



STOP



CHILD LABOUR

*School is the best place to work*

**RESPONSIBLE**  
BUSINESS BEHAVIOR  
**FOR CREATING**  
**CHILD LABOUR**  
≡ **FREE ZONE**

**Training Workshop on:  
Responsible Business Behaviour for  
Creating Child Labour Free Zones**

**26-27 March 2018, Delhi, India**

**Organized by the Stop Child Labour India Platform**

## **Report on Training on Responsible Business Behaviour for Creating Child Labour Free Zones**

### **Introduction**

The overall objective of the Stop Child Labour (SCL) coalition is “To eliminate all forms of child labour and have formal, full-time and quality education for all children, crucial to children for accessing their human rights and eradicating poverty. The “Getting Down to Business” programme started in July 2017, and is funded by the Netherlands Ministry of Foreign Affairs. The programme aims that companies and Corporate Social Responsibility (CSR) initiatives include a community-based approach towards getting all children out of work and into formal quality education, in their policies and practices, which is subsequently promoted and strengthened by governments, policy makers and (inter)national organizations.

Throughout the years and especially in the “Out of Work into School” project (2014 – 2017), it is seen that there is an important link between CLFZ projects in SCL-partner countries and CSR activities in the Netherlands and at the international level. This link can be further strengthened. Concrete experiences on the ground demonstrate that it is indeed possible to tackle child labour. These experiences can inspire others to follow the same example and contribute to strengthening and expanding CLFZ. This in turn can encourage companies and CSR initiatives to take effective action in combating child labour throughout supply chains and in specific production areas. SCL can link these companies to local partner organizations willing to work together to achieve effective change.

Throughout the years, SCL has faced new developments and challenges while working in collaboration with companies and CSR initiatives, especially at the field and implementation level of child labour interventions. Several guidelines and tools already exist to make available more information and guidance on working on business and human rights issues in different sectors and supply chains. Stop Child Labour has developed tailor made guiding documents on Cooperating with the private sector in child labour free zones in India and Africa, with practical examples and inspirational stories for all actors to combat child labour.

### **Training on Responsible Business Behaviour for Creating Child Labour Free Zones**

SCL India platform, organized a training in India for all partners and relevant stakeholders, with an intention to share knowledge and experiences on working with companies and CSR initiatives in tackling child labour and getting all children into school. The training intended to have a common understanding of international standards and agreements, to discuss opportunities and challenges, and see what can be done at the field level to create successful collaboration between local organizations (NGOs and trade unions) and companies and CSR initiatives, ideally with support of local government. The SCL India platform envisage that this will enable all participants to identify and implement concrete measures to ban child labour in their own context (at community level, in production and sourcing areas of labour).

The training on Responsible Business Behaviour for Creating Child Labour Free Zones provided an opportunity for Stop Child Labour India platform core team members to build their capacity and knowledge on the topic and also to develop a strategy on joint lobby and advocacy under the “Getting Down to Business” programme.

The main objective of the training is to increase knowledge and capacity of SCL Partner organisations in India to become more aware about different International and national guidelines, legislations, tools and best practices on how to work together with companies and CSR initiatives on eliminating child labour from production and supply chains.

Sub-objectives:

- To share experiences with SCL partners (and other NGOs and Labour Unions) in India on child labour interventions in different production areas;

- To train participants on child labour definitions, different interventions and how to engage and collaborate with companies and CSR initiatives on a community based approach and Child Labour Free Zones (CLFZ);
- To draw plans with SCL platform members to coordinate the different activities and develop lobby and advocacy strategies to get the community based and CLFZ approach more embedded in India.

The training was held in New Delhi and was organised by the Stop Child Labour – India Platform lead by ICCo. Representatives from BWI, Manjari, MV Foundation, SAVE, UPGSSS, Gramya, Visthar, ICCo and SCL Global Coalition were present in the training. Representatives from Teachers' Union and Humana People to People India were invited but were not present at the training.

The SCL – India Platform also explored the possibilities of getting representation from other stakeholders like Dutch Embassy, ILO and UNICEF for the training, who could not attend the training.

## **Stop Child Labour Programme**

*Akky de Kort, Technical Advisor, Stop Child Labour Coalition*

'Stop Child Labour – School is the best place to work' (SCL) is a coalition coordinated by Hivos. The coalition consists of the Algemene Onderwijsbond (AOB), Mondiaal FNV, Hivos, the India Committee of the Netherlands (ICN), Kerk in Actie & ICCO Cooperation, Stichting Kinderpostzegels Nederland.

The programme has been in existence since the year 2003. Stop Child Labour endeavours to involve as many stakeholders as possible in the fight against child labour. Stop Child Labour insist that Governments, businesses, unions, local, national and international organisations and citizens can – and should – all be part of the solution and urge all stakeholders to play their due role.

Stop Child Labour believes that no child should be working. All children have the right to a good education, the right to play and the right to enjoy their childhood and child labour means that poverty continues to exist. Eradicating child labour will lead to development and better opportunities for everyone.

## **Getting Down to Business Programme**

Stop Child Labour Coalition is implementing the "Getting Down to Business" Programme in Mali, Uganda and India from July 2017 to July 2019. The programme aims to work with the Companies and CSR initiatives to include a community-based approach towards getting all children out of work and into formal quality education in their policies and practices, which is subsequently promoted and strengthened by governments, policymakers and (inter)national organizations.

*For more details, refer annexure 1*

## **Responsible Business with Human Rights Perspective**

*Dinesh Agrawal, Independent Professional and former General Manager in NTPC*

Mr. Agrawal started the discussion by sharing his vast experiences from his different professional engagements with corporates. He opined that the old corporate view making profit beyond ensuring the rights of human beings are not more accepted in the wake of stricter law enforcement and sensitized community. He also added that the corporates are also engaged in addressing the environmental issues along with their efforts to ensure human rights.

Human rights are rights inherent to all human beings, whatever our nationality, place of residence, sex, national or ethnic origin, colour, religion, language, or any other status. All human beings are

equally entitled to our human rights without discrimination and these rights are interrelated, interdependent and indivisible.

He discoursed that it is important to engage with corporates to change their mind-set, as responsible business does not simply mean complying with laws of the state but to reach beyond that. The discussion in the session included human rights and various measures to ensure them (universal declaration of human rights, UN conventions on human rights, ILO conventions on human rights, Constitution of India), UN Guiding Principles on Business and Human Rights, Sustainable Development Goals, National Voluntary Guidelines and Business Responsibility Reporting etc. Some of the important discussions are outlined below (for detailed reading, please refer to the presentations in the annexure).

Mr. Agrawal discussed the characteristics of Human Rights with reference to the Universal Declaration of Human Rights and Constitution of India.

These deliberations led to a detailed discussion on the responsible business behaviour by drawing the deliberations on different frameworks to ensure responsible business. It started with mentioning the Ten Principles of the UN Global Compact. Mr. Agrawal started the discourse by stating that both larger and smaller companies have responsibilities on ensuring human rights while doing their business, however larger companies have more power and responsibilities on alleviating human rights violations in the course of doing their business. He also opined that it is important to see how the state and businesses complement each other in discourse of Responsible Business Behaviour.

It is argued that by incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

*For more details, refer annexure 2*

## **Working with the private sector on Child Labour - Regulatory frameworks in India**

*Shankar Venkateswaran, Former Chief of Tata Sustainability Group*

During the session, Mr. Venkateswaran discussed about CSR and the Companies Act, Businesses' understanding of child rights and Businesses' potential to support child rights. The session was coupled with his experiences in working in different corporate entities and the theoretical explanations.

Mr. Venkateswaran mentioned to the participants that corporates have hesitance with understanding of the social concepts and the discussions with them should start by keeping this fact in mind.

Mr. Venkateswaran also discussed activities and expenses that are not coming under the purview of CSR as per the rule.

The resource person opined that working with companies is an advocacy agenda and not fund raising activity. This could positively influence the major portion of the business activity. Businesses have potential to support child labour agenda is through the 2% CSR. However NGOs can influence the 98%, e.g. on worksite, construction sites, supply chain improvements to ensure human rights by engaging with companies to build their policies.

*For more details, refer annexure 3*

## **Outcome of the Workshop**

1. The participants of the training learnt about different national and international legal frameworks and covenants which guide the responsible business behavior.

2. Perspective of the companies on responsible business. Experiences of the resource persons who were part of the large CSR initiatives in India helped the participants to understand the dynamics of the companies when it comes to responsible business.
3. The need for concentrating on the core business than the CSR initiatives. The resource persons, from their experiences gave insight to the participants that, alliances like SCL should focus on the 98% of the business - core business and not on the 2% (corporate social responsibility)
4. Experience sharing of the partner organisations helped the new partners to understand the dynamics and also to get introduced to the strategies followed at different sectors by different partner organisations.
5. Draw and review plans of partner organisations and the SCL Platform in implementing Getting Down to Business programme in India.

### **Experiences - SCL Platform Partners**

SAVE, while sharing their experience, focused on the importance of involving different stakeholders in addressing the issue of child labour in the textile industry. They have emphasized the importance of working together with the trade unions, government institutions, household units, MSMEs, companies and export associations to promote responsible business behaviour. SAVE is engaging with different international textile brands to promote a child labour free supply chain in the industry. The experiences says that the companies acknowledge that there are child labour in some of the factories which makes them to take string stands against child labour in their supply chain and works actively against it.

UPGSSS at the same time works with the footwear and leather industry in Agra. They engage with the local contractors, elected representatives, local leaders, factory owners, associations like factory owners' association and merchant association, different government departments in addressing the issue of child labour in the footwear and leather industry. They are involved in different dialogue processes with various policy makers and company representatives for working together for promotion of child labour free supply chain in the industry. UPGSSS is also involved in different campaigns for ensuring rights of the children and also of the workers in different sectors, namely, brick kilns, construction industry and stone quarries in the state.

MV Foundation, as the pioneers in addressing the child labour issues in the country and as forerunners of the child labour free zone programme, has travelled further in their experiences. MV Foundation is engaged in many advocacy initiatives and engaging with different other NGOs in the country. The core of the MV Foundation's interventions and strategies is the involvement of various stakeholders by leaving no one behind. MVF is also involved in different capacity building of government personnel, NGOs and other stakeholders in addressing the issue of child labour.

UPKNMS/BWI is working towards creation of child labour free zones in Rajasthan. They engage with different players in the industry to the bigger forums like state level industry fora or FICCI. They believe in working closely with the government and allied institutions and engaging with political parties in addressing the issue of child labour. The industry forums initiated by BWI is spreading to other states sharing information with different stakeholders. These joint actions contribute towards ensuring the rights of the labourers and also ensures elimination of child labour in the areas of intervention.

Manjari through the state forum for natural stones reach out to various stakeholders in the industry. The interventions of Manjari, is not limited to elimination of child labour from the natural stone industry but also addressing the factors contributing towards child labour in the industry. Manjari focuses on the overall development of the child starting from vaccination to education. Manjari works closely with the exports, suppliers and government institutions and the same helps them in ensuring rights of not only children but the workforce in the industry and assist them in accessing various welfare schemes.

The common experience of the SCL Platform members and the feedback from the previous phase of the SCL programme shows that it is comparatively easy to work with the international companies while addressing the issue of child labour as they found it easy to influence the suppliers and manufactures through the companies. The partners opined that the challenge is to work with the domestic market as the regulations are not followed strictly and there is no external pressure to follow specific standards. The common feeling of the group was that there should be specific and industry - wise strategies for addressing this issue as the strategies that the partners are currently using may not suffice to engage with the stakeholders in the domestic market/supply chain.

### **Action Plan GDtB project- SCL Platform**

The core team of the Stop Child Labour Platform discussed the action plan for the Platform for the rest of the intervention period. The members of the core team felt that the Platform has got limited resources to engage actively in different intervention like it did in the previous phase. Considering the good intervention the SCL Platform did in the previous phase, with the support from the partner organisations, the members felt that a lot can still be done. The members opined that the Platform should continue to be a facilitator for capacitating the Platform members on different topics which may help them in addressing the issue of child labour more effectively. The Platform can also act as a networking group to engage with different other alliances and organisations in combating child labour in the country. One important task the Platform proposed to undertake is engaging with elected representatives, especially MPs and MLAs but not limited to them. The Platform through its partners can engage with local elected representatives also. It is also discussed that the Platform should follow up the existing child labour free zones and explore the opportunities for strengthening them.

Proposed interventions of the SCL India Platform are listed below;

1. Capacity Building

Two capacity building programmes to be organised before June 2019. The first one is proposed to be on different legislations related to children and capacitating the partners on how to use legal measures for protection of child rights. This will be organised in September 2018. The second capacity building programme will be finalised during the core team meeting in September 2018.

2. Networking

As mentioned above the Platform proposed to have meetings with different elected representatives. This has to be done considering the upcoming general elections in the country in 2019. The Platform, through its members, is proposed to have dialogues with members of parliament to include elimination of child labour in their agenda. These proposed engagement is to be done in the rest of the intervention period.

3. Strengthening

The Platform will intervene with the partner organisations to provide support in strengthening the existing child labour free zones created in the previous phase. This will be done in collaboration with other members in the Platform.

4. Research

Discussion have been done with the partner organisation on possible topics. The same will be finalised towards the end of 2018. This will be mostly a desk research. The suggestion put forward in the last meeting was to conduct a study which would help the partners in understanding the local players/brands and their response to the issue of child labour. The topic is broad in nature and needs further discussions with the partner organisations and the same will be done in the next core team meeting scheduled in September 2018.

5. Exchange Visits

The Platform will facilitate exchange visits for the new members of the Platform. It is mentioned that the partners from the previous phase had the opportunity to have exchange

visits and it is important that the new partners also get the same avenues for development. Priority will be given to new partners in exchange visit where the older partners will host the new partners at their organisations for exchange visit.

### **Conclusion and way forward**

The training gave insight to the partners not only on different policies, legislations and covenants but also experiences of the resources persons who worked with larger private and public companies in the CSR initiatives and foundations. The training imparted more practical information than theoretical knowledge. Participants could easily connect the challenges that they have faced with the perspectives of the companies shared by the experienced resource persons.

Participants understood the need for working with the core business of the companies to develop the responsible business behaviour than working with small components of Corporate Social Responsibility. The participants appreciated the practical knowledge shared with them and how the same may help them engaging with the companies in the GDtB Programme.

It is decided to have two follow up trainings. The first one is proposed in November (29-30) on Lobby and Advocacy Techniques, Engaging with companies and other stakeholders.

Secondly, a Round Table of companies involved in the GDtB will be organised on the last quarter of the project period (April - June 2019) for sharing experience from the implementing partners and also the companies.

The expenses of these two programmes will be covered from the remaining money from the budget of the Business and Human Rights Training.

Enclosures:

*Annexure 1 - Stop Child Labour Programme*

*Annexure 2 - Responsible Business with Human Rights Perspective*

*Annexure 3 - Working with the private sector on Child Labour - Regulatory Frameworks in India*



## Photographs from the Training



## Annexure 1

### Stop Child Labour Programme

Akky de Kort, Technical Advisor /Business & Human Rights, Stop Child Labour Coalition

Akky de Kort is the Technical Advisor to the Stop Child Labour Coalition. Her expertise is in human rights and social issues that hampers the well-being of people. Her focus is on children who need special care and protection to grow up in a peaceful world where they can utilize their full potential. She is experienced in engagement in child rights issues in development countries where she has been working with local and international organizations in different capacities in several countries.

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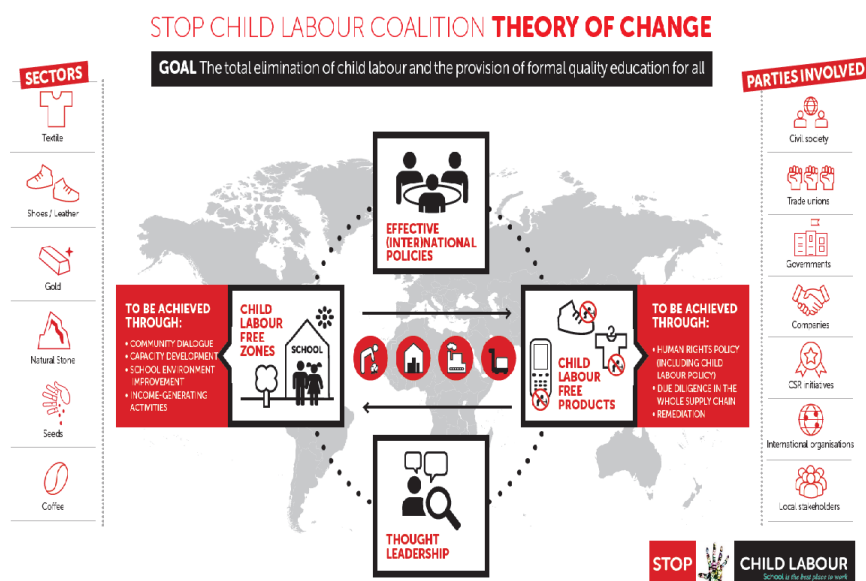
The programme has been in existence since the year 2003. Stop Child Labour endeavours to involve as many stakeholders as possible in the fight against child labour. Stop Child labour insist that Governments, businesses, unions, local, national and international organisations and citizens can – and should – all be part of the solution and urge all stakeholders to play their due role.

Stop Child Labour believes that no child should be working. All children have the right to a good education, the right to play and the right to enjoy their childhood and child labour means that poverty continues to exist. Eradicating child labour will lead to development and better opportunities for everyone.

Stop Child Labour programme is working towards promoting the following,

- Conscious consumption - Sensitization and Ensuring that the products consumed are child labour free.
- Corporate social responsibility - Holding business accountable to respect human dignity and responsible use of resources and the environment.
- Policies and regulation - Ensuring that international policies that prohibit and protect children from child labour are observed

Theory of Change - Stop Child Labour Coalition

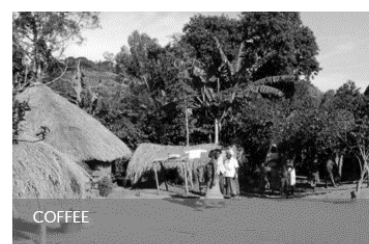
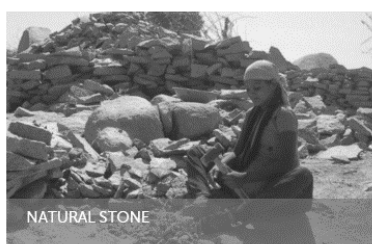


Stop Child Labour advocates for good formal education for children and a decent income for adults. Stop Child Labour Coalition cooperate with local organizations in Asia, Africa and Latin America that are committed to getting all children out of work and into school. The Coalition promotes the area-based approach to create Child Labour Free Zones (CLFZ) - areas where the inhabitants are convinced that child labour should be eliminated and are prepared to take the necessary steps to get all children out of work and into school.

The Coalition advocates for a comprehensive approach to child labour throughout the supply chain. By shifting the focus to eliminating child labour from the entire supply chain, it is possible to create supply chains that are truly child labour free and where companies are committed to preventing and eliminating child labour.

Stop Child Labour takes a sector-wide approach and cooperates with governments and local organisations where possible. To create supply chains that are free from child labour it may be useful and effective for companies to contribute to and be part of the area-based approach creating child labour free zones. This way the companies' actions are better embedded in the chain and are reinforced by systemic change at local level.

Presently, Stop Child Labour Programme works towards eliminating child labour in the following sectors:



#### Milestones - Stop Child Labour Programme

- 2003 Start Stop Child Labour – School is the best place to work
- 2004 International Conference in Hyderabad, India
- 2004 Capacity building, exchange meetings, field visits (ongoing)
- 2010 Global Child Labour Conference in The Hague
- 2013 International Conference in Uganda - Kampala Declaration
- 2013 Regional Conference in Nicaragua - Managua Declaration
- 2013 Global Child Labour Conference in Brazil
- 2015 CLFZ Handbook
- 2016 CLFZ Evaluation
- 2017 Guiding documents on engagement with companies (India, Africa)
- 2017 Evaluation of Out of Work and into School project with focus on companies

Phase one of the SCL programme was focused on campaigns for awareness raising on the need for eliminating child labour and development education in the European Union whereas phase two of the SCL programme extended world-wide by promoting creation of Child Labour Free Zones. The phase two of the programme also focuses on engaging with CSR and companies for engaging in eliminating child labour from their supply chain and public campaigning for mobilizing companies and government.

Stop Child Labour continues to engage with new strategic partners and develop knowledge and best practices. This includes,

- Documentation of experiences (concrete examples of successful action)
- Monitoring and evaluation (critical reflection and learning for improving SCL strategies)
- Research on the incidence of child labour in specific sectors
- Campaigning and constructive dialogue with relevant stakeholders
- Strategic partnerships with companies and CSR initiatives for eliminating child labour
- Looking for new solutions to persistent problems

### **Getting Down to Business Programme**

Stop Child Labour Coalition is implementing Getting Down to Business Programme in Mali, Uganda and India from July 2017 to July 2019. The program aims to work with the Companies and CSR initiatives to include a community-based approach towards getting all children out of work and into formal quality education in their policies and practices, which is subsequently promoted and strengthened by governments, policymakers and (inter)national organizations.

This programme builds on the results of the programme 'Out of Work and into School: Joint efforts towards creating child labour free zones' (2014 – 2017) and focuses specifically on changing policies and practices of international and national companies and CSR initiatives towards including a community-based approach towards the elimination of child labour. Efforts to realize this include linking companies and CSR initiatives to existing child labour free zone (CLFZ) projects and/or supporting them in setting up community-based projects in collaboration with Stop Child Labour (SCL) local partners. Another element of this programme will be engaging and convincing key stakeholders of the value of the CLFZ and community-based approach in order to increase pressure on companies, CSR initiatives and other relevant actors to change their policies and practices.

The Stop Child Labour coalition aims to achieve the objective of this program in two interlinked ways:

- Working towards good quality formal education for all girls and boys and decent work for adults, particularly by promoting a community-based approach towards the creation of child labour free zones.
- Working towards child labour free supply chains and sectors (coffee, vegetable seeds, gold, garment/textiles, footwear and natural stone) by engaging and collaborating with businesses and CSR initiatives and other relevant stakeholders.

## Annexure 2

### Responsible Business with Human Rights Perspective

*Dinesh Agrawal, Independent Professional and former General Manager in NTPC*

*Dinesh Agrawal is an independent professional and former General Manager in NTPC, with more than 39 years of experience in the areas of Sustainability, Business Excellence, Corporate Social Responsibility, Resettlement & Rehabilitation and land acquisition etc.*

*His area of expertise includes Stakeholder engagement, negotiation & conflict resolution, Social & Environmental Impact Assessment, Socio Economic and Need Assessment Survey, training and capacity building, CSR and Sustainability.*

*He provided leadership for formulating Standards on “Social Accountability at Workplace” & “Guidance on Good Governance” for Bureau of Indian Standard, “National Voluntary Guidelines on Economic, Social and Environmental Responsibilities of Business” and “National Policy on Rehabilitation & Resettlement” for Government of India.*

Mr. Agrawal started the discussion by sharing his vast experiences from his different professional engagements with corporates. He opined that the old corporate view making profit beyond ensuring the rights of human beings are not more accepted in the wake of stricter law enforcement and sensitized community. He also added that the corporates are also engaged in addressing the environmental issues along with their efforts to ensure human rights.

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He discoursed that it is important to engage with corporates to change their mind-set, as responsible business does not simply mean complying with laws of the state but to reach beyond that. The discussion in the session included Human rights and various measures to ensure them (universal declaration of human rights, UN conventions on human rights, ILO conventions on human rights, Constitution of India), UN Guiding Principles on Business and Human Rights, Sustainable Development Goals, National Voluntary Guidelines and Business Responsibility Reporting etc. Some of the important discussions are outlined below (for detailed reading, please refer to the presentations in the annexure).

Characteristics of Human Rights were discussed with the group are as follows:

- Inherent – Human Rights are inherent (they are not granted by any person or authority.)
- Fundamental – Human Rights are fundamental rights because without them, the life and dignity of man will be meaningless.
- Inalienable – Human Rights are inalienable because:
  - They cannot be rightfully taken away from a free individual.
  - They cannot be given away or be forfeited.
- Imprescriptible – Human Rights do not prescribe and cannot be lost even if man fails to use or assert them, even by a long passage of time.
- Indivisible – Human Rights are not capable of being divided. They cannot be denied even when other rights have already been enjoyed.
- Universal – Human Rights are universal in application and they apply irrespective of one's origin, status, or condition or place where one lives. Human rights are enforceable without national border.
- Interdependent – Human Rights are interdependent because the fulfillment or exercise of one cannot be had without the realization of the other.

## Universal Declaration of Human Rights

On 10 December 1948, the General Assembly of the United Nations adopted and proclaimed the Universal Declaration of Human Rights as under:-

“All human beings are born with equal and inalienable rights and fundamental freedoms.”

“The United Nations is committed to upholding, promoting, and protecting the human rights of every individual. This commitment stems from the United Nations Charter, which reaffirms the faith of the peoples of the world in fundamental human rights and in the dignity and worth of the human person.”

## Constitution of India

The Constitution of India ensure Fundamental rights of the country and the fundamental rights are defined as the basic human rights of all citizens as mentioned below.

- Right to Equality
- Right to Freedom
- Right against Exploitation
- Right to Freedom of Religion
- Cultural and Educational Rights
- Right to Constitutional Remedies

## The Ten Principles of the United Nations Global Compact

The Ten Principles of the United Nations Global Compact are derived from the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

The ten principles are as follows:

### Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

### Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

### Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



## UN Guiding Principle on Business and human Rights

The UN Guiding Principles Reporting Framework is the world's first comprehensive guidance for companies to report on how they respect human rights.

International human rights treaties generally do not impose direct legal obligations on business enterprises. Therefore, it is the duty of States to translate their international human rights law obligations into domestic law and provide for their enforcement.

The UN Guiding Principles launched in 2015 make clear that where national laws fall below the standard of internationally recognized human rights, companies should respect the higher standard; and where national laws conflict with those standards, companies should seek ways to honour the principles of those standards within the bounds of national law. Depending on the circumstances of their operations, companies may need to consider additional human rights standards in order to ensure that they respect the human rights of people who may be disadvantaged, marginalized or excluded from society (such as children, women, indigenous peoples, people belonging to ethnic or other minorities, or persons with disabilities).

### Three Pillars of UNGP

1. The State's duty to protect human rights against abuse by third parties, including business, through appropriate policies, legislation, regulations and adjudication;
2. The corporate responsibility to respect human rights, meaning to act with due diligence to avoid infringing on the rights of others and address adverse impacts with which they are involved;
3. The need for greater access to effective remedy, both judicial and non-judicial, for victims of business-related human rights abuse

### Benefits and opportunities for companies

- Improved risk management with less chance of business disruptions, public campaigns and criticism, litigation, reputational harm, and harm to employee retention and recruitment;
- Greater access to business opportunities with governments, financiers and business customers and buyers, who increasingly recognize the reduced risk to themselves
- Positive recognition, including from socially responsible investors;
- Improved relationships with workers, communities and other stakeholders in societies, resulting in greater trust and a stronger social license to operate;
- Improved ability to preserve their reputation when negative impacts occur

### The corporate responsibility to respect human rights

Human rights impacts linked to companies' activities and business relationships do not typically occur because companies intend or wish them to happen. The corporate responsibility to respect human rights, as set out in the second pillar of the Guiding Principles, is a standard of conduct for companies. The Guiding Principles make clear that companies should have in place:

- A statement of their policy commitment to respect human rights;
- A human rights due diligence process to:
  - o assess their actual and potential human rights impacts;
  - o integrate the findings and take action to prevent or mitigate potential impacts;
  - o track their performance;
  - o communicate their performance;
- Processes to provide or enable remedy to those harmed, in the event that the company causes or contributes to a negative impact.

## Key Features of the Corporate Responsibility to Respect Human Rights

- The responsibility relates explicitly to the risks to human rights that can result from companies' activities and business relationships.
- Identifying and addressing human rights risks effectively requires an understanding of the perspectives of those who may be impacted.
- The responsibility to respect human rights applies across the company's own activities and to its business relationships.
- The responsibility to respect human rights is distinct from a company's efforts to support or promote human rights.

Implementing the corporate responsibility to respect human rights takes time. Moreover, for many companies, the nature of human rights risks associated with their operations, products or services will change over time, as their operating contexts, activities and business relationships change.

## The Sustainable Development Goals

The group also mentioned briefly about Sustainable Development Goals. The Sustainable Development Goals (SDGs), otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

These 17 Goals build on the successes of the Millennium Development Goals, while including new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, among other priorities. The goals are interconnected – often the key to success on one will involve tackling issues more commonly associated with another.



The SDGs work in the spirit of partnership and pragmatism to make the right choices now to improve life, in a sustainable way, for future generations. They provide clear guidelines and targets for all countries to adopt in accordance with their own priorities and the environmental challenges of the world at large. The SDGs are an inclusive agenda. They tackle the root causes of poverty and unite us together to make a positive change for both people and planet. The SDGs promise significant economic rewards for companies that invest in delivering innovative solutions and transformative change.



## National Voluntary Guidelines

National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) is a unique framework made by the Government of India that offers a principle based approach for companies to create a positive impact on people and planet while staying competitive and profitable.

The Ministry of Corporate Affairs had released Voluntary Guidelines on CSR in 2009 as the first step towards mainstreaming the concept of Business Responsibilities. Keeping in view the feedback from stakeholders, it was decided to revise the same with a more comprehensive set of guidelines that encompasses social, environmental and economical responsibilities of business.

The National Voluntary Guidelines are a set of nine principles that act as a guide for companies to follow a 'responsible business conduct' in the Indian context. They are:

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: Businesses 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

The Guidelines are applicable to all such entities, and are intended to be adopted by them comprehensively, as they raise the bar in a manner that makes their value-creating operations sustainable. It needs to be emphasized that all Principles are equally important and non-divisible – this implies that if a business endeavours to function responsibly, it would have to adopt each of the nine (9) principles in their entirety rather than picking and choosing what might suit them.

There was a discussion on the relevant principle (5) that says; Businesses should respect and promote human rights. The principle recognizes that human rights are the codification and agreement of what it means to treat others with dignity and respect. Over the decades, these have evolved under the headings of civil, political, economic, cultural and social rights. This holistic and widely agreed nature of human rights offers a practical and legitimate framework for business leaders seeking to manage risks, seize business opportunities and compete in a responsible fashion.

Core elements of the principle says that:

1. Businesses should understand the human rights content of the Constitution of India, national laws and policies and the content of International Bill of Human Rights. Businesses should appreciate that human rights are inherent, universal, indivisible and interdependent in nature
2. Businesses should integrate respect for human rights in management systems, in particular through assessing and managing human rights impacts of operations, and ensuring all individuals impacted by the business have access to grievance mechanisms.

3. Businesses should recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups.
4. Businesses should (within their sphere of influence), promote the awareness and realization of human rights across their value chain.
5. Businesses should not be complicit with human rights abuses by a third party

#### National Voluntary Guidelines Principle 5 and SDG Alignment

The resource person also highlighted the alignment between the national voluntary guidelines and relevant sustainable development goals with the participants.

#### Goal 5: Achieve gender equality and empower all women and girls

Gender rights, within the overall context of human rights, can be mapped to this principle.

#### Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all

Core Element 3 urges businesses to recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups. This links to the overall principle of decent work for all and specifically to targets to end modern slavery and human trafficking et al.

#### Goal 16: Promote just, peaceful and inclusive societies

This principle aligns with the Goal 16 target of (a) removing exploitative arrangements within society and (b) reducing violence.

Mr. Agrawal also discussed The Business Action Plan for Integrating Human Rights in Business Strategy and Process and mentioned some of the corporates who have framed human right policies in addition to the applicable law. The six steps for integrating Human rights into business include:

1. Management Commitment – strong policy to ensure human rights
2. Assessment – assess the risk, due diligence
3. Strategize – develop strategy, allocate resources
4. Plan and Implement – decide the indicators
5. Monitoring and Review – monitor, measure, learn and refine
6. Communicate

Instances of companies who have framed human rights policies in addition to the state law are, ITC, Monsanto, PepsiCo, Tata Power and Vedanta.

### **Annexure 3**

#### **Working with the private sector on Child Labour - Regulatory frameworks in India**

*Shankar Venkateswaran*

*Shankar Venkateswaran was chief of Tata Sustainability Group with the responsibility of driving group-level initiatives in the sustainability space, and guiding Tata Sons and the group companies on sustainability and corporate responsibility initiatives. Before joining Tata Sons, Mr. Venkateswaran was with PricewaterhouseCoopers (PwC) India as director, sustainability.*

*Mr. Venkateswaran started his career at AF Ferguson & Co and moved on to the corporate sustainability and CSR sector as chief executive of Partners in Change. He has also served as executive director, India, of the American India Foundation, and director of sustainability and as director in the sustainability and climate change practice of PwC.*

*He is one of the leading thinkers and speakers in the areas of sustainability and corporate responsibility. Mr. Venkateswaran has held board positions at Mobile Crèche, Srijan, ActionAid India, ActionAid Ghana, and Tata Chemicals Society for Rural Development, Tata Power Community Development Trust and Aatapi Trust. He was also a member of the guidelines drafting committee for the National Voluntary Guidelines for responsible business.*

During the session, Mr. Venkateswaran discussed about CSR and the Companies Act, Businesses' understanding of child rights and Businesses' potential to support child rights. The session was coupled with his experiences in working in different corporate entities and the theoretical explanations.

Mr. Venkateswaran mentioned to the participants that corporates have hesitance with understanding of the social concepts and the discussions with them should start by keeping this fact in mind.

What does the Companies Act actually say about CSR?

The companies on whom the provisions of the CSR shall be applicable are contained in Sub Section 1 of Section 135 of the Companies Act, 2013. As per the said section, the companies having Net worth of INR 500 crore (5 Billion) or more; or Turnover of INR 1000 crore (10 Billion) or more; or Net Profit of INR 5 crore (50 Million) or more during any financial year shall be required to constitute a Corporate Social Responsibility Committee of the Board "hereinafter CSR Committee" with effect from 1st April, 2014.

All such companies shall spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

Roles of Board and CSR Committee

##### **Board**

- Approve CSR Policy
- Ensure implementation of CSR policy
- Disclose the contents of CSR policy in the Board report
- Ensure CSR spending amounting to at least 2%

##### **CSR Committee**

- Formulate CSR policy
- Recommend activities to be undertaken as specified in schedule vii
- Recommend the amount of expenditure to be incurred
- Monitor CSR Policy from time to time

#### CSR - Activities and expenses under Schedule VII

1. Eradicating hunger, poverty, malnutrition; promoting health and sanitation
2. Promotion of education and employment enhancing vocational skills and livelihoods covering children, women, the disabled, elderly
3. Promoting gender equality, supporting orphans, senior citizens, socially and economically backward groups
4. Ensuring environment sustainability – flora, fauna, natural resources, quality of soil, air and water
5. Protection of national heritage, art and culture
6. Measures benefiting armed forces veterans, war widows
7. Rural sports, Paralympics, Olympics etc.
8. Contributions to PM Relief Fund
9. Technology incubators
10. Rural development projects
11. Slum area development
12. Eradicating hunger, poverty, malnutrition; promoting health and sanitation
13. Promotion of education and employment enhancing vocational skills and livelihoods covering children, women, the disabled, elderly
14. Promoting gender equality, supporting orphans, senior citizens, socially and economically backward groups
15. Ensuring environment sustainability – flora, fauna, natural resources, quality of soil, air and water

Mr. Venkateswaran also discussed activities and expenses that are not coming under the purview of CSR as per the rule. They are:

- Activities that ONLY benefit employees and their families
- One-off events such as sponsorships, awards, charitable contributions
- Expenses undertaken to comply with any other law e.g. Land Acquisition Act, Mining Act etc.
- Contributions to political parties
- Activities in pursuance of “normal course of business”
- Any in-kind contributions