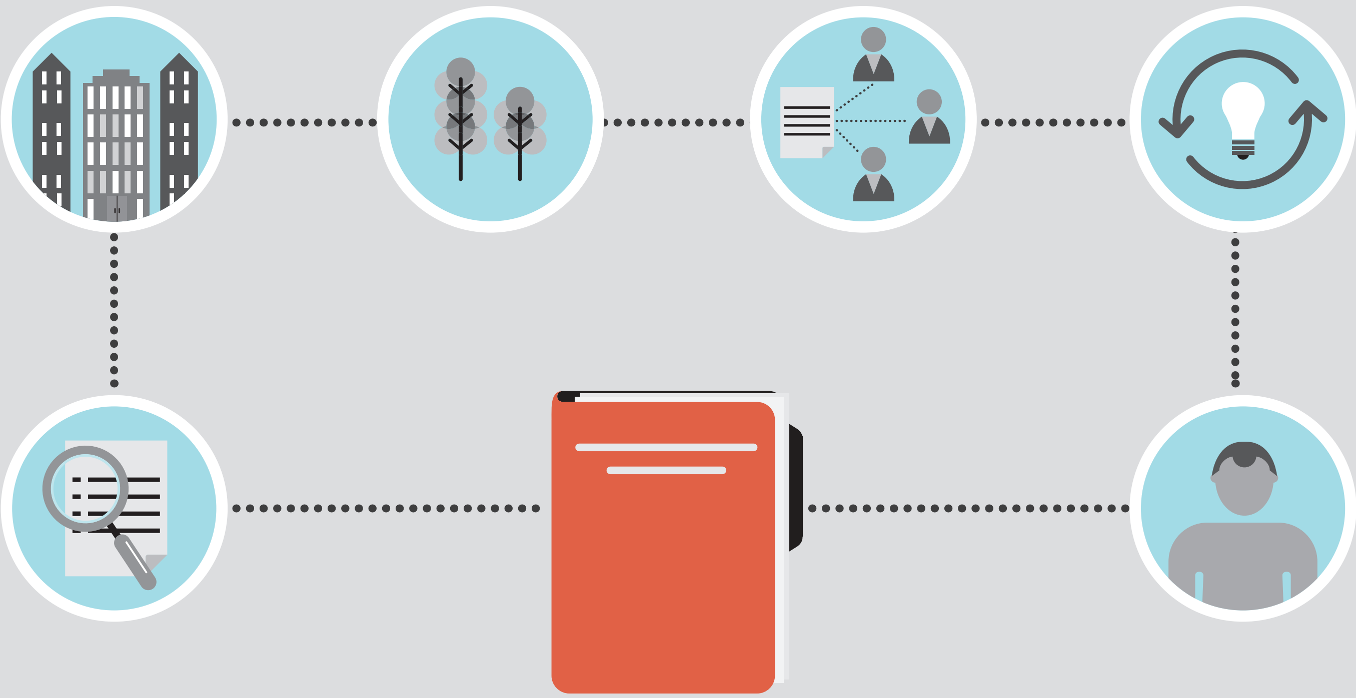

Business Responsibility Disclosures: Sustainability in practice in India

An analysis of the top 100 listed companies

german cooperation
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- **Manoj Arora**, Ministry of Women and Child Development, Member of NVGs Drafting Committee and Disclosure Framework Committee
- **Bharat Wakhlu**, ex-Resident Director, TATA Services, Member of NVGs Drafting Committee and Disclosure Framework Committee
- **AN Raman**, President, SAFA
- **Rana Usman**, Assistant Vice President, Delhi, National Stock Exchange
- **Aditi Haldar**, Director, Global Reporting Initiative India, Member of NVGs Disclosure Framework Committee
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Foreword:

IICA-GIZ Business Responsibility Initiative

SEBI's regulation in 2012 mandating the top 100 listed companies to report on their performance on the Business Responsibility Guidelines through Business Responsibility Reports (BRRs), along with their Annual Reports is being seen as a progressive measure to put the issues of ESG at the forefront. The disclosures based on the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Businesses (NVGs) released by the Ministry of Corporate Affairs on July 8, 2011 provide a much needed policy and regulatory nudge to translate the link between accountability, business growth and sustainable development into practice. This development puts India in the company of countries and jurisdictions leading this topic at the highest level.

With BR reporting in India now on its second cycle, it is only timely to take a look at the quality of disclosures to assess how companies understand the business responsibility issues. It also helps all relevant stakeholders: regulator, investors, peers, and civil society at large to see if the relevant information is meaningful; and how well disclosure and reporting can be used as a lever to improve business performance.

The report sets out to document the analysis of the quality of disclosure made in the BRRs filed by the top 100 listed companies in the first reporting cycle (2012-2013). The analysis is based on criteria set by a Committee of experts advising the IICA-GIZ Business Responsibility Initiative.

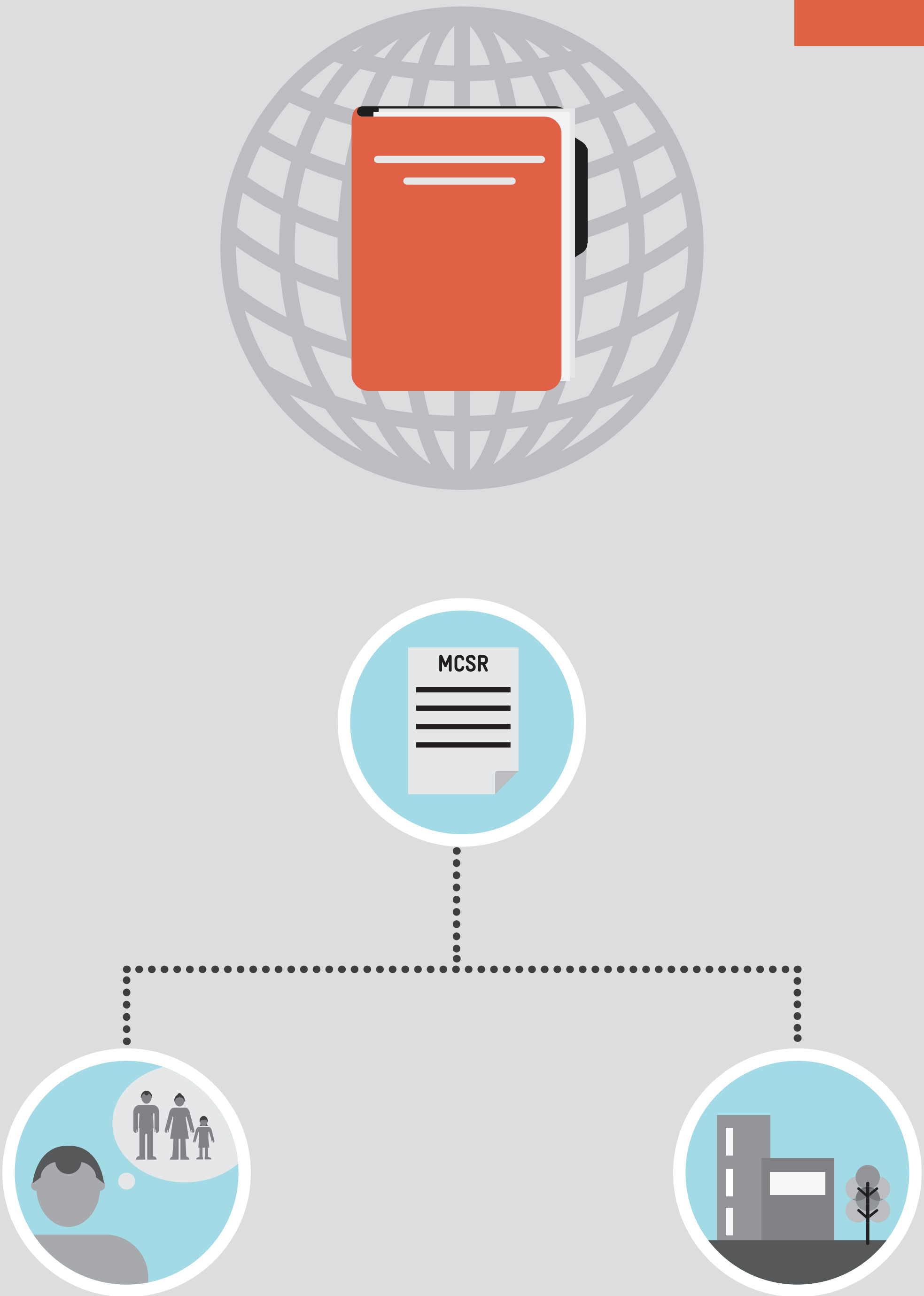
List of Abbreviations

ASSOCHAM	The Associated Chambers of Commerce and Industry of India
BEE	Bureau of Energy Efficiency
BPO	Business process outsourcing
BRR	Business Responsibility Report
BSE	Bombay Stock Exchange
CDM	Clean Development Mechanism
CEO	Chief Executive Officer
CII	Confederation of Indian Industry
CPCB	Central Pollution Control Board
CSR	Corporate Social Responsibility
ESDD	Environmental and Social Due diligence
ESG	Environmental, social and governance
ESMR	Environmental and social monitoring and reviews
ETP	Effluent treatment plant
FDI	Foreign direct investment
FICCI	Federation of Indian Chambers of Commerce and Industry
FMCG	Fast moving consumer goods
FY	Financial year
GDP	Gross Domestic Product
GHG	Green house gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GRI	Global Reporting Initiative
GW	Giga-watt
HIV	Human Immunodeficiency Virus
IICA	Indian Institute of Corporate Affairs
INR	Indian Rupee
IT	Information Technology
ITI	Industrial training institute

JV	Joint venture
LED	Light Emitting Diode
LEED	Leadership in Energy and Environmental Design
LPG	Liquefied Petroleum Gas
MBR	Membrane bio reactor
MCA	Ministry of Corporate Affairs
MD	Managing Director
MDM	Mid day meal
MMT	Million metric tonnes
MMTPA	Million metric tonne per annum
MSME	Micro, Small & Medium Enterprises
NGO	Non-governmental organisation
NSE	National Stock Exchange
NVG	National Voluntary Guidelines
PAT	Profit after tax
PCB	Pollution control board
PEM	Proton exchange membrane
PET	Polyethylene terephthalate
PSU	Public sector undertaking
PwC	Pricewaterhouse Coopers
SC	Scheduled caste
SEBI	Securities and Exchange Board of India
SME	Small and medium enterprises
SPCB	State pollution control board
SSDP	Supplier Sustainability Development Program
ST	Scheduled tribe
UNGC	United Nations Global Compact
USD	United states Dollar
WHO	World Health Organisation

Contents

01



Introduction

As the business case for sustainability emerges stronger with every passing year, policy-makers and regulators across the world have been seeking better disclosure in order to induce the corporate sector to acknowledge and manage the environmental and social externalities of their business operations and to make their governance processes more robust and transparent. Many such measures have been mandatory, apart from the global set of voluntary norms and standards for sustainability reporting. In the process, investors too are getting more enabled in incorporating responsible investment factors into their decision making. And there is growing evidence that mandatory disclosures on extra financials result in benefits for both, the national socio-economic context as well as the reporting company in question.

Using data for 58 countries, a recent study published as a Harvard Business School Working Paper[1] shows that "after the adoption of mandatory corporate sustainability reporting (MCSR) laws and regulations, the social responsibility of business leaders increases and sustainable development becomes a higher priority for companies. Moreover, for companies in countries with MCSR, corporate governance improves and on average, companies implement more ethical practices, bribery and corruption decrease, and managerial credibility increases." These effects are larger for countries with stronger law enforcement and more widespread assurance of sustainability reports, according to the study. The authors go on to reinforce some fundamental arguments put forth by sustainability reporting proponents over time: that "disclosure of sustainability information forces companies to manage these matters more effectively to avoid having to disclose bad sustainability performance to their multiple stakeholders. For example, unfavourable comparisons with industry benchmarks may prove detrimental for a company's reputation. An implication for regulators is that if they want companies to perform better on ESG metrics then reporting could be a useful means to achieve this objective. An implication for companies is that reporting could change the way they conduct business. If better sustainability performance provides the basis for a competitive advantage and leads to better long-term financial performance..., then reporting could enhance the economic value that a corporation generates."

Principles of the NVG

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

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 marginalized

Principle 5: Businesses should respect and promote human rights

Principle 6: Business should respect, protect, and make efforts to restore the environment

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8: Businesses should support inclusive growth and equitable development

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Indian policymakers and regulators have been working for the same outcomes, with a comprehensive set of guidelines called the National Voluntary Guidelines for Social, Environmental and Economic Responsibilities of Business (NVGs) issued by the Union Ministry of Corporate Affairs in 2011.[2] The NVGs aimed to carve out an India-centric approach, drawing upon global reporting frameworks and other sustainability-related best practices, for companies in India to understand the nuances of business responsibility. These guidelines consist of nine principles. Each principle comprises core elements that articulate their respective purpose and spirit.

Subsequently, the Securities and Exchange Board of India (SEBI), through a circular dated 13 August 2012, made it mandatory for the top 100 listed companies, by market capitalisation, to report their environmental, social and governance (ESG) initiatives. SEBI developed a business responsibility report (BRR) template based on the nine principles of NVGs and required these top 100 listed companies to include the BRR within their annual reports. Stock exchanges in India made provisions in their listing agreements to incorporate the submission of BRR by companies that came under the SEBI mandate. These listing agreements also provide the format for the BRR. SEBI has also encouraged other listed companies to voluntarily disclose information on their ESG performance in the BRR format.

By mandating companies to report on their ESG initiatives, SEBI has joined a select but increasing number of governments and market regulators that seek ESG disclosures from listed companies. The step by SEBI is path-breaking as voluntary sustainability reporting among companies in India is still in a nascent stage. Reporting could then become the potential catalyst that facilitates companies to evaluate their own business case for sustainability, determine their sustainability objectives, and gradually evolve towards integrating the management of ESG performance into their strategic approaches for the Indian market.

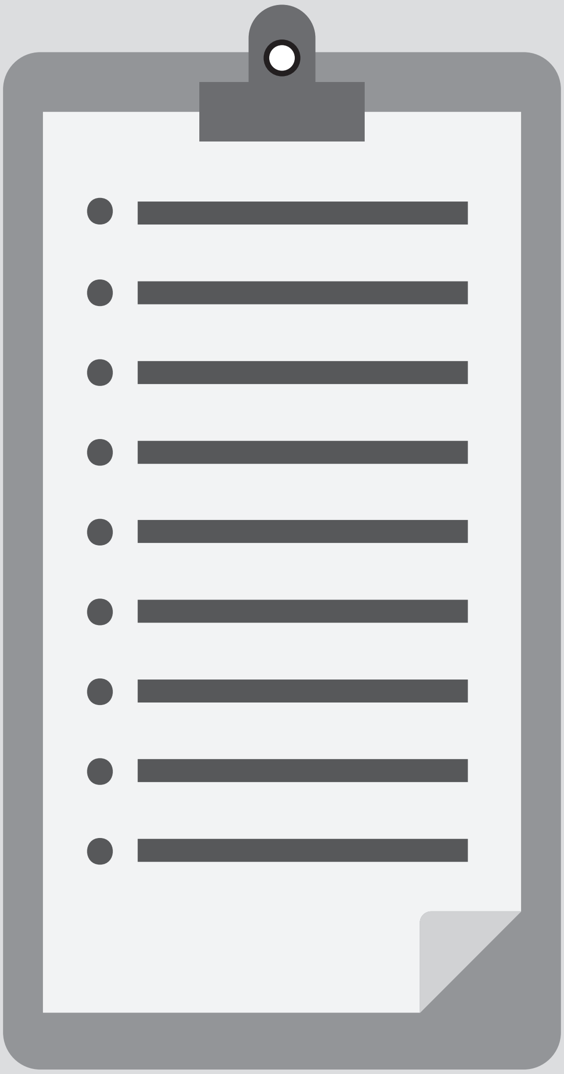
With the first round of BRR reporting having been concluded for the year 2012-13, and the next round soon to begin, this study has been undertaken with the following primary objectives:

1. To assess the level of completeness of BRRs submitted by companies for the year 2012-13 and highlight the transformational effect this has created among companies committing to undertaking new ESG programs
2. To enable various stakeholders better understand responsible behaviour of businesses through a consolidated assessment of BRRs, enabling them to drive the responsible business agenda in their respective capacities.
3. To support current and potential reporting companies in getting a perspective of where they stand vis-à-vis other companies on the sustainability performance scale.

Footnotes

1 The Consequences of Mandatory Corporate Sustainability Reporting, Ioannis Ioannou (London Business School) and George Serafeim (Harvard Business School), Harvard Business School Working Paper No. 11-100, October 26, 2012, http://www.hbs.edu/faculty/Publication%20Files/11-100_35684ae7-fcdc-4aae-9626-de4b2acb1748.pdf

2 The National Voluntary Guidelines, MCA,2011, http://www.mca.gov.in/Ministry/latestnews/National_Voluntary Guidelines_2011_12jul2011.pdf



02

About the Report

Companies presented BRRs using the NVG framework for the first time in 2012-13. This analysis of the first set of BRRs is expected to allow a wide range of stakeholders—regulators, companies, investors, consumers and civil society at large—to better understand the disclosure landscape of extra-financial reporting by corporate India. It is anticipated to reveal interesting insights on the current state of business responsibility in terms of ESG management, initiatives and processes. Finally, it would provide users of the analysis a preliminary view of the "in-spirit" endorsement of ESG reporting.

2.1 Scope of the report

The analysis covers disclosure quality of the companies on the basis of completeness and comprehensiveness of the responses in their BRRs. The report is limited to the quality of disclosure alone and does not consider a company's performance. It also highlights on trends, omissions and commissions in various responses.

2.2 Criteria for analysis

The companies were first classified using the BSE/NSE classification of sectors. A few sectors were also reclassified. This process is detailed in the subsequent section.

Responses from the companies against questions in the BRR were then categorised as incomplete, complete or comprehensive. Incompleteness relates to the companies not providing information or disclosing lesser than what is required by the question. Completeness relates to companies covering all the requirements of questions of the BRR, i.e. affirming or denying, providing quantitative details and explanation. Comprehensiveness implies the highest level of completeness where companies provide information to better qualify their initiatives, and provide much more than what is expected in the responses. The consistency of the responses was also checked to make sure that companies provide cohesive information across various principles.

This report summarises BRR responses reported against each of the nine NVG principles by using the following three criteria:

Completeness of Reports
Distinction is made between completely skipping questions and incomplete responses. This enables a trend analysis of which questions have found favour for answering and which questions will require more engagement in the corporate sector.

Consistency of Reportage
The consistency principle is restricted to match between verbal positions and data submitted as well as cohesive information between the information submitted across various principles.

Comprehensiveness of Disclosure
Comprehensiveness relates to the quality of disclosure and not getting into analysis per se. BRRs are evaluated on the efforts taken by the company to answer the sub-questions within questions exhaustively.

Trends relating to the strengths and weaknesses of the reporting companies have been derived on the basis of this analysis and key areas of improvement have been indicated. Going forward, it is advised that the subsequent reporting cycles are also analysed on the basis of this criteria, and additionally contain a dipstick analysis of BRR user responses.

2.3 Classification of companies

As per the BSE/NSE classification, the top 100 companies as on 31 March 2012 belonged to 17 sectors, with 5 of these sectors having two or fewer companies. Companies were reclassified to include at least five companies in each sector in order to generate some meaningful insights from the analysis. The reclassification categorised sectors with similar customer interfaces (B2B or B2C) and operations (services or manufacturing) in the same category.

Table 1 : Examples of International Initiatives

Sector	Number
Finance	18
Metal, metal products & mining	12
FMCG, consumer durables	9
Power	8
Transport equipment	8
Oil & gas, chemical & petrochemicals	12
Diversified	3
Healthcare	7
Cement	4
Capital goods	5
Information technology	5
Telecom and media	5
Transport services	2
Housing	2

The following changes were made to the BSE/NSE classifications:

1 Oil & gas was clubbed with chemicals & petrochemicals; FMCG with consumer durables; and telecom with media.

2 Cement companies, which fell under the BSE sector 'housing related', were analysed as a separate sector.

3 Housing Development Finance Corporation, which was categorised in "housing related" by BSE/NSE, was re-categorised under Finance.

4 Grasim Industries Ltd was re-categorised from diversified to chemicals & petrochemicals.

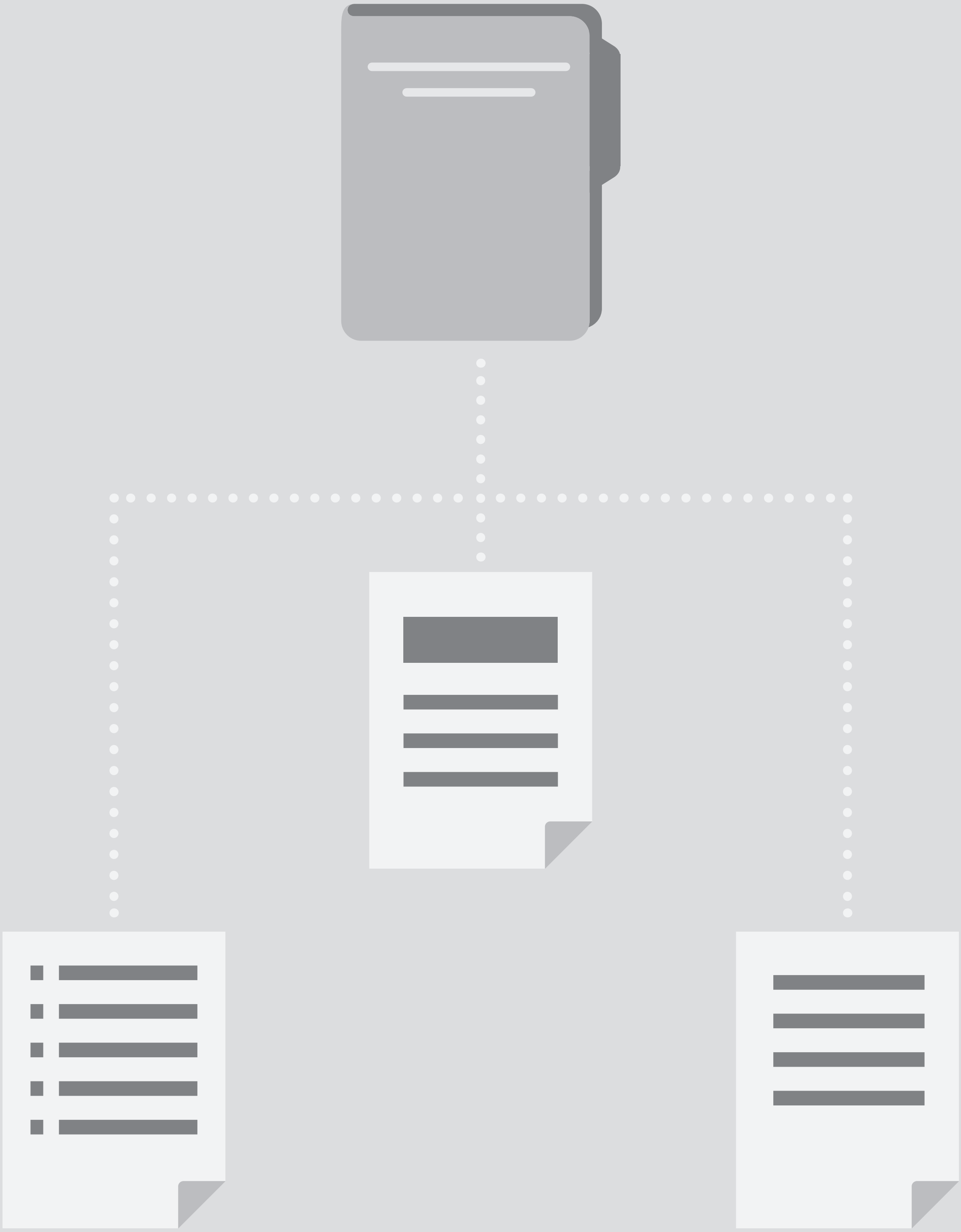
The resulting sector breakup of the 100 companies is shown in Table 1.

2.4 Structure of the report

Each sector is divided into several sections. A brief sector overview is presented at the beginning, followed by a snapshot of the policies for the NVG principles and an explanation on the trends observed. The analysis aims to capture key highlights and low points assessed on the basis of the criteria of completeness, consistency and comprehensiveness. A tabulated set of inferences on reporting by companies also includes remarks on the BRR questionnaire?). In the analysis, 'few companies' refers to <40%, 'about half' refers to 40-60% and 'majority/most' refers to >60% of the companies.

Footnotes

3 http://www.sseinitiative.org/sustainability-reporting-policies/?field=mandatory&order=asc
4 This sector has not been analyzed because of the diverse nature of business of companies within the sector.



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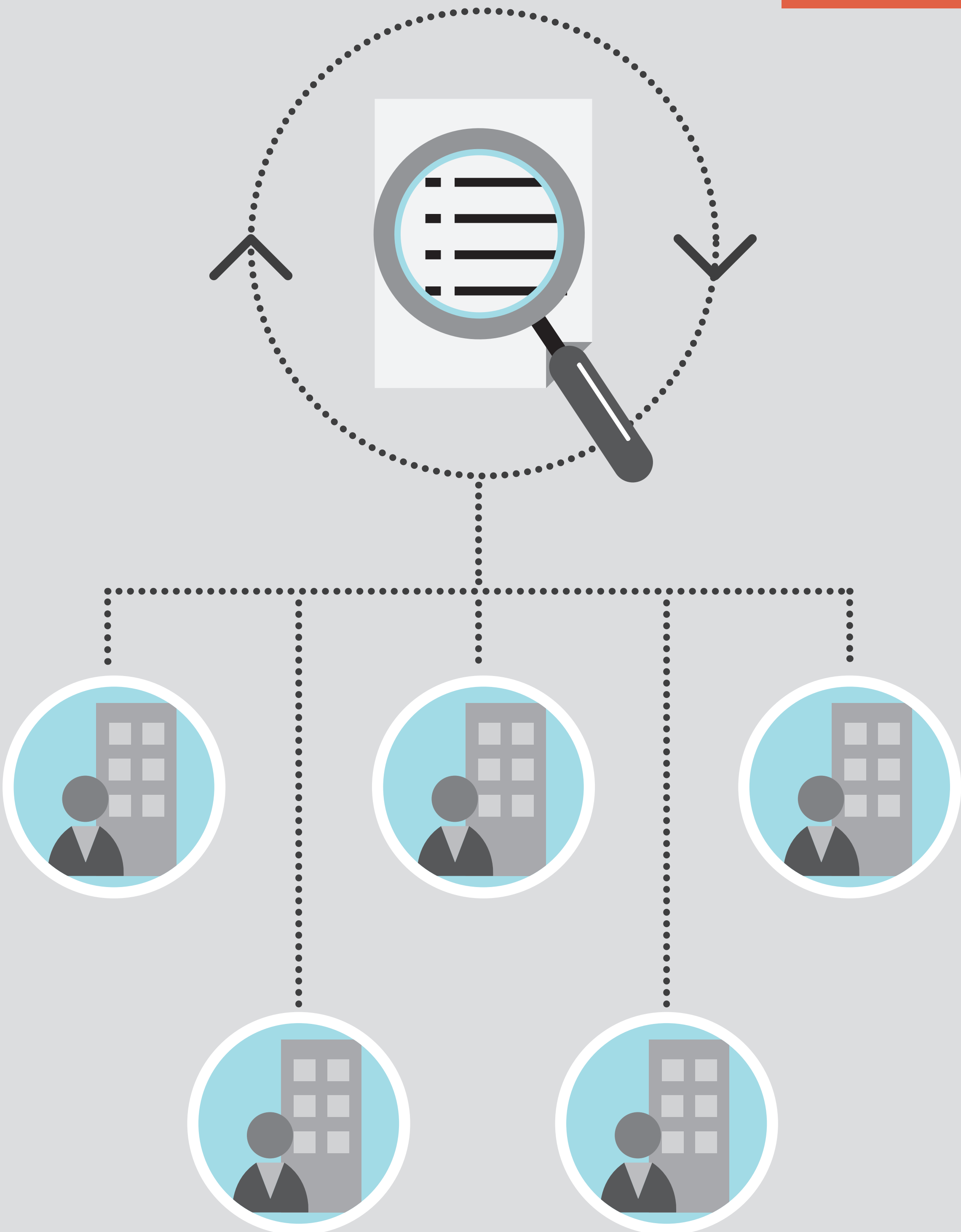


BRR Disclosures:
Through the Looking Glass

The first cycle of reporting under the new framework has brought interesting insights, many of which are common to all sectors. The analysis reveals that a majority of the companies made a conscious attempt through the responses, to address the spirit of the questions posed to them by the framework, with a small number of companies not responding to a particular question altogether.

The analysis throws light on certain gaps observed in companies' reporting approaches and also identifies certain areas for strengthening the reporting requirement. Thus, there are a set of issues for companies to consider while reporting in the next cycle, as well as a few takeaways for the BRR questionnaire design. These gaps can be used as guidelines for further developing the reporting framework in order to elicit more specific and relevant information from companies and thereby improving the quality of reporting. The highlights are summarised below as key observations.

3.1 Key Observations

This section covers our major principle-wise inferences. Wherever necessary, we have outlined a call to action.

Principles 1: A great start with governance

Principle 1 pertains to ethics, transparency and accountability. This principle was completely reported by all companies. As the responses required an ascertainment of existing governance procedures and complaints, the completeness of reporting may be explained by the obvious high-level visibility of such information.

Principle 2: Room for improvement in product responsibility

This principle stipulates that businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle. Under this principle, a majority of companies identified products that incorporated environmental concerns in their design, either in their manufacturing or usage. There was no reporting on incorporation of social concerns. Further, while most energy-intensive sectors reporting on their products, the majority of companies in the service industry sectors did not report on this parameter, with some responding that it was "not applicable". The interpretation of life cycle sustainability seems to be unclear among service sector companies. Further, there was substantive under-information pertaining to percentage of products that are recycled. This reflects that while companies have visibility on recycling initiatives, their systems to measure outcomes may need to be strengthened.

- **Sustainable Products & Services:** This aspect related to products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. Capital goods, cement, FMCG and consumer durables, housing, metals, metal products and mining, oil and gas, chemical and petrochemical, pharmaceuticals, power, telecom and media and transport equipment provided a list of products whose design incorporated environmental concerns. Finance, IT and transport services companies did not provide a response.

- **Resource Use Reductions:** Capital goods, cement, finance, FMCG and consumer durables, housing, IT, oil and gas, chemical and petrochemical, power and transport equipment provided information on resource use reductions. Metal, metal products and mining, pharmaceuticals, and telecom and media did not.

- **Local Sourcing:** Only a few companies in the oil and gas, chemical and petrochemical, pharmaceuticals, telecom and media, transport services sectors provided complete

Call to Action for Reporters

The lack of responses could be either because companies did not understand the question in context of social concerns for products and both environmental and social concerns for services or because they do not incorporate such concerns.

information on sustainable sourcing initiatives. The sectors largely provided complete information on this aspect.

- **Waste and Recycling:** Cement, finance, FMCG and consumer durables, IT, metal, metal products and mining, transport equipment and transport services did not provide the percentage of product or waste recycled.

Call to Action for the Drafting Committee

The BRR drafting committee could publish additional guidance on the incorporation of social and environmental concerns into products and services or revise the question in the BRR to help companies interpret the questions in context of their business sectors.

Principle 3: Weak systems for equal opportunities and employee training

Companies were able to respond clearly on the fairly standard quantitative data requirement regarding the number of employees and employee associations. Many companies reported that they had received no complaints or cases under child labour, sexual harassment and discriminatory employment. While this is indeed an encouraging sign and implies the existence of internal checks and balances, companies need to additionally report on the systems and processes that enable the reporting of such issues.

Call to Action for Reporters

Reporting on the percentage of employees that underwent safety and skill up-gradation trainings by sectors comprising capital goods, IT, pharmaceuticals, telecom and media and transport services needs to be improved.

Call to Action for the Drafting Committee

The BRR drafting committee may consider asking for information on relevant systems and processes, and on persons and departments responsible for governing and implementing these.

Principle 4: Who are the stakeholders?

Under Principle 4, while most companies reported mapping their internal and external stakeholders, the initiatives identified to engage with the disadvantaged, vulnerable and marginalised stakeholders coincided with their CSR initiatives, as companies seem to have only identified external stakeholders under these categories. CSR, though a critical and significant component of external engagement, was perceived by reporters, incorrectly, to be perhaps the sole answer that this principle required. About half the companies in the pharmaceuticals and IT sectors did not identify their disadvantaged, marginalised and vulnerable stakeholders.

There needs to be further introspection by companies on who their stakeholders are. The universe of stakeholders is larger than local communities, extending to employees, supply chain, customers, investors, regulators, government, civil society organizations and media. Second, stakeholder engagement goes beyond CSR activities; for example, product responsibility and supply chain sustainability would also need to incorporate marginalised stakeholder analysis by companies.

Call to Action for Reporters

Responses should not be limited to CSR activities. Companies need to consider their full set of key stakeholders and how they engage with them. By seeking information internally from various department heads who are company custodians of interface with relevant stakeholders, reporting on this principle can be improved.

Call to Action for the Drafting Committee

The BRR drafting committee could publish additional guidance on stakeholder engagement practices so as to elicit better response in the next cycle of reporting.

Principle 5: How is it monitored?

Principle 5 pertains to human rights. A majority of the companies across sectors reported extending their policies on human rights to the group companies, contractors, suppliers, etc. With respect to the responses on stakeholder complaints, a majority of the companies reported resolving 100% of the stakeholder complaints. Although this is a positive sign, companies need to also report on the process of monitoring these complaints to increase transparency in reporting.

Principle 6: Where is the strategy? Where are the web-based disclosures?

This principle states that business should respect, protect, and make efforts to restore the environment. Under this principle, most companies reported assessing potential environment risk to their operations; having initiatives on global environmental issues and clean and renewable energy; and captured details pertaining to notices received from the CPCB/SPCB (Central and State Pollution Control Boards). A majority of the companies across sectors reported extending the policy related to this principle to their group companies, suppliers, contractors, etc. by including clauses related to environment in the agreements, contracts, work orders, etc.

However, a critical missing element was a strategy or roadmap. Clearly, there are many success stories on the environmental front. Encouraging reporters to carve out distinct strategies with targets and responsibilities would lend more cohesiveness and continuity to their initiatives. Further, not many reporters provided a web link for their initiatives, which indicates that their public disclosure on such initiatives is limited. Companies need to provide links to their website sections covering such disclosures, which would also facilitate knowledge sharing among industry peers. It would ultimately serve to enhance the quality of BRRs.

Call to Action for Reporters

Companies should be more transparent in disclosing and providing updates on their strategies pertaining to climate change, global warming, clean energy, energy efficiency, etc in the public domain. Making web-based disclosures would be a definite plus.

Call to Action for the Drafting Committee

The BRR drafting committee could ask companies to report their annual progress under such initiatives. Companies could further be encouraged to report better through a BRR rating mechanism.

Principle 7: Consider the material issues for policy advocacy

This principle states that businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner. The questionnaire asks if companies advocate for policies for public good and provides a drop down menu of options including: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others. A majority of the companies reported undertaking policy advocacy for the advancement of public good in terms of sustainable business principles and inclusive development policies. However, there would be other areas of advocacy which may be material specifically to a sector from an ESG perspective. It also follows that companies are likely to be engaging in some form of advocacy towards these material issues. Perhaps if more guidance on typical sector-based advocacy issues could be provided, it might help reporters to fine tune their responses and report more granularly on their active advocacy. Many advocacy initiatives are typically undertaken at an industry association level, and reporters can bear this in mind while collecting information.

Call to Action for Reporters

Companies could consider what their sector's material issues are, and deliberate further with their departments responsible for industry association and policymaker interfaces.

Call to Action for the Drafting Committee

The BRR drafting committee could provide a sector-wise indication of material ESG issues in the BRR framework so as to elicit transparent responses from the companies on their stand on public advocacy.

Principle 8: It's all about CSR

CSR seems to be the burning issue for everyone, owing to its inclusion in the Companies' Act, 2013. The responses reflected that major areas of CSR are education, health, rural development and livelihood generation. Successfully making an impact through CSR initiatives is critically dependent on how the local community can adopt, sustain and build the initiative. Encouragingly enough, cement, housing, metal, metal products and mining, power, transport equipment and transport services, are sectors wherein reporters provided complete responses on how they ensured that community development initiatives are successfully adopted by the community. However, capital goods, finance, FMCG and consumer durables, IT, oil and gas, chemical and petrochemical, pharmaceuticals and telecom and media sectors either misunderstood the question or did not report on how they ensured that community development initiatives are successfully adopted by the community.

A majority of the companies in IT, oil and gas, chemical and petrochemical, pharmaceuticals, power and transport equipment either reported not conducting impact assessment or did not conduct it through independent third parties.

Interestingly, the ballpark average CSR spend as a % of profits after tax (PAT) across the sectors was 1.42%. The new Companies Act, 2013 requires companies to spend at least 2% of the average net profits before tax (PBT) for the last three financial years. Evidently, the 1.42% is conservative as it uses the PAT denominator and not the appropriate PBT denominator. Even allowing for this, there might still be a significant gap in what is expected of companies and what they have been doing so far. This requires companies to significantly ramp up their CSR spends so as to meet the requirements.

Call to Action for Reporters

Sustainability of CSR outcomes depends on how companies' initiatives are being adopted by the beneficiary communities. This aspect needs to be thought through and disclosed in future reports.

Call to Action for the Drafting Committee

The BRR drafting committee could provide additional guidance on how better to respond to community-adoption of CSR activities. It may also want to consider re-aligning the questions with the disclosures required under the Section 135 of the Companies' Act, 2013.

Principle 9: Sector-based referencing

A majority of the companies reported having conducted regular customer surveys. Not many sectors reported labelling their products over and above what is mandated by the local laws. Capital goods, cement, FMCG and consumer durables and oil and gas, chemical and petrochemical alluded to providing additional information on product labels beyond those mandated in local laws. However, in their explanation, the companies mentioned labelling as per applicable standards or codes, and provided no further information to substantiate how labelling was "beyond regulation". For example, there are sector specific labelling codes that testify to greater product responsibility, such as "Responsible Care" in the chemical industry.

Call to Action for the Drafting Committee

The BRR drafting committee could publish additional guidance for each sector on what could be included in the product labels so that consumers can make more informed choices.

A word on the policy frameworks

The analysis of company responses on various policies pertaining to the nine Principles of NVG reveal that apart from Principle 7, a majority of companies have policies for each of the Principles. In order to oversee the implementation of the various policies, a majority of the companies across sectors reported having specific committees for all principles, in-house structures to implement the policies and grievance redressal mechanisms in place. A majority also reported having incorporated stakeholder views while formulating the policies and reported having formally communicated the policies to relevant stakeholders. A majority of the companies reported following national or international standards while formulating policies. However, in the capital goods sector, about half of the companies reported following national or international standards while formulating the policies.

For most of the principles, a majority of the companies reported conducting external evaluation of the policy implementation. About half the companies in pharmaceuticals, transport equipment, FMCG and telecom & media sectors reported not carrying out independent audits. In the transport services sector, none of the companies reported conducting external evaluations for the working of their policies under Principles 8 and 9.

Finally, about half the companies did not provide web links to their policies. Among the companies who have the policies, majority reported having their policies signed by the MD, CEO or Board director, except in the transport equipment sector.

3.2 Sector specific observations[5]

The major cross-sector trends have been captured above. In this section, we consider the distinct voice of the sector juxtaposed against the BRR framework to throw up insights germane to the sectors. This would serve to better help reporters view themselves against similar peers. It is expected to draw attention of the Drafting Committee to sector-specific nuances which may be incorporated in subsequent reporting cycles.

Capital Goods

Companies identified employee health and safety, water management, human rights and resource efficiency as material sustainability issues. A majority of the companies reported on measures related to resource efficiency and recycling, which seemed to be a favourite theme. While all the companies reported having initiatives in place to address global environmental issues, only a few companies provided web-links for the same.

Cement

Companies identified alternate fuels & raw materials, employee health & safety, community and environment conservation as material sustainability issues. All companies provided information on their environment and climate related initiatives. However, only a few companies reported details on product and waste recycling. All companies provided information on their CSR initiatives and CSR implementation structures, though a majority indicated that third party assessments of the CSR activities were not carried out.

Finance

Companies identified priority sector lending, customer satisfaction, financial inclusion, climate change community development as material sustainability issues. Only a few companies from this sector provided details under Principle 2, a gap that needs to be addressed. Most of the companies reported incorporating environmental concerns in their operations in terms of emissions etc. In context of product design, most of the companies reported that the question was not applicable to them. However, issues on incorporating ESG factors in core banking products needs to be articulated, in order to get meaningful information for users of BRRs. There seems to be ambiguity on the aspects to be covered under labelling as only a few companies provided complete responses on product labelling. This is extremely relevant in light of serious regulations governing loan and savings products including but not limited to disclosure of "most important terms and conditions" (MITC).

FMCG & Consumer Durables

Companies identified sustainable sourcing, community benefits, climate change, GHG emissions, waste management and employee well-being as material sustainability issues. Only three among nine companies reported the percentage of inputs sourced sustainably. Also, only a few companies provided quantitative details on recycling. Under Principle 7, only 2 companies reported advocating on the issue of counterfeit products. These gaps need to be addressed in future disclosures.

Housing

While companies in the housing sector reported having sustainable and local sourcing initiatives in place, none of the companies provided a quantitative response on the same. All companies reported having zero pending complaints relevant to Principle 3. Given the nature of the housing sector's strong interface with construction and contract labour, it might be prudent to explain how there are no pending complaints. This could be substantiated with explanation of governance mechanisms and processes.

Information Technology

Companies identified employee development, waste & water management, community and Green IT as material sustainability issues. Only a few companies provided information on safety and skill-upgradation training. Only one among five companies reported conducting third party assessments of its CSR activities.

Metal, Metal Products and Mining

Companies have identified community development, water management, climate change, employee health & safety and product quality as the material sustainability issues. However, only a few companies reported on sustainable sourcing, especially in mining which is a critical aspect for this sector. A few companies in this sector reported having local vendor development programmes. Only 2 among 12 companies reported having mine restoration programmes.

Oil & Gas, chemical & petrochemicals

Companies identified employee health & safety, employee skills development, community welfare and raw materials as material sustainability issues. Although raw material is a material issue, only about half the companies provided details on sustainable sourcing measures. Most of the companies provided information on how their products led to resource use reduction. Only a few companies in this sector provided web-links for their energy and environment related issues, which would appear to be a material sustainability issue for the sector.

Pharmaceuticals

Companies identified affordable generic medicines, sustainable sourcing, community benefits and environmental performance as material sustainability issues. However, only one of the companies reported affordable generic medicines in the list of products that incorporate social concerns. Under principle 4, only about half of the companies reported identifying disadvantaged and marginalised stakeholders.

Power

Companies identified fuel availability, water management and environment protection as material sustainability issues. Only one company listed renewable energy initiatives as a service under Principle 2, though most of them reported having undertaken energy efficiency initiatives under Principle 6. None of the companies in the power sector reported advocating on water related issues, though water is a significant challenge for the industry owing to its heavy reliance on the resource.

Telecom & Media:

Companies identified customer service, waste management, energy & climate change, digital inclusion and impacts on communities as material sustainability issues. Only a few companies provided complete responses on sustainable sourcing and resource use reduction. A majority of the companies reported having initiatives on clean energy and energy efficiency. Companies need to articulate initiatives under customer management and digital inclusion in greater detail, as these are key material issues.

Transport Equipment:

Companies identified fuel efficiency, occupational health & safety, energy efficiency, waste management human rights and communities as material sustainability issues. Only a few companies provided quantitative information on recycling, despite waste management being a material issue. On a positive note, all automobile manufacturing companies in this sector have launched alternate fuel vehicles or hybrid vehicles to address issues such as fuel availability and climate change. Only one company reported including the environmental footprint of its product in the product information brochures.

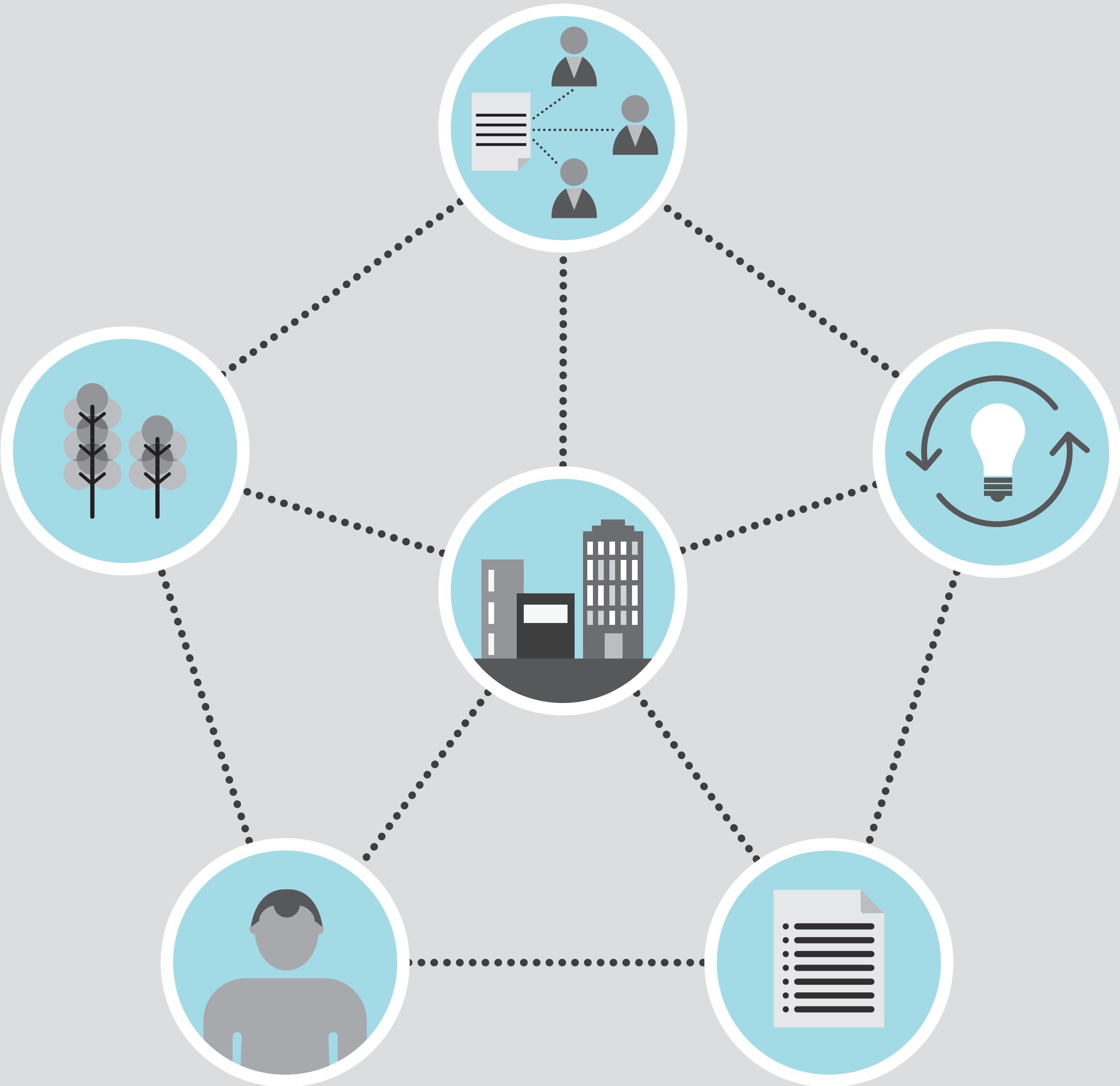
Transport Services:

Both companies in this sector reported having local sourcing procedures, out of which one reported having sustainable sourcing procedures. Both companies also reported that the question on resource use reduction was not applicable to them.

Footnotes

15 The material sustainability issues have been obtained from GRI based sustainability reports of the reporting companies and other publically available sustainability discourses

04



Conclusion

The first cycle of reporting would have been a learning curve for first-time reporters and is expected to have established internal processes for data collation. It is also expected to have sensitised data-owners on the requirements of BRR and the need to develop strategies and new initiatives to manage the sustainability performance of companies. The second cycle will put these new systems to test and will hopefully address many of the areas of improvement outlined in context of the first reporting cycle.

For most companies who published their BRR in 2012-13, it was their first experience of reporting under a framework of sustainability guidelines. The large size of the companies implies that they would have had to undertake exhaustive data collection exercise for BRR across multiple locations after identifying a wide range of data-owners in order to create a consolidated report. It is likely that the reporting exercise would have enabled data-owners and companies to appreciate the importance of various facets of sustainability that they were either not considering earlier. It is also possible that they may have been undertaking relevant initiatives or activities without defining them as "sustainability issues". The BRR exercise may have in such cases helped them develop a more comprehensive approach.

The indicator-based structure followed by other sustainability reporting frameworks leaves much to the interpretation of companies and requires a comprehensive understanding of each indicator to identify the data-owner. The question-based structure of the BRR on the other hand, requires specific responses under each question. It is thus easier to identify data-owners within a company.

Since the reporting framework touches all internal functions in a company – human resources, CSR, sourcing, operations, legal, finance etc., putting together such a report helps companies define what "sustainability" or "Business Responsibility" means for their organization and that each function has a role to play. The reporting process, to an extent, helps in dispelling certain myths regarding sustainability – "Sustainability is only about being green", "only the CSR team is the custodian of a company's sustainability agenda" etc. This is true for companies engaged in GRI-based reporting as well but since that has not been adopted by a majority of the companies, the SEBI-mandated BRR framework has facilitated a wider range of India's leading corporations to initiate this internal introspection. Indeed, it is likely that much of this would eventually mature into companies developing their sustainability vision and firm commitments to action on ESG issues.

Annexures

Annexure1:
Detailed Sector Analysis

The following section deep dives into each sector with regard to principle-wise disclosures and governance disclosures.

A Capital Goods

This sector comprises companies engaged in the capital goods production. The sector includes five companies, two of which are of Indian origin. The companies in this sector are mostly involved in engineering. In FY 13, the sector accounted for total exports of about $ 56 billion. This sector is thus the third largest export sector in the country.

The sector comprises of the following companies:
- ABB Limited
- Bharat Electronics Limited
- Bharat Heavy Electricals Limited
- Larsen & Toubro Limited
- Siemens Limited

Top Trends observed in the capital goods sector

- Under Principle 2, **majority of the companies listed products** whose design incorporated social and environmental concerns. A majority of the companies reported on resource-use reduction initiatives.

Material issues identified by companies publishing GRI based sustainability reports:
- Employee Health & Safety
- Water Management
- Human Rights
- Resource efficiency

- **While a majority of the companies confirmed having sustainable sourcing initiatives, only one company provided the percentage of inputs sourced sustainably.** The companies mentioned following a rigorous supplier-selection procedure wherein the Code of Conduct for Suppliers has the requirements for suppliers on key aspects of sustainability. One of the companies mentioned that it is in the process of implementing a Supplier Sustainability Development Program (SSDP) as part of a comprehensive sustainable sourcing initiative.

- All the companies reported having taken steps to procure goods and services from local and small producers, including communities surrounding their place of work. Priority is given to the local and small producers including communities surrounding the plant locations for procurement of goods and services, encouraging entrepreneurship development in and around its manufacturing units, etc.

- Under Principle 3, all companies disclosed the quantitative information except on the percentage of employees that underwent safety and skill-upgradation trainings. **With respect to trainings only two companies have disclosed information.** All companies reported having a recognised employee association, with the number of employees that are a part of such associations ranging from low to 100%.

- Under Principle 4, most of the companies reported having mapped their external and internal stakeholders while **also identifying the disadvantaged, vulnerable and marginalised stakeholders from the identified stakeholder groups.** However, the companies identified only the external stakeholders as being disadvantaged and marginalised stakeholders and possibly did not consider internal stakeholders. Thus the details on special initiatives for disadvantaged and marginalised stakeholders mostly coincided **with the CSR activities** of the companies.

- **All companies reported identifying and assessing potential environmental risks and undertaking initiatives on clean energy, renewable energy and energy efficiency under Principle 6.**

Case study

One of the companies has initiated a program in transforming a remote tribal village in Maharashtra into a sustainable village through interventions in livelihood, health, strengthening community based organisations and education of the community.

- One of the companies mentioned following the standard on 'environmentally compatible product and systems design, and product safety guidelines' that reaffirm the commitment towards reducing undesirable impacts on environment. Few examples from the sector include designing products that have higher energy efficiency and lower environmental impact, promoting green building construction and enhancement of green cover, provision of solar and renewable energy solution to customers, water conservation by efficient air conditioning, and developing environmental portfolio products based on cleaner and greener technologies.

- Under Principle 7, the most common associations across the sector are Confederation of Indian Industries, Federation of Indian Chambers of Commerce and Industry, Bombay Chamber of Commerce and Industry, Bureau of Indian Standards, Indian Electrical and Electronic Manufacturers Association, Bureau of Energy Efficiency, Indo German Chamber of Commerce, Construction Industry Development Council, National Safety Council, Standing Conference of Public Enterprises, The Associated Chambers of Commerce and Industry of India (ASSOCHAM),National Fire Protection Institution, and World Business Council. **The major areas of advocacy in this sector, as reported by the companies are governance and administration, inclusive development policies, energy security and sustainable business principles, water, food security, etc.**

- A majority of the companies provided details of the CSR implementation structure. While a majority of the companies reported conducting impact assessments of their CSR activities, only one of the companies reported having engaged an independent third party for the same. Most of the companies reported having taken steps to ensure community development initiatives are successfully adopted by the community. **However, while responding on steps to ensure that the community development initiative is successfully adopted by the community, the companies misunderstood the intent of the disclosure as they provided description of their CSR objectives and initiatives.**

1.04%
Average percentage of PAT spent on CSR.

- All companies confirmed providing information on the labels over and above the mandatory requirements. **However, while providing an explanation, most companies referred to providing information as per labelling norms, mandates and standards.**

B Cement

This sector comprises companies engaged in the cement production. The sector includes four companies, all of which are of Indian origin.

India is the second-largest cement producer in the world. With increasing demand from infrastructure and housing sectors, the cement industry is expected to witness tremendous growth in the coming years. India has about 185 large and 365 small cement plants[6]. India has a cement production capacity of about 300 million tonnes. This sector is dominated by private companies, with a very little participation from the public sector.

The sector comprises of the following companies:
- ACC Limited
- Ambuja Cements Limited
- Shree Cements Limited
- Ultratech Cement Limited

Material issues identified by companies publishing GRI based sustainability reports:
- Alternate Fuels and Raw Materials
- Employee Health & Safety
- Community
- Environment conservation

Trends observed in the cement sector

- All companies provided names of products whose design incorporated social or environmental concerns under Principle 2. Most of the companies reported having implemented resource-use reduction initiatives. The initiatives are consumption of hazardous and non-hazardous waste materials including fly ash and slag generated by other industries as a fuel, reducing the fossil fuel consumption and adoption of waste management measures.

- **While all the companies reported having sustainable sourcing initiatives, none of the companies provided the percentage of inputs sourced sustainably.** Initiatives include sourcing raw materials locally that reduce transportation needs, locating units close to mines to reduce transportation and transporting bulk materials by railways or by sea routes. All companies reported having taken steps to procure goods and services from local and small producers, including communities surrounding their place of work. Priority is given to the local and small producers including communities surrounding the plant locations for procurement of goods and services. This has also been included within company policies.

Case study

A cement company has incorporated its policy on sustainability and social accountability as a part of its purchase order executed with suppliers. The contracts terms executed with transporters incorporate an essential condition that the drivers need to carry pollution certificates for vehicles.

- All companies reported having mechanisms to recycle waste. **However, none of them disclosed the percentage of waste recycled.** These companies reported using various industrial waste materials as alternative fuel. The companies reported disposing hazardous wastes through authorised recyclers.

- Under Principle 3, all companies provided quantitative data on employees and on the number of employees that underwent safety and skill upgradation trainings. All companies reported having a recognised employee association. **However, a very low proportion of their permanent employees were members of such associations.**

- Under principle 4, all companies reported mapping their external and internal stakeholders while also **identifying the disadvantaged, vulnerable and marginalised stakeholders from the identified stakeholder groups.** However, the companies identified only the external stakeholders as being disadvantaged and marginalised stakeholders and possibly did not consider internal stakeholders. Thus the details on special initiatives for disadvantaged and marginalised stakeholders mostly **coincided with the CSR activities** of the companies.

- Under Principle 5, **about half of the companies reported extending their policy on human rights to the other stakeholders like suppliers, contractors and other subsidiaries.** None of the companies reported having received stakeholder complaints.

- **All companies reported identifying and assessing potential environmental risks and undertaking initiatives on clean energy, renewable energy and energy efficiency under Principle 6.** Few examples from the sector are promotion of low-carbon technology, setting up goals, targets and monitor the progress on the targets set, etc. One of the companies reported measuring and reporting its carbon emissions as per Cement Sustainability Initiative (CSI) of the World Business Council on Sustainable Development. The company proactively discloses its carbon emissions in the annual Carbon Disclosure Project. **All companies reported having their emissions within the norms specified by the PCB, and only one of the companies reported having six pending cases with the PCB.**

- Under Principle 7, all companies reported on the memberships across various associations. The most common associations across the sector are Cement Manufacturing Association (CMA), Cement Sustainability Initiative (CSI) of World Business Council for Sustainable Development, World Economic Forum (WEF), Association of Power Producers, Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI), Bombay Chamber of Commerce & Industry, The Associated Chambers of Commerce and Industry of India (ASSOCHAM), Bombay Management Association (BMA), Indian Merchants Chamber (IMC), etc. **The major areas of advocacy in this sector, as reported by the companies, are governance and administration, economic reforms, inclusive development policies, energy security and sustainable business principles.**

2.28%
Average percentage of PAT spent on CSR.

- Most of the companies confirmed having taken steps to ensure community development initiatives are successfully adopted by the community. **Need assessment studies before implementing the initiatives, regular monitoring of the projects, capacity development within the communities and creation of community level committees to eventually empower the community to manage and maintain projects undertaken are some examples of such steps.**

- All companies confirmed providing information on the labels over and above the mandatory requirements. **However, while providing an explanation, most companies referred to providing information as per labelling norms, mandates or standards.**

C Finance

This sector comprises companies engaged in banking related activities. The sector includes 18 companies, all of which are of Indian origin i.e. promoted by Indian nationals.

The finance sector is critical for the economic well-being of the country. Post the fiscal reforms of the 90s, the sector witnessed tremendous growth. The sector is however dominated by the public sector, which covers about 73% of total banking assets. In 2012, the Indian finance sector was a 115 trillion INR industry[7]. The recent volatility in the financial markets has resulted in financial institutions struggling to maintain their growth and profitability. The RBI states that in order to maintain an annual growth of 8%, the sector needs to reach 288 trillion INR by 2020[8]. Given the fact that a large part of India is currently under-banked or unbanked, there exists a huge growth potential for the sector.

The sector comprises the following companies:
- Axis Bank Limited
- Bank of Baroda
- Bank of India
- Canara Bank
- HDFC Bank Limited
- Housing Development Finance Corporation Limited
- ICICI Bank Limited
- IDFC Limited
- Indusind Bank Limited
- Kotak Mahindra Bank Limited
- LIC Housing Finance Limited
- Power Finance Corporation Limited
- Punjab National Bank
- Rural Electrification Corporation Limited
- Shriram Transport Finance Company Limited
- State Bank of India,
- Union Bank of India
- Yes Bank Limited

Material issues identified by companies publishing GRI based sustainability reports:
- Priority sector lending
- Customer satisfaction
- Financial inclusion
- Climate change
- Community development

Trends observed in the finance sector

- Under Principle 1, about half the companies reported extending their policies on ethics, human rights and environment to their group companies, JVs, contractors and suppliers. Most of the companies provided responses on the receipt and resolution of stakeholder complaints.

- Under Principle 2, half the companies provided names of products whose design incorporated social or environmental concerns. Being financial institutions, most products reported by the companies in this sector are financial products, e.g. micro loans, micro insurance, green banking, social banking, biometric cards, agri-business products and credit schemes for renewable energy projects. While a majority of the companies provided details, **two mentioned that being service sector, this question was not applicable.**

- Few companies provided information on resource use reduction and included measures such as the use of electronic modes of communication to reduce paper use and providing credits to environment friendly projects. A few reported having recycling initiatives. These companies reported recycling materials such as paper, electronic waste, etc. through registered recyclers. Two companies, in response to recycling initiatives, provided details on how environmental/ social concerns are taken into account while appraising projects.

- Only a few companies reported having sustainable sourcing measures in place for sourcing eco-friendly paper for their operations. **However, none reported the percentage of inputs sourced sustainably**. These few companies also reported having initiatives and programmes on sourcing products from local suppliers. As a response to procuring services from local suppliers, few companies reported having a preference for people from local areas while hiring for their regional branches.

Case study

One of the finance sector company's Project Finance division reported incorporating social and environmental concerns in its lending operations by conducting Environmental and Social Due diligence (ESDD) during every project appraisal. Annual Environmental and Social Monitoring and Reviews (ESMRs) are undertaken. Its group companies also conduct ESDD and annual ESMR depending upon the sector and project contours and associated E&S risks.

- Under Principle 3, a majority of the companies provided complete responses with respect to trainings given to employees on safety and skill up-gradation. A few reported having a recognised employee association, with an average of 71% employees as a part of the association.

- Most of the companies reported mapping their external and internal stakeholders **while also identifying the disadvantaged, vulnerable and marginalised stakeholders** under Principle 4. Under-banked and unbanked populations, unemployed rural youth, small and marginal farmers, landless labourers, minorities, reserved category employees and MSMEs are some of the stakeholders identified as disadvantaged and marginalised stakeholders. However, all companies, except one, identified only external stakeholders as being disadvantaged and marginalised stakeholders and possibly did not consider internal stakeholders. As a response to initiatives to engage with such stakeholders, companies reported their specific products targeted at such stakeholders, e.g. rural banking schemes, agricultural finance schemes, small industries schemes, etc. **These activities also mostly coincided with the CSR activities of the companies.**

Case study

One of the finance sector companies has tied up with technology service providers to capture the bio-metrics (fingerprints) of its disadvantaged and marginalised stakeholders, enabling them to make withdrawals at their doorstep. The bank has put up a kiosk banking solution in remote villages to make online banking services available at affordable costs to the underprivileged. The bank is taking steps to implement the Swavalamban Scheme of the government of India, which aims to provide pension to the unorganised sector.

- Under Principle 5, about half the companies reported extending their policies on human rights to the group companies, suppliers and contractors. A majority provided details on stakeholder complaints and resolutions.

- Under Principle 6, a majority **reported having strategies and initiatives in place to address climate change and global warming related issues.** Examples from the sector include paperless operations, electricity saving measures, installing motion sensors, investing in renewable energy, etc. Other measures include giving additional weightage to projects incorporating environment-friendly measures, specific credit schemes for renewable energy, lending only to companies having environmental clearances, not extending any finance to industries utilising or producing hazardous substances, etc. However, only a few companies provided weblinks.

Case study

A company reported that it categorises every proposal it receives into category A (high impact), B (medium to moderate impact) and C (low impact) depending on the degree of environmental and social impact. The company has a detailed E&S risk management framework and process in place which provides guidelines for various stages of project appraisal process. A detailed environment and social due diligence is a part of the project appraisal. An annual ESMR through site visits, secondary data collection and periodic desk reviews is also carried out for every project.

- **A majority of the companies reported identifying and assessing potential environmental risks and undertaking other initiatives on clean energy, renewable energy and energy efficiency.** Most of the commercial banks in this sector reported promoting e-commerce activities to reduce the use of paper. A few companies reported granting loans to projects that demonstrate incorporating environment-friendly initiatives and also reported reducing their own energy use across their operations by installing energy-saving devices, energy-efficient appliances, solar-run ATMs, power-saving measures in IT systems, etc. **Two reported having LEED certifications for their corporate head office buildings.**

- Companies in this sector are not engaged in manufacturing and CPCB/SPCB regulations have limited relevance. However, a few reported having their emissions and waste within permissible limits.

Case study

The CSR foundation of a company is assisting a state-level basin development authority (MBDA) in its programme management to create sustainable water storage facilities in the state, put in place infrastructure such as roads, ropeways, renewable energy generating units, telecom and IT. This is expected to create a culture of entrepreneurship in the state and help improve the quality of life for communities.

- A majority of the companies reported having memberships across various associations. The most common associations across the sector are Indian Banks Association, CII, ASSOCHAM, Indian Institute of Banking and Finance, FICCI, National Institute of Bank Management, Indian Merchants Chamber, SCOPE, etc. The major areas of advocacy in this sector, as reported by the companies are governance and administration, inclusive development and sustainable business principles. Few reported contributing to areas such as **monetary policies, financial inclusion policies, policies governing the banking industry and clean energy initiatives.**

- A majority have provided information on the various programmes and initiatives undertaken under CSR. **Financial inclusion projects, sustainable livelihood projects, education, sanitation, child development and community development are the major CSR activities** undertaken by this sector. A few companies reported having separate products for agricultural communities, where finance is made available at favourable conditions to these communities.

0.67%
Average percentage of PAT spent on CSR.

- A majority of the companies reported having in-house teams to implement CSR activities. Also, **all the companies reported carrying out impact assessments of their CSR initiatives.** Most reported conducting impact assessments through external audits, field visits, internal reviews, etc. While responding to how companies ensure successful community adoption, few reported engaging stakeholders in programme planning and implementation and conducting assessments.

Case study

A company reported working extensively in education. The company works with 13 partner schools which are in dilapidated conditions, catering to over 20,000 students from the underprivileged sections of society. The bank has implemented financial literacy programmes for the youth to empower them with basic financial and banking knowledge. Sex education and sensitisation is provided to teenage students. The company provides training on topics such as personality development, English communication and computer literacy, apart from imparting technical skills. Placement services are also provided to candidates.

- However, about half of the companies reproduced the details of the CSR initiatives in response.

- A few companies reported providing information on labels over and above the mandatory requirement. These reported that all product information is available on the company's website and as brochures in all branches and offices. **Two companies mentioned that the question on product labelling is not applicable to them.**

D FMCG and Consumer Durables

This sector comprises companies engaged in the manufacturing FMCG and consumer durables. Out of the nine companies included in the analysis, five are of Indian origin i.e. promoted by Indian nationals.

The sector manufactures goods meant for consumption at regular intervals. With a market size of over 13.1 billion USD, the sector is the fourth largest sector[9] in the country and contributes 2.5% to India's GDP[10]. While the industry witnessed double-digit growth figures till 2012, it has started showing signs of slowing down[11] owing to factors such as high inflation, rising raw material costs, depreciation of the rupee and the global slowdown. However, growth in the sector is likely to accelerate with an expected rise in incomes and penetration into the untapped rural market of India, which accounts for about 50% of the total FMCG market.

The sector comprises the following companies:
- Colgate-Palmolive (India) Limited
- Dabur India Limited
- Glaxosmithkline Consumer Healthcare Limited
- Godrej Consumer Products Limited
- Hindustan Unilever Limited
- ITC Limited
- Nestle India Limited
- Titan Industries Limited
- United Breweries Limited

Material issues identified by companies publishing GRI based sustainability reports:
- Sustainable sourcing
- Community benefits
- Climate change
- GHG emissions
- Waste management and reuse
- Employee well-being

Trends observed in the FMCG and consumer durables sector

- Under Principle 2, **all companies provided the names of products** whose design incorporated social or environmental concerns. A **majority reported undertaking initiatives on resource use reduction.** These companies reported resource use reductions by way of sourcing raw materials from local suppliers, recycling and reuse of materials, educating the consumers on saving water during product use, energy and water conservation by installing new energy-efficient measures, waste recycling, etc.

- All companies reported having sustainable sourcing initiatives and details on sustainable sourcing, e.g. having raw material suppliers close to the plant, using recycled products for packaging and promoting sustainable farming and livestock practices. **However, only three reported the percentage of inputs that are sourced sustainably, even though it is a material sustainability issue for the sector.**

- All companies also reported taking steps to procure goods and services from local and small producers, including communities surrounding their place of work. Other initiatives to enhance the capacity of local suppliers include trainings to local farmers on advanced technologies with information and other inputs on good agricultural practices such as drip irrigation, nutrient management, pest and disease management, etc.

- All companies reported having mechanisms to recycle waste and a majority reported having mechanisms to recycle products. While most provided brief descriptions on the recycling mechanisms, few companies provided quantitative information on product recycling or reuse.

- On Principle 3, most companies disclosed the number of contractual employees and permanent women employees. **However, the trend shows that most of the companies in this sector do not have employees with disabilities.** All companies reported having an employee association that is recognised by the management and on an average; about half the permanent employees are members of these.

- Under Principle 4, all companies reported that they map their external and internal stakeholders and most reported having identified the disadvantaged, vulnerable and marginalised stakeholders from the identified stakeholder groups. However, companies identified only the external stakeholders as being disadvantaged and marginalised stakeholders and possibly did not consider internal stakeholders. Thus, the details on special initiatives for stakeholders mostly coincided with the CSR activities of the companies.

- Under Principle 6, about half of the companies reported extending their policy pertaining to environment to other stakeholders e.g. suppliers and contractors, employees, partners, contractors, etc. All companies in the sectors reported having strategies and initiatives to address global environmental issues by. However, only a few companies have provided web links in their responses.

Case study

A company has undertaken an initiative called **Project Shakti** to create entrepreneurs. This programme has 48,000 Shakti entrepreneurs (called Shakti ammas) in 15 states. These people are trained and now cover over 1,35,000 villages and serve 3.3 million households. The company also initiated mobile vending operations that provide entrepreneurship opportunities to over 6,500 migrants across India. Uniforms, first-aid kits, behavioural and basic sales training and financial support are provided through channel partners along with initial stocks on credit and a vending cart with freezers.

- **All companies reported identifying and assessing potential environmental risks and undertaking initiatives on clean technology, renewable energy and energy efficiency.** Some of the examples from this sector are water conservation by efficient air conditioning, efficient air compressors, LED lighting, installation of energy-efficient motors, installation of membrane bio reactor (MBR) system for treatment of effluents and improving the recycling potential of treated effluents, enhancing steam condensate recovery, installing pollution combating equipment, generating and using renewable power, etc. However, only few companies provided the web link of these initiatives in their BRR.

- Under Principle 7, **all companies in this sector reported on the memberships across various associations.** The most common associations are NASSCOM, CII, FICCI, GRI, All India Management Association, Indo-American Chamber of Commerce, Bombay Chamber of Commerce and Industry, etc. The major areas of advocacy are energy security, water and sustainable business principles.

- All companies provided information on initiatives undertaken under Principle 8. One of the companies reported involving employees as volunteers in its CSR activities. A majority of the companies reported having in-house teams to implement CSR activities, whereas a few reported engaging external

NGOs or government bodies. A few also reported collaborating with external bodies such as Care India and World Health Organisation (WHO) to implement the initiatives.

> **1.73%**
> Average percentage of PAT spent on CSR.

- **About half the companies reported taking steps to ensure successful community adoption.** Few of these initiatives include conducting baseline studies and need based assessment surveys to understand the needs of the community, regular consultations with NGOs and academic institutions, opinion surveys and focussed meetings during the implementation. However, a majority of the companies misunderstood this question and provided a description of their CSR programmes.

- All companies confirmed providing product information on the product label, over and above what is mandated as per local laws. **However, while providing an explanation, a few companies referred to providing information as per labelling norms, mandates and standards.**

E Housing

This sector includes two companies, both being private sector companies and of Indian origin. These companies are engaged in the area of developing housing and related infrastructure.

It contributes around 6.3% to India's GDP[12]. Over the past few years, there has been a rapid growth in the housing sector in India. Apart from housing, office space demand has also seen a rapid rise during recent years. By 2020, the real estate market in India is expected to touch around 180 billion USD. Efforts are also underway by the Government of India so as to provide affordable housing for the poor as well as the underprivileged urban population.

> The sector comprises of the following companies:
> • DLF Limited
> • Jai Prakash Limited

Trends observed in the housing sector

- Under Principle 2, one of the companies provided a list of products whose design incorporated social or environmental concerns, risks as well as opportunities. Both companies within this sector reported taking steps to procure goods as well as services from their local suppliers or vendors. The most common initiatives include encouraging local contractors through **local competitive bidding and directly hiring local people**. Though all companies have rolled out a mechanism to recyle waste and materials, none of them have reported the percentage of recycled materials. Under Principle 3, both the companies provided **complete responses on the number of employees and training** initiatives. Only one company within this sector reported having an employee association recognised by the mangement.

> **Case study**
>
> One company operating within housing sector designs building structures for seismic zones higher than what is mandatorily required under the requisite building code. Currently, it is designing buildings or upgrading existing buildings to achieve LEED certification.

- Under Principle 4, both companies reported to have have mapped their internal as well as external stakeholders, while only one company reported identifying the disadvanted and marginalised stakeholders, and having in place special initiatives for the same. While responding to question 3, which which asks companies to identify disadvantaged and vulnerble stakeholders, apart from communities and disabled employees, both the companies mentioned all their identified stakeholders.

- Under Principle 6, both the companies reported to have in place strategies as well as initiatives in order to address global environmental issues. They have also identified and assessed potential environmental risks to their operations. None of the companies mentioned the correct web link containing details of their strategies or initiatives to address global environmental issues. For instance, one company provided links to its registered CDM projects. Both companies reported having their emissions or waste within the pollution control board norms.

- Under Principle 7, both companies provided information on their membership details in various trade associations. The most common associations across this sector include CII, FICCI, PHDCCI, NAREDCO and CREDAI. **Companies falling under this sector reported advocating for economic reforms and inclusive development policies.** However, only one company provided a complete response under the 'other areas section of advocacy. On the other hand, the other company merely repeated the names of the associations under the same section.

- Both companies provided information on various programmes and initiatives undertaken under their CSR initiatives. They reported to have rolled out initiatives in the areas of healthcare, education or training, **water and livelihood development, rural infrastructure development, women empowerment and plantation.**

- They also reported having in place in-house teams to implement these CSR activities. While both companies reported conducting impact assessments of their CSR activities, they did not report engaging independent third parties for the same. Only one company provided details on how successful adoption of its CSR initiatives was ensured. In this case, the company ensured successful adoption of CSR initiatives by engaging stakeholders in processes such as programme planning and implementation and conducting regular impact assessments.

3.56%
Average percentage of PAT spent on CSR.

- Under Principle 9, both companies reported having conducted consumer surveys. None of the companies reported having any pending customer complaints.

- While one of the companies confirmed providing additional information on product labels beyond those mandated within the local laws, in its explanation, it also mentioned labelling as per applicable standards or codes or specifications.

F Information Technology

This sector comprises of companies engaged in the IT activities. It includes five companies of Indian origin, i.e. promoted by Indian nationals.

The IT sector contributes around 8% to India's GDP in FY 2013[13]. During the same year, total exports from the sector amounted to 76 billion USD. By 2020, it is expected to expand to 300 billion USD. Currently, India has the largest IT sourcing market in the world, accounting for around 52% of the global market. The sector includes three major verticals – hardware, software and services. Some of the main success factors for this industry include rich talent pool, unique products and low-cost of services. While global companies have established a strong presence in the country, Indian companies have also established themselves globally and are among the top IT companies.

The sector comprises of the following companies:
- HCL Technologies Limited
- Infosys Limited
- Oracle Financial Services Software Limited
- Tata Consultancy Services Limited
- Wipro Limited

Material issues identified by companies publishing GRI-based sustainability reports include the following:
- Employee development
- Waste and water management
- Community initiatives
- Green IT

Trends observed in the information technology sector

- Under Principle 2, **only a few companies within this sector provided the names of products whose design incorporated social or environmental concerns.** However, most of the companies reported having rolled out initiatives on resource use reduction. Resource use reductions reported are mainly in the form of reduction in energy consumption, for example, reduction in cooling electricity costs, thereby leading to a reduction in electricity consumption of data centres, increase in automation in manufacturing and dematerialisation of services through improved IT productivity, etc.

- Most companies within the IT sector reported having procedures in place for sustainable sourcing of products but none of them disclosed the percentage of inputs that was sourced sustainably. All companies reported following a rigorous supplier selection procedure. One of the companies for instance, reported that it requires its vendors to comply with its 'Health, Safety and Environment Policy' which emphasises on the health of vendors' workers deployed, safety measures adopted, discharge from equipment, hygiene, etc.

- On local sourcing, all companies reported having taken steps to procure goods as well as services from local and small producers, including communities surrounding their place of work. Some of the examples include giving preference to small firms promoted by entrepreneurs belonging to schedule castes and schedule tribes, and sourcing construction materials from local markets. However, none of the companies provided a transparent response on capacity building initiatives of local suppliers.

- Majority of companies within this sector reported having mechanisms in place in order to recycle waste, but **only a few companies quantified these initiatives.** Companies reported that solid wastes and e-wastes generated at sites are recycled by appropriate recyclers and wastewater is treated at onsite treatment plants. These companies reported using this treated water in cooling towers and for landscaping purposes, etc.

- Under Principle 3, few companies provided information on the number of employees with disabilities and only half of them provided information on the number of contractual employees. Only a few companies have provided information on trainings provided to employees with respect to safety and skill upgradation. While about half of the companies reported having a recognised employee association, only one company reported the percentage of employees who were a part of the same.

- Under Principle 4, **all companies reported mapping their external as well as internal stakeholders, but only about half the companies reported having identified** the disadvantaged, vulnerable and marginalised stakeholders from these identified stakeholder groups. Some of the initiatives taken for the disadvantaged as well as marginalised stakeholders are empowerment through literacy, promoting employability, healthcare and vocational training, etc.

- Under Principle 5, all companies reported extending their policies to stakeholders such as suppliers, contractors as well as other subsidiaries. All companies disclosed complete information under this principle, including the number of complaints filed and resolved.

- Under Principle 6, **all companies also reported having in place strategies or initiatives to address global environmental issues,** but only one company disclosed its webpage link. Companies reported undertaking initiatives in implementing energy-efficiency strategies, smart building solutions, green buildings, adoption of renewable energy, biodiversity, etc. Only a few companies within this sector reported having processes in place in order to identify and assess potential environmental risks to their operations.

- Under Principle 7, all companies provided information on their membership details across various associations. The common associations across this sector include NASSCOM, CII, FICCI, GRI, the All India Management Association, Indo-American Chamber of Commerce, Bombay Chamber of Commerce and Industry, etc. The major areas of advocacy include **energy security and water related issues.** One of the companies reported **advocating for diversity and inclusivity** through the NASSCOM.

- A majority have provided information on various programmes as well as initiatives undertaken under CSR. These initiatives relate to healthcare, education, culture, destitute care, rural development, construction of additional facilities at schools and hospitals, adult literacy programmes, BPO employability programme, increasing employability by ITI trainings, etc.

- Most of the companies reported having in-house teams to implement their respective CSR activities. About half the companies reported conducting impact assessments of CSR initiatives. However, only one company reported conducting the same though independent third parties. Companies reported monitoring the reach as well as the outcome of these CSR initiatives through monthly reports and assessment by CSR regional and geographic leads. Few companies also reported having in place employee-driven CSR groups across locations in order to conduct the impact assessments of their initiatives. The question pertaining to the steps to ensure that the community development initiative is successfully adopted by the community was **misunderstood by most of the companies**, since most of them provided a description of their CSR objectives and initiatives as a response. Only one company provided details on how the successful adoption of its CSR initiatives was ensured through internal tracking systems, issue follow-ups, field visits, etc.

0.57%
Average percentage of PAT spent on CSR.

- Under Principle 9, about half the companies reported having pending customer cases. **All companies within this sector reported having procedures in place in order to conduct consumer surveys and handling consumer complaints.**

- Few companies claimed that the question on displaying product information on the product label is not applicable to this sector, while the others mentioned that they did not display product information on labels over and above the norms.

G Metal, Metal Products and Mining

This sector comprises of companies engaged in the mining of ores and production of metals and minerals. It includes 10 companies, all of which are of Indian origin, that is, promoted by Indian nationals. However, few of these companies have been acquired by international mining companies[14].

In 2012, the sector contributed 2.5% to India's GDP[15]. By 2015, the total value of this sector is expected to reach 305 billion USD. Eighty percent of the mining activities in India relate to coal. The remaining 20% is shared by various metals and raw materials. India has the fifth largest bauxite reserve in the world. In terms of value, iron and steel is the largest sector in India, followed by coal and aluminium. India is also the third largest exporter of iron ore[16] and contributes to 11% of the total iron ore production globally. The demand in this sector is largely driven by construction, packaging and automobile industries.

The sector comprises of the following companies:
- Coal India Limited
- Hindalco Industries Limited
- Hindustan Copper Limited
- Hindustan Zinc Limited
- Jindal Steel and Power Limited
- JSW Steel Limited
- National Aluminium Company Limited
- NMDC Limited
- Sesa Goa Limited
- Steel Authority of India Limited
- Sterlite Industries (India) limited
- Tata Steel Limited

Material issues identified by companies publishing GRI-based sustainability reports include the following:
- Community development
- Water management
- GHG emissions and climate change
- Employee health and safety
- Product quality

Trends observed in the metals, metal products and mining sector

- A majority of the companies reported extending their policies on areas such as ethics, human rights and environment to their group companies, JVs, contractors and suppliers, and provided a response on the receipt and resolution of stakeholder complaints. On an average, 95% of stakeholder complaints were reported to be resolved.

- Under Principle 2, a majority provided names of products whose design incorporated social or environmental concerns. These companies provided brief descriptions on resource use reduction. Out of these, only **half the companies reported quantitative details of resource use reduction in the manufacturing process.** These resource use reductions were reported under the reduction of energy intensity, toxicity and waste, sustainable mining initiatives and reduction in water consumption. A few companies provided details on how such products (listed under Principle 2) led to a reduction in resource use for the consumers or customers, few examples being high strength steel, aluminium of desired qualities, etc. Only **about half the companies reported having mechanisms in place so as to recycle products and waste and also provided the percentage of recycled materials and waste.** Recycling of scrap metal was found to be a common initiative in the sector.

Case study

A company reported procuring 18 to 20% of its input from local SMEs, traders, service providers, vendors and NGOs. It has year-on-year targets for local sourcing and plans to increase the same every subsequent year. It has multiple supplier engagement programmes for improving the capacities of its local suppliers.

- **Only about half the companies reported having sustainable sourcing initiatives in place.** Of these, only one company reported the percentage of materials sourced sustainably. These companies also reported various initiatives on sourcing from local suppliers and developing their capacities.

- **Most of the companies provided complete responses to Principle 3. A majority in this** sector have provided complete responses with respect to trainings given to employees on safety and skill upgradation.

Case study

A PSU operating in the metals and mining sector has identified 79 villages as 'model steel villages' in order to enable comprehensive development of both physical as well as social infrastructure. These activities include medical and health services, education, roads and connectivity, sanitation, community centres, livelihood generation, sports facilities, etc. Over 4,300 health-related camps were organised across the country.

- Under Principle 4, all companies reported mapping their external as well as internal stakeholders while **majority reported having identified the disadvantaged, vulnerable and marginalised stakeholders from the identified stakeholder** groups. However, these companies identified only the external stakeholders as being disadvantaged and marginalised stakeholders and possibly did not consider internal stakeholders. Thus, details on special initiatives for the disadvantaged and marginalised stakeholders mostly coincided with the CSR activities of these companies.

- **Most of the companies reported identifying and assessing potential environmental risks and undertaking other initiatives on clean energy, renewable energy and energy efficiency under Principle 6.** Few examples from the sector include changes in cooling tower systems for water-use efficiency, renewable energy projects, eco-restoration of mined areas, rain-water harvesting, etc. A majority reported undertaking various modernisation and energy-efficiency initiatives within their manufacturing processes. **A majority reported having undertaken initiatives in order to address the issue of climate change and global warming.** However, only a few companies provided web links in their responses. Sustainable mining practices are a critical aspect of this sector. However, only **two companies reported having measures on sustainable mining and restoration of mined-out areas.**

- Under Principle 7, all companies within n this sector reported on membership details across various associations. The most common associations across the metals and mining sector are CII, FICCI, ASSOCHAM, Federation of Indian Mineral Industries (FIMI), World Steel Association and UNGC. Major areas of advocacy within this sector, as reported by the companies are energy security, waste management and inclusive development policies.

- All companies have provided information on various programmes and initiatives undertaken under CSR. All the companies reported having in-house teams to implement these CSR activities. Also, companies within this sector reported carrying out impact assessments of their initiatives with a majority of them engaging independent third parties on the same. Most of them provided a description on how successful adoption of the initiatives by communities was ensured. **However, a few companies misunderstood the question and provided a description of their CSR initiatives.**

2.35%
Average percentage of PAT spent on CSR.

- Under Principle 9, about half of the companies reported having pending consumer or customer cases. A majority of the companies reported conducting regular customer surveys.

- Three companies confirmed providing information on the labels over and above the mandatory requirements. A few companies reported providing information as required by the labelling norms. Three companies reported that providing product labels is not a feasible option for their products.

H Oil and Gas, Chemical and Petrochemical

This sector comprises of companies engaged in oil and gas exploration as well as refining. It also has two chemical companies. It includes 12 companies, nine of which are of Indian origin, that is, promoted by Indian nationals. About half of the companies within the sector are PSUs.

The oil and gas sector in India can be divided into three main segments – exploration and production, storage and transportation and refining, processing and marketing. This sector contributes around 15% to India's GDP and around 37% of the country's total energy consumption. As per the Ministry of Petroleum and Natural Gas, India's crude oil reserves amount to approximately 760 million metric tonnes (MMT) as on March 2012[17]. India also has 1330 billion cubic metres of natural gas reserves. There are a total of 20 refineries in the country, with a total refining capacity of 213 MMTPA. The country, however, remains a net importer of crude oil due to the huge gap in demand and supply. Currently, India is the fourth largest energy consumer and its energy demand is expected to double by 2035 from demand levels in 2011[18]. It is believed that around 78% of India's sedimentary area is yet unexplored[19]. Thus, there is a huge potential to discover new oil and gas fields in the country.

The chemicals sector contributes 7% to the country's GDP[20]. The major products manufactured are organic chemicals, fertilisers, pesticides, paints, dyestuffs and intermediates and fine and specialty chemicals. The Indian chemical sector is the 12th largest in the world.

The sector comprises the following companies:
- Bharat Petroleum Corporation Limited
- Cairn India Limited
- Castrol India Limited
- GAIL (India) Limited
- Indian Oil Corporation Limited

- Mangalore Refinery and Petrochemicals
- Oil and Natural Gas Corporation Limited
- Oil India Limited
- Petronet LNG Limited
- Reliance Industries Limited
- Asian Paints (India) Limited
- Grasim Industries Limited

Material issues identified by companies publishing GRI-based sustainability reports include the following:

- Employee health and safety
- Employee training and skill development
- Community welfare
- Raw materials

Trends observed in the oil and gas, chemical and petrochemical sector

- Under Principle 2, most companies provided the names of the products whose design incorporated social or environmental concerns and **a majority provided information of the initiatives of resources use reduction.** The resource use reductions were reported under process energy efficiency improvements, improvement in products which lead to efficiency in downstream use of the products, efficiency in transport of materials and products, reduction in per unit consumption of raw material and water, and the use of renewable energy where possible.

- A **majority reported having in place mechanisms to recycle materials and waste**, while also reporting percentages of materials and waste recycled. Initiatives reported by companies include installation of ETP, reduction in packaging material and wastewater recycling. About half the companies provided further details on sustainable sourcing measures.

Case study

One of the companies reported partnering with various agencies in order to encourage end-of-life recycling and reuse. It has established a countrywide network to collect used PET bottles which are then converted into polyester fibre. At one of its locations, the effluent treatment plant (ETP) sludge is utilised in order to generate 'bio-manure'. The company has also focussed on reducing its packaging material at the polyester and polymer manufacturing sites by optimising the use of materials. At its refinery, a substantial quantity of water is obtained by desalination of sea water, thereby saving the fresh water resources of the area which is arid in nature.

- Most of the companies reported having in place initiatives or programmes on sourcing products from local suppliers and developing their capacities. They also reported taking steps towards improving the capacities of local suppliers.

- A majority of the companies provided complete responses to Principle 3. Most of the companies within this sector have provided complete responses with respect to trainings given to employees on safety and skill upgradation. On an average, 90% of employees in the sector were a part of recognised employee associations.

- Under Principle 4, all companies reported mapping their external as well as internal stakeholders while **also identifying the disadvantaged, vulnerable and marginalised stakeholders.** However, these companies identified only the external stakeholders as being disadvantaged and marginalised stakeholders, and possibly did not consider internal stakeholders. Thus, the details on special initiatives for the disadvantaged and marginalised stakeholders mostly **coincided with the CSR activities.**

- Majority provided complete responses to Principle 5. About half the companies reported extending their human rights policy to group companies, suppliers, contractors, etc. **Majority reported identifying and assessing potential environmental risks, having in place initiatives to address global environmental issues and undertaking other initiatives on clean energy, renewable energy and energy efficiency under Principle 6.** Few examples from the sector include flare gas utilisation, vapour recovery systems, renewable energy projects, optimisation of operations, energy-efficient lighting and various waste management measures. However, only a few companies provided web links to the activities. A majority of the companies reported having their emissions within the norms specified by the pollution control board.

Case study

One of the companies is an industry partner in the New Millennium Indian Technology Leadership Initiative project on indigenous PEM fuel cell technology development. It is involved in scale-up trials of PEM fuel cells after recently concluded successful demonstration of the PEM fuel cell technology in the lab.

- Under Principle 7, all companies reported their membership details across various associations. The most common associations include International Gas Union, PetroFed, CII, World Energy Council, TERI Business Council for Sustainable Development, World LPG Association, ASSOCHAM, FICCI and Indian Paint Association. **Major areas of advocacy within this sector are inclusive development, energy security, taxation and pricing policies for the sector, subsidies in oil and gas products, etc.**

Case study

One of the companies has initiated a social investment programme where the objective of the programme is to educate independent two-wheeler mechanics with basic training on new technologies, including machine diagnostics and repairs, across the nation. By the end of 2012, 95,000 two-wheeler mechanics had been trained across seven cities in India.

- All companies provided information on various programmes and initiatives undertaken under Principle 8. All the companies reported having in-house teams to implement CSR activities and reported carrying out impact assessments of their initiatives. However, only about half of the companies reported having conducted such impact assessments through independent third parties.

1.13%
Average percentage of PAT spent on CSR.

- While a majority of the companies provided a description on how they ensured successful adoption of initiatives by communities, **about half the companies reproduced the information on CSR initiatives as a response to this question.** Steps taken by the sector in order to ensure successful adoption of initiatives include community engagement during implementation, regular discussions with the village authorities or seniors, phase-wise implementation, conducting needs assessment during the planning phase and taking correction during the course of implementation (if required).

- Only a few companies reported providing information on labels over and above the mandatory requirement. However, while providing an explanation, most companies referred to providing information as per the labelling norms, mandates or standards. One of the companies mentioned that labelling was not applicable to its products.

I Pharmaceuticals

The sector includes seven companies, out of which six are of Indian origin, i.e. promoted by Indian nationals. It comprises companies engaged in the manufacturing of drugs and other medical products.

Propelled by factors such as rising disposable income, high burden of disease, improvements in healthcare infrastructure and improved healthcare, this sector has witnessed tremendous growth and ranks third globally in terms of volume and 14th in terms of value[21]. The Indian pharmaceuticals industry is likely to be one of the top 10 global markets by value by 2020.

The sector comprises the following companies:
- Cadila Healthcare Limited
- Cipla Limited
- Dr Reddy's Laboratories Limited
- Glaxosmithkline Pharmaceuticals Limited
- Lupin Limited
- Ranbaxy Laboratories Limited
- Sun Pharmaceutical Industries Limited

Material issues identified by companies publishing GRI-based sustainability reports include the following:
- Affordable generic medicines
- Sustainable sourcing
- Community benefits
- Environmental performance

Trends observed in the pharmaceutical sector

- Most companies provided names of products whose design incorporated social or environmental concerns under Principle 2. However, **few companies reported details of resource use reduction** by way of raw material recovery processes as well as reduction in packaging and printing material. One company also provided its future target of reduction in waste produced per kilogram of a product. Safe usage and side-effects of medicines and drugs are important aspects of the pharmaceutical business but none of the companies have reported on how these issues have been taken into account for the products listed under Principle 2.

- **While all the companies reported having sustainable sourcing initiatives, none provided the percentage of inputs sourced sustainably.** Few companies also provided further details on sustainable sourcing, for example, adopting a lifecycle approach in the supply chain and inculcating sustainable practices in its suppliers and vendors.

- All companies reported having procedures in place for sourcing products from local suppliers and developing their capacities. Packaging items, office supplies and transport contracts were the major products or services sourced from local suppliers. Majority of the companies reported taking steps towards improving the capacities of the local suppliers through technical trainings and financial assistance.

- While majority of the companies provided brief descriptions on the mechanisms to recycle waste, few companies provided quantitative information on the same.

- Under Principle 4, all companies reported mapping their external and internal stakeholders but only half reported having identified the disadvantaged, vulnerable and marginalised stakeholders from the identified stakeholder groups. However, companies identified only the external stakeholders as being disadvantaged and marginalised and possibly, did not consider internal stakeholders. Thus, the **details on special initiatives for the disadvantaged and marginalised stakeholders mostly coincided with their CSR activities.**

- **All companies reported identifying and assessing potential environmental risks and undertaking initiatives on clean, renewable energy and energy efficiency under Principle 6**. Few examples from the sector include the installation of effluent treatment plants, solvent recovery systems, rainwater harvesting systems, energy efficiency in process, air conditioning and lighting, use of renewable energy (wind, solar), etc. However, only one company provided a web link in its response.

- All companies in this sector reported being members of various associations. The most common associations in the healthcare sector are Indian Drug Manufacturers Association (IDMA), Indian Pharmaceutical Association (IPA), Federation of Indian Chambers of Commerce and Industry (FICCI), Confederation of Indian Industry (CII), the Associated Chambers of Commerce and Industry (ASSOCHAM) and Pharmaceutical Export Promotion Council of India (PHARMAEXCIL). **The major areas of advocacy in this sector are public health, promotion of generic medicines, affordable treatment for the disadvantaged sections of society and tariff and taxation issues faced by the healthcare sector.**

- All companies have provided information on the various programmes and initiatives under CSR. Few have CSR programmes specific to the healthcare sector. For example, providing training to doctors and nurses, capacity building of pharmacists, disaster preparedness training for medical staff, etc. Education and literacy enhancement in communities, health and sanitation improvement, healthcare provisions, water resource development, livelihood generation and capacity building, agriculture and livestock development and infrastructure were the main CSR activities undertaken by the sector.

Case study

One of the healthcare sector companies has formed its CSR foundation with an objective of providing support to people in need of healthcare and education. The company has been supporting two NGOs engaged in caring and rehabilitating children and women infected with HIV/AIDS. The company has established a palliative care and training centre which caters to terminally ill cancer patients. The centre has so far benefitted over 7700 such patients. The company also runs a mobile health care unit which provides healthcare services to the poor and disadvantaged within the vicinity of the company premises.

1.58%
Average percentage of PAT spent on CSR.

- All the companies reported having in-house teams to implement the CSR activities. Few companies reported carrying out impact assessments of their CSR initiatives. **The question regarding successful community adoption** was misunderstood by most companies as majority of them described their CSR initiatives. Only one company provided details of how successful adoption of its CSR initiatives was ensured.

- Under Principle 9, none of the companies reported having any pending consumer or customer cases. Majority had procedures in place to conduct consumer surveys and handle consumer complaints.

- Without providing any specific details, four companies confirmed providing information on the labels over and above the mandatory requirements. However, while providing an explanation, most companies referred to providing information as per labelling norms or mandates or standards.

J Power

The sector includes eight companies, out of which four are private sector companies. Seven out of these are engaged in power generation from various energy sources; whereas, one company is involved only in power transmission and related infrastructure development activities. All these companies are of Indian origin.

With a total installed capacity of about 228 GW[22], India is the fifth largest generator of electricity in the world. About 12% of this capacity consists of renewable energy installations. The power sector has witnessed positive growth due to industrial expansion, a rapidly growing population and an increasing penetration in the rural areas, with a rising per capita consumption[23]. The Indian government has targeted a capacity addition of 88.5 GW for the 12th Five Year Plan. Except in nuclear power, this sector allows 100% FDI.

The sector comprises the following companies:

- Adani Power Limited
- Neyveli Lignite Corporation Limited
- NHPC Limited
- NTPC Limited
- Powergrid Corporation of India Limited
- Reliance Infrastructure Limited
- Reliance Power Limited
- Tata Power Company Limited

Material issues identified by companies publishing GRI based sustainability reports:

- Fuel availability
- Water management
- Environment protection

Trends observed in the power sector

- Under Principle 1, most companies reported extending their policies on ethics, human rights and environment to their group companies, JVs, contractors and suppliers and provided response on the receipt and resolution of stakeholder complaints. On an average, 86% stakeholder complaints were reportedly resolved.

- Under Principle 2, **most companies included power generation as the product whose design incorporated social or environmental concerns** and reported on their initiatives to reduce fuel consumption. One company also mentioned renewable energy as the product. While reporting the products, all companies did not report on the social considerations involved in their decision to construct a new power plant (beyond what is mandated as per the law). For example, these included air cooling in regions of water scarcity, not constructing power plants in regions with tribal communities, etc.

- Most companies reported having procedures for sustainable sourcing, including transportation and mentioned their initiatives on enforcing sustainable practices through their contracts. **However, only a few provided the percentage of materials sourced sustainably.**

- All companies reported having local sourcing initiatives. Some initiatives include giving preference to local suppliers (civil contractors and providers of transport vehicles) and hiring local labour. One company also mentioned procuring vegetables, milk and other daily use items from local suppliers, giving opportunities to **women self-help groups** to run canteens and providing livelihood opportunities to the differently abled.

- Most companies reported details pertaining to recycling waste. Major initiatives include waste paper recycling, reusing top soil for reclamation of mined areas, use of fly ash in brick and cement manufacturing and using the water generated during mining in various places. Recycling of products is irrelevant here as electricity is the major product.

- Under Principle 3, most of the companies reported zero complaints. **Most companies provided complete responses with respect to trainings given to employees on safety and skill up-gradation.** On an average, about half the employees are a part of recognised employees associations.

- Under principle 4, all companies reported mapping their internal and external stakeholders and identifying the disadvantaged and vulnerable. Some of the initiatives include special vocational training programmes, priority in engagement for suitable jobs, widow pension scheme, healthcare, education, sanitation and providing livelihood opportunities. All companies, except one, identified only the external stakeholders as being disadvantaged and marginalised and possibly did not consider internal stakeholders. Thus, their special initiatives for disadvantaged and marginalised stakeholders mostly coincided with their CSR activities.

Case study

While identifying disadvantaged and vulnerable stakeholders, one of the companies identified both internal and external ones. The company reported having identified employees with disabilities, SC, ST and women as vulnerable internal stakeholders. The company has a special reservation cell to implement the government directives on reserved category employees. The cell also ensures time-bound resolution of complaints filed by such stakeholders. The company has relaxed certain conditions such as, changing locations, attendance requirements, etc) for its women employees.

- Most companies provided complete responses to Principle 5. Two companies reported on extending their policy on human rights to the group, joint ventures, suppliers, contractors, or NGOs.

- Under Principle 6, the majority reported having strategies or initiatives in place to address global environmental issues as well as issues related to clean energy and energy efficiency. Major initiatives include power generation from renewable energy, residual lifecycle assessment of boilers, adoption of super critical technology and energy efficient lighting. Most reported having identified and assessed potential environmental risks to their operations. However, only few provided web links to their activities.

- Under Principle 7, the majority reported having memberships across various trade associations. The most common associations across the sector are CII, FICCI, SCOPE and Association of Power Producers (APP). **The major areas of advocacy are governance and administration, energy security, economic reforms, inclusive development policies, water and sustainable business principles.**

- Most companies provided information on their various programmes and initiatives under CSR. The major areas of activities are quality education, health and sanitation, water resource development, livelihood generation, agriculture and livestock development and rural infrastructure.

0.68%
Average percentage of PAT spent on CSR.

- Most companies reported implementing the CSR activities through in-house teams in collaboration with external NGOs and conducting an impact assessment of their initiatives. **However, only two companies reported having conducted the impact assessments through independent third parties**. While a majority of the companies reported having ensured a successful adoption of the initiatives in communities by engaging stakeholders in programme planning and implementation, regular informal meetings with the communities and working closely with government officials and panchayat members, a few companies misunderstood the question and provided details of their CSR activities.

- A few companies reported having pending customer cases under Principle 9. About half reported conducting regular customer surveys.

K Telecom and Media

This sector includes five companies, all of Indian origin. Three provide telecom services while the remaining two are engaged in media and broadcasting.

As of March 2013, India is the world's largest telecom market[24]. The telecom sector is largely divided into wireless, fixed line and internet services. The growth in the Indian telecom sector has been largely driven by the reduction in phone prices and affordable tariffs. Indian has about 900 million telecom subscribers, with an additional 25 million internet users. The sector is expected to witness further growth as its rural penetration increases.

The Indian media industry, which largely consists of films, television, radio and print, was a 14.4 billion USD industry in 2010[25]. The entertainment, information and telecom industries have recently witnessed a massive convergence, which has positively impacted all.

The sector comprises the following companies:
- Bharti Airtel Limited
- Idea Cellular Limited
- Reliance Communications Limited
- Sun TV Network Limited
- Zee Entertainment Enterprises Limited

Material issues identified by the Telecom companies publishing GRI based sustainability reports:
- Customer service
- Waste management
- Energy and climate change
- Digital inclusion
- Impacts on communities

Trends observed in the telecom and media sector

- Under Principle 1, half the companies reported extending their policies on ethics, human rights and environment to their group companies, JVs, contractors and suppliers and provided response on the receipt and resolution of stakeholder complaints.

- Under Principle 2, while the telecom companies listed their products which incorporated social and environmental concerns, the media companies did not. Only one telecom company provided details on resource use reduction. The media companies reported that the nature of their business is such that they consume minimal energy.

- All companies reported having sustainable sourcing measures in place but only one company reported the percentage of inputs sourced sustainably. **Most companies did not provide clear responses on sustainable sourcing.** All companies reported having initiatives or programmes for sourcing products from local suppliers and developing their capacities. While all **companies provided details on local sourcing, only the telecom companies** have also provided the initiatives to increase the capacity of the local suppliers or vendors.

- Although the majority provided information on recycling, only a few companies mentioned the percentages of materials and waste recycled. The recycling initiatives reported by the telecom companies pertain to e-waste, batteries and paper.

- Most companies provided complete responses to Principle 3. However, with respect to the training given to employees on safety and skill up-gradation, only a few companies have provided the percentage of employees that underwent trainings. None of the companies reported having any recognised employee association. Additonally, telecom companies have not addressed anything regarding safety measures for workers handling telecom towers or mitigation of harmful EMF radiations.

- **All companies reported mapping their external and internal stakeholders while identifying the disadvantaged, vulnerable and marginalised under Principle 4.** Few companies provided further details on the identified stakeholders. However, the companies identified only the external stakeholders as being disadvantaged and marginalised and did not consider internal stakeholders. Thus, their special initiatives for disadvantaged and marginalised stakeholders mostly coincided with their CSR.

- Under Principle 6, none of the media companies reported having identified potential environmental risks, though they confirmed taking green initiatives in their offices. However, all telecom companies reported identifying and assessing potential environmental risks and undertaking other initiatives on clean, renewable energy and energy efficiency, while also having strategies and initiatives in place to address climate change and global warming related issues. Use of alternate sources of energy (solar, wind, fuel cells, etc) was a common initiative from this sector to combat global warming and climate change.

Case study

One of the companies reported using newly developed high efficiency batteries with renewable energy to reduce fuel consumption.

- Most companies reported that pollution control board norms are not applicable for this sector. However, one of the companies provided information on show cause notices by CPCB and SPCB.

- Under Principle 7, all companies reported on the memberships across various associations. The most common associations across the sector are CII, FICCI, Indian Broadcasting Foundation, Association of Unified Telecom Service Providers of India (ASUPI), Internet Service Providers Association of India (ISPAI), ASSOCHAM and Cellular Operations Associations of India (COAI). **The major area of advocacy in this sector, as reported by the companies was public good.**

- All companies have provided information on the various programmes and initiatives undertaken under CSR. Education, healthcare, sustainable livelihood generation and rural development were the main CSR activities undertaken. All the companies reported having in-house teams to implement CSR activities and about half reported carrying out impact assessments of their initiatives. Two companies also reported engaging external agencies to carry out the impact assessment.

Case study

One of the companies works towards providing an end-to-end education solution for the underprivileged sections. The company runs its own schools in rural areas. The company trains local youth as teachers for the schools and also employs mothers of children as mid-day meal (MDM) vendors, thus, also providing employment opportunities.

- Question 5 under Principle 8 talks about how companies ensure that the initiatives reach the target communities. The media companies did not provide details on this, though they confirmed taking such steps. Most telecom companies provided a description on how successful adoption of the initiatives in communities was ensured. The initiatives included community interactions at all levels of implementation, regular feedback sessions, etc.

0.43%
Average percentage of PAT spent on CSR.

- About half reported having pending customer cases under Principle 9. Most companies also reported conducting regular customer surveys. The media companies reported using television audience measurement (TAM) as a survey tool. Only one company reported providing information on labels over and above the mandatory requirement. Companies have not reported plans of responsible advertising on issues such as tariff rates in their reports.

L Transport Equipment

The sector includes eight companies, five of which are of Indian origin. These companies are engaged in manufacturing automobiles and automotive parts.

India's transport equipment sector is the sixth largest in the world with an annual turnover of 55 billion USD in FY 13 and contributes 6.7% to India's GDP. Prior to the economic crisis of 2008-09, this sector witnessed tremendous growth due to the strong economic growth globally and nationally. Almost all major companies operating in the country had invested in capacity expansion. However, in the previous few years, factors such as rising fuel prices and interest rates, weakening rupee coupled with the economic slowdown lead to a decline in demand. They are now cutting back on production and deferring further expansion plans, which also impacted industries engaged in manufacturing automotive parts.

The sector comprises the following companies:
- Bajaj Auto Limited
- Bosch Limited
- Cummins India Limited
- Exide Industries Limited
- Hero Motocorp Limited
- Mahindra and Mahindra Limited
- Maruti Suzuki India Limited
- Tata Motors Limited

Material issues identified by companies publishing GRI based sustainability reports:
- Fuel efficiency of products
- Occupational health and safety
- Process energy efficiency
- Waste management
- Human rights
- Communities

Trends observed in the transport equipment sector

- Under Principle 1, half the companies reported extending their policies on ethics, human rights and environment to their group companies, JVs, contractors and suppliers and provided response on the receipt and resolution of stakeholder complaints.

- **All companies provided names of products whose design incorporated social or environmental concerns under Principle 2 and provided information on initiatives of resources use reduction.** Alternate fuel vehicles, hybrid vehicles and improved conventional products were commonly mentioned by companies. The resource use reductions were reported under process energy efficiency improvements and new products which lead to lower resource consumption in their use.

- Most companies also reported having mechanisms to recycle products and waste. Although the majority provided information on recycling, **only few mentioned the percentages of materials and waste recycled.** The recycling initiatives reported by the companies include wastewater recycling, recycling of scrap metals, waste heat recovery and recycling of paint sludge.

- The majority reported having sustainable sourcing measures in place and gave details on sustainable sourcing measures. Common measures across the sector include reduction in use and recycling of packaging materials and input materials such as lead (Pb), green procurement guidelines, use of railways instead of roads to transport material and incorporating human rights and governance in the supply chain. However, only a few companies reported the percentage of inputs sourced sustainably.

Case study

One of the companies reported having a 'Green Vendor Development Programme'. The programme disseminates and embeds green practices among suppliers. The company supports its suppliers to implement the programme. More than 130 of the company's suppliers are a part of this programme. Under this program, the company requires its suppliers to adopt a green charter. Approximately 6,000 kilolitres of water and 32 million units of electricity have been saved since its inception.

- The majority reported having initiatives on sourcing products from local suppliers and developing their capacities. **The companies reported having set up processes for developing technological and managerial capacities of the local suppliers.**

- Principle 3 was well reported by the sector. Most companies provided complete responses.

- Under Principle 4, all companies reported mapping their external and internal stakeholders while identifying the disadvantaged, vulnerable and marginalised. Employees and family, local communities and NGOs, suppliers, shareholders and investors, customers and government agencies have been identified as major stakeholders while schedule castes / tribes, migrant and BPL members, differently-abled people and communities near the plant have been identified as the disadvantaged and marginalised. Companies provided details on their special initiatives, mostly coinciding with CSR.

Case study

One of the companies launched a water management program in the rain dependent areas surrounding its plant. These areas were facing acute water shortage. NGOs, the village community and company employees were engaged to increase the capacity of the percolation tank and to enhance the storage capacity of a nearby pond. An abandoned well was also cleared. These initiatives have ensured that there is sufficient water in villages and the agricultural produce has significantly increased. This has, in turn, improved the economic condition of the villages.

- **Principle 5 has also been well reported.** Majority of the companies reported extending their policies on human rights to the group companies, suppliers and contractors.

- **All companies reported identifying and assessing potential environmental risks** and undertaking other initiatives on clean energy, renewable energy and energy efficiency under Principle 6. Few examples from the sector include developing clean fuel vehicles, recycling waste and materials, various industrial energy efficiency measures, switching to low GHG intensive fuels in the plants, etc. All companies also reported having strategies and initiatives in place to address climate change and global warming related issues. Vehicles with improved fuel economy and parts that improve fuel economy of vehicles were the major contributions this sector made to combat global warming and climate change. Few companies reported having initiatives on reducing GHG emissions, reducing water consumption and recycling of materials. About half have made this information public.

1.44%
Average percentage of PAT spent on CSR.

- Under Principle 7, all companies reported on the memberships across various associations. The most common associations across the sector are Society of Indian Automobile Manufacturers (SIAM), The International Society of Automation, CII, ASSOCHAM, FICCI, etc. **The major areas of advocacy are issues pertaining to the automotive sector, inclusive development, energy security, sustainable business principles and the environment.**

- All companies have provided information on the various programmes undertaken under principle 8. Technical skill development, infrastructure development, health programmes, education and vocational trainings were the main CSR activities.

- All companies reported having in-house teams to implement CSR activities. Companies also reported carrying out impact assessments of their initiatives through participatory surveys, feedback from the local community, etc. However, none confirmed involving independent third parties for conducting assessments. **The response to question 5 under Principle 8 was also well presented and all companies described how successful adaptation of the initiatives by communities was ensured.**

- About half reported having pending customer cases under Principle 9. Majority reported conducting regular customer surveys. One company reported conducting mystery shopping exercises across dealer network.

- On product labelling, few companies reported providing information on labels over and above the mandatory requirement. However, their responses only alluded to providing information as per labelling norms.

M Transport Services

This sector comprises of companies engaged in providing goods transportation and cargo handling related services. It includes two companies, both of Indian origin.

The sector comprises the following companies:
- Adani Ports and Special Economic Zone Limited
- Container Corporation of India Limited

Trends observed in the sector

- One company reported extending their policies on ethics, human rights and environment to group companies, JVs, contractors and suppliers. It also gave details of stakeholder complaints and resolution.

- Under Principle 2, both companies confirmed having products which incorporated social and environmental concerns though only one company listed the products. None of the companies provided details on resource use reduction. One of the companies provided information on recycling and also provided the percentage of raw materials and waste recycled. However, they did not provide details of the recycling measures.

- One of the companies confirmed having sustainable sourcing procedures in place, though neither provided any further information on the same. Both the companies reported procuring goods and services from local suppliers. However, no information was provided on capacity building initiatives for local suppliers.

- Under Principle 3, only one company provided the percentage of employees that underwent trainings on safety and skill up-gradation. One of the companies reported having a recognised employee association, with about 80% of the employees as members of the same.

- Under Principle 3, while one company reported extending its policies on human rights to the group companies, suppliers and contractors, the other company reported following the same within its organisational boundary. Only one company provided quantitative data on the number of employees trained on safety and skill-upgradation.

- Under principle 4, both the companies reported mapping their external and internal stakeholders while identifying the disadvantaged, vulnerable and marginalised. However, the companies identified only the external stakeholders as being disadvantaged and marginalised **and did not consider the internal stakeholders.** Thus, their special initiatives mostly coincided with their CSR activities.

- Under Principle 6, both companies reported identifying and assessing potential environmental risks and having strategies and initiatives in place to address climate change and global warming related issues. One of the companies reported having undertaken other initiatives on clean energy, renewable energy and energy efficiency. Energy efficiency measures during crane operations were a common initiative in the sector. Both companies reported reducing diesel consumption in their operations. Although both the companies confirmed assessing potential environmental risks, no further details were provided. **None of the companies provided information on show cause notices by CPCB and SPCB.**

0.99%
Average percentage of PAT spent on CSR.

- Both companies reported on the memberships across various associations. The most common associations across the sector are CII, ASSOCHAM and Gujarat Chamber of Commerce and Industry (GCCI). **One company reported advocating for energy security, inclusive development, food security and sustainable business. The other company reported negative for all areas of advocacy.** None of the companies provided details for the 'other areas of advocacy'.

- Both companies have provided information on their various programmes and initiatives under CSR. Education, community health, water resource development, sustainable livelihood generation and rural infrastructure development were some of them.

- While one company reported having an in-house foundation for its CSR activities, the other company reported conducting the same through external agencies. **All companies in this sector reported carrying out impact assessments of their initiatives.** One company reported engaging external agencies to carry out the impact assessment. While both companies confirmed having taken initiatives, only one company provided further explanation. The initiatives included community involvement at all levels of implementation, regular needs assessment and participatory rural appraisals, etc.

- None of the companies reported having any pending customer cases under Principle 9. Both companies reported having conducted customer surveys.

- Both companies in this sector said that no information is provided on labels over and above the norms.

Footnotes

6 Indian Brand Equity Foundation (http://www.ibef.org/industry/indian-cement-industry-analysis-presentation), accessed on 13/03/2014.
7 Indian Brand Equity Foundation (http://www.ibef.org/industry/banking-snaphot), accessed on 13/03/2014
8 Reserve Bank of India (http://www.rbi.org.in/scripts/BS_SpeechesView.aspx?id=846), accessed on 13/03/2014
9 http://www.cii.in/Sectors.aspx?enc=prvePUj2bdMtgTmvPwvisYH+5EnGjyGXO9hLECvTuNvwUH5MWzEuAiG8dfH+/Z7F, accessed on 13/03/2014
10 http://reports.dionglobal.in/Actionfinadmin/Reports/FDR0108201343.pdf, accessed on 13/03/2014
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12 Indian Brand Equity Foundation (http://www.ibef.org/industry/real-estate-overview), accessed on 13/03/2014
13 Indian Brand Equity Foundation (http://www.ibef.org/industry/information-technology-india.aspx), accessed on 13/03/2014
14 Please note that one company in the sector did not publish its BRR
15 http://www.investindia.gov.in/?q=mining-sector, accessed on 13/03/2014
16 India Brand Equity Foundation (http://www.ibef.org/industry/metals-and-mining-presentation) accessed on 13/03/2014
17 http://petroleum.nic.in/petstat.pdf, accessed on 13/03/2014
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24 India Brand Equity Foundation (http://www.ibef.org/industry/indian-telecommunications-industry-analysis-presentation), accessed on 13/03/2014
25 http://www.investindia.gov.in/?q=media-and-entertainment-sector, accessed on 13/03/2014

Annexure 2: About the IICA-GIZ Business Responsibility Initiative

The IICA-GIZ Business Responsibility Initiative is a bilateral co-operation Project between the Indian Institute of Corporate Affairs (IICA) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

The Project began in 2008 with the objective of developing a "country specific common understanding of Business Responsibility (BR), and to enable the adoption of responsible business practices by companies. Towards this goal, the Project assisted the IICA in developing a multi-stakeholder platform for dialogue and consensus building to achieve a uniform and comprehensive understanding on BR. The success of this platform is reflected in the formulation and release of The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Businesses (NVGs) on July 8, 2011, which was developed under the aegis of this Project.

Subsequently, in 2012, the filing of Business Responsibility Reports alongside Annual Reports, detailing performance on the NVGs was mandated by SEBI for the top 100 listed companies (BSE and NSE).

In its present phase (June 2012- December 2014) the Project is focusing on mainstreaming the NVGs among businesses through advocacy and capacity building programmes for multiplier organizations like business associations, media, B-schools, financial institutions and consumer groups.

Towards this objective of scaling up the adoption of the NVGs the Project is guided by an Expert Group consisting of practitioners and experts in the field from government, business, chambers of commerce, banks, academia, civil society and international development agencies.

About the Partners

GIZ India

The Deutsche GesellschaftfürInternationaleZusammenarbeit (GIZ) GmbH is a federal enterprise wholly owned by the German Government that offers demand-driven and tailor-made services for sustainable development across more than 130 countries. They also support companies, international institutions, private foundations and governments in this respect. GIZ focuses on capacity building for people and organizations, and hand-holding important reform agendas. The organization has been operating in India for more than 60 years, working jointly with many Indian partners almost all states in the country to address issues related to sustainability and inclusive growth. Some of GIZ's key partners in India include various Ministries of Government of India and subordinated authorities, State Departments, Industry Associations, Universities, Other academic and training institutes and NGOs.

IICA

IICA has been established by the Indian Ministry of Corporate Affairs for capacity building and training in various subjects and matters relevant to corporate regulation and governance such as corporate and competition law, accounting and auditing issues, compliance management, corporate governance, business sustainability through environmental sensitivity and social responsibility, e-Governance and enforcement etc.

The Institute has been designed with an eye on the future to provide a platform for dialogue, interaction and partnership between governments, corporate, investors, civil society, professionals, academicians and other stake holders in the emerging 21st century environment.

About PwC

PwC* helps organisations and individuals create the value they're looking for. We're a network of firms in 158 countries with more than 195,000 people who are committed to delivering quality in assurance, tax and advisory services.

PwC India refers to the network of PwC firms in India, having offices in: Ahmedabad, Bangalore, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai and Pune. For more information about PwC India's service offerings, please visit www. pwc.in.

*PwC refers to PwC India and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

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