing	Private	2015	0.50	0.32	0.36	0.32	0.05

	Company Name	Sector	Ownership	Year	Non Discrimination	Employee Dignity & Human Rights	Community Development	Supply Chain	Community Business Stakeholder
				2016	0.52	0.55	0.39	0.50	0.08
96	Reliance Industries Ltd	Oil And Gas Chemicals And Petrochemicals	Private	2015	0.73	0.60	0.39	0.35	0.17
				2016	0.52	0.55	0.39	0.50	0.08
97	Reliance Infrastructure Ltd	Power And Diversified	Private	2015	0.70	0.28	0.40	0.27	0.07
				2016	0.75	0.51	0.61	0.37	0.15
98	Reliance Power Limited	Power And Diversified	Private	2015	0.40	0.18	0.41	0.15	0.06
				2016	0.46	0.21	0.49	0.15	0.07
99	Rural Electrification Corporation Limited	Finance	PSU	2015	0.67	0.23	0.64	0.25	0.12
				2016	0.76	0.52	0.64	0.35	0.12
100	Shree Cements Ltd	Housing Related	Private	2015	0.83	0.47	0.46	0.42	0.05
				2016	0.80	0.43	0.39	0.42	0.05
101	Shriram Transport Finance Co Ltd	Finance	Private	2015	0.73	0.38	0.47	0.33	0.10
				2016	0.69	0.27	0.54	0.31	0.10
102	Siemens Ltd	Capital Goods	Private	2015	0.63	0.57	0.47	0.67	0.17
				2016	0.63	0.57	0.61	0.67	0.17
103	State Bank Of India	Finance	PSU	2015	0.63	0.26	0.33	0.10	0.07
				2016	0.70	0.40	0.63	0.17	0.15
104	Steel Authority Of India Ltd	Metal, Metal Products And Mining	PSU	2015	0.48	0.44	0.39	0.22	0.15
				2016	0.81	0.74	0.70	0.52	0.17
105	Sun Pharmaceutical Industries Ltd	Pharmaceuticals, Healthcare And Related Facilities	Private	2015	0.70	0.25	0.37	0.35	0.06
				2016	0.73	0.34	0.37	0.29	0.06
106	Sun TV Network Limited	IT Telecom Media And Publishing	Private	2015	0.37	0.09	0.30	0.12	0.06
				2016	0.40	0.09	0.30	0.05	0.06
107	Tata Consultancy Services Ltd	It Telecom Media And Publishing	Private	2015	0.67	0.44	0.44	0.16	0.15

	Company Name	Sector	Ownership	Year	Non Discrimination	Employee Dignity & Human Rights	Community Development	Supply Chain	Community Business Stakeholder
				2016	0.82	0.65	0.53	0.59	0.15
108	Tata Motors Ltd	Transport Equipments And Services	Private	2015	0.60	0.40	0.47	0.49	0.15
				2016	0.88	0.60	0.49	0.69	0.17
109	Tata Power Co Ltd	Power And Diversified	Private	2016	0.83	0.61	0.70	0.49	0.32
				2015	0.74	0.56	0.56	0.33	0.15
110	Tata Steel Limited	Metal, Metal Products And Mining	Private	2015	0.63	0.53	0.69	0.49	0.24
				2016	0.75	0.53	0.61	0.54	0.25
111	Tech Mahindra Ltd	IT Telecom Media And Publishing	Private	2016	0.89	0.51	0.63	0.47	0.07
112	Titan Industries Ltd	FMCG Textiles And Consumer Durables	Private	2015	0.77	0.60	0.41	0.61	0.15
				2016	0.81	0.48	0.56	0.59	0.17
113	Torrent Pharmaceuticals Ltd	Pharmaceuticals, Healthcare And Related Facilities	Private	2016	0.40	0.04	0.53	0.00	0.05
114	Ultratech Cement Ltd	Housing Related	Private	2015	0.47	0.43	0.43	0.35	0.12
				2016	0.64	0.51	0.61	0.47	0.22
115	Union Bank Of India	Finance	PSU	2015	0.55	0.32	0.36	0.28	0.07
				2016	0.76	0.40	0.54	0.43	0.07
116	United Breweries Ltd	FMCG Textiles And Consumer Durables	Private	2015	0.47	0.34	0.44	0.33	0.07
				2016	0.47	0.34	0.51	0.26	0.07
117	United Spirits Ltd	FMCG Textiles And Consumer Durables	Private	2016	0.80	0.38	0.46	0.28	0.05
118	UPL Ltd	Oil And Gas Chemicals And Petrochemicals	Private	2016	0.33	0.12	0.53	0.18	0.05
119	Vedanta Industries	Metal, Metal Products And Mining	Private	2015	0.68	0.58	0.54	0.32	0.27
				2016	0.77	0.56	0.61	0.59	0.27

	Company Name	Sector	Ownership	Year	Non Discrimination	Employee Dignity & Human Rights	Community Development	Supply Chain	Community Business Stakeholder
120	Wipro Ltd	IT Telecom Media And Publishing	Private	2015	0.69	0.26	0.33	0.34	0.15
				2016	0.79	0.40	0.61	0.34	0.15
121	Yes Bank Ltd	Finance	Private	2015	0.55	0.17	0.44	0.42	0.15
				2016	0.55	0.21	0.59	0.50	0.16
122	Zee Entertainment Enterprises Ltd	IT Telecom Media And Publishing	Private	2015	0.55	0.17	0.46	0.35	0.06
				2016	0.61	0.17	0.57	0.34	0.16
123	Zydus Cadila Healthcare Ltd	Pharmaceuticals, Healthcare And Related Facilities	Private	2015	0.57	0.08	0.23	0.18	0.13
				2016	0.61	0.21	0.39	0.18	0.13

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 publically 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 in 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 policies 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 Work-place	
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

Non-discrimination at Work-place

(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: 27

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

Annexure 4: Question Schedule

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

PEOPLE	
1.1.1 (i)	<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, Department, Officer, Evaluation, Assessment, Audit "Mechanism with detail" band will be applicable when company details out the functional aspect about the mechanism</i>
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)	<i>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.)</i>
A	Disadvantaged
B	Women
C	PWD
D	Sexual Minorities
E	SC
F	ST
F	ST
1.1.2	<i>Does the company policy recognise the need for diversity while making appointments in the board of directors:</i>
A	Disadvantaged
B	Women
C	PWD
D	Sexual Minorities
E	SC
F	ST
1.1.3	<i>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</i>
1.1.4	<i>Does the company policy acknowledge its efforts towards creating enabling/facilitating environment for women and disabled:</i>
A	Provisions for maternity benefits

PEOPLE

B	Disabled friendly workplace
C	Safety of women traveling to and from work on company-related business
1.1.5	<p>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:</p> <ul style="list-style-type: none"> - 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 workplace
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 mandates 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 healthy & 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 acknowledges 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 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 for assessing 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 mandates 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?

PEOPLE	
2.2.2	Does the company policy mandates 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 provides 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 provides alternate livelihood options or employment generation for Project Affected People as a result 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 endeavours 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	
3.2.1	Does the company policy respects 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 to strengthen and promote local knowledge/heritage, and protect 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 acknowledges procurement of raw products or services at fair price from local producers/service providers in case procurement takes place from local area?
4	Promoting Well being of the Society
4.1	Supporting development priorities
4.1.1	Has the company policy identify thrust areas for their CSR programmes
4.1.2	Does the company policy identifies 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 acknowledges its role in skill enhancement in local area for better employability for:
A	Women
B	SC
C	ST
D	Youth
E	PWD

PEOPLE

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 mechanism for implementing CSR projects?
4.1.6	Does the company policy have monitoring mechanism for CSR projects?
4.2	Innovations for well being
4.2.1	Does the company policy recognises 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 applicable for all sectors particularly such as Power, Ore, Mining, Oil etc.)
1.1.1 (i) G	Religion (recruitment)
1.1.1 (ii) G	Religion (career advancement)

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 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	No 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	No 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 discloses 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)?

PEOPLE

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?
16	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
17	Whether the assessments/evaluation have 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
18	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)
19	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	Does the company publish impact assessment report 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?

PEOPLE	
3	Whether the company publically discloses the following:
A	Number of people displaced or affected through 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
4	Whether impact assessment was done for the projects/products/services undertaken or launched (most recent)?
5	Does the impact assessment report mentions about public hearings/community consultations conducted?
6	Does the impact assessment report lists out stakeholders that were consulted?
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	Whether in these programmes does the company have representation of the following:
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)
7	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)
	Whether the company has its own mechanisms of measurement, assessment?
	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 Well being 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 t
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 Innovates 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 applicable for all sectors particularly such as 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)
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: Supplementary Studies in Responsible Banking and Financing

A review of policies done for ten banks (4 public sector, 4 private and 2 foreign) using policies publically available on their websites, shows, the banks were publically committed to a code of conduct, a customer rights policy and a small business and MSME lending policy; but – significantly – also quite non-committal about their corporate lending policies. Mixed results were observable across the rest of the ten indicators, which ranged across areas including corruption, gender, environment, financial and human rights. This can be seen in table below.

Policies/Bank	B1	B2	B3	B4	B5	B6	B7	B8	B9	B10
Code of conduct	4	4	4	4	4	4	4	4	4	4
Whistle-blower policy	4	4	4	4	0	0	0	0	0	0
Encouraging collective bargaining policy	0	1	0	3	0	0	2	0	0	0
Anti-sexual harassment policy	1	3	3	2	0	0	0	0	3	3
Employee grievance redressal mechanism	3	3	3	3	0	0	0	0	0	0
ESIA framework	2	0	1	1	0	0	0	0	0	0
Reducing carbon footprints	2	2	2	0	0	0	0	0	0	0
Financial inclusion	1	0	1	2	0	0	0	0	0	2
Human rights policy	1	0	1	0	0	0	2	0	0	0
Customer rights policy	4	4	4	4	4	4	4	4	4	4
MSME lending policy	4	4	4	4	4	4	4	4	4	4
Corporate lending policy	1	1	1	1	1	1	1	1	1	1
Code for banks B1 Axis Bank B2 HDFC Bank B3 Yes Bank B4 SBI B5 IDBI B6 PNB B7 Citi Bank B8 BNP Paribas B9 ICICI B10 Bank of Baroda					Code for stages 0 No commitments in public domain 1 Made an expressed commitment but no details 2 Have stated that they have policies but not available in the public domain 3 Have made policies available in the public domain 4 Have made policies available in public domain and provide updates on compliance					

Source: Public Disclosure of Information, Partners in Change 2016

Our analysis, begun in 2013, of BRR disclosures of banks and other financial institutions, initially suggested that the sector as a whole was offering below average levels of information about their responsible business policies and mechanisms. In 2015, and again this round, assessment of these institutions using the IRBI has demonstrated that the sector is yet to meet the expectations of the 2007 RBI notification. The IRBI and supplementary studies together suggest that banks and financial institutions can do much more to respect the rights of all their stakeholders, both internal and external.





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