

# **BUSINESS RESPONSIBILITY REPORTING IN INDIA:**

## Disclosures and Practices

February 2018

# **Business Responsibility Reporting**



## PREFACE

World over, the past decade has seen increase in the demand for transparency & accountability from the Companies and especially listed corporates. Investors and stakeholders have demanded that business must be run responsibly. Such demands translate into need for enhanced corporate governance and ethical conduct on behalf of the Company and broader disclosures such as sustainability reporting which includes not only environment but also social and financial aspects, in addition to exiting disclosure on financial parameters etc. Sustainability reporting is latest addition to disclosures in Indian markets. Sustainability is defined as “The ability to continue over a particular period of time” by the Cambridge dictionary. Surmising the definition in the context of Corporate Sustainability we can infer that Sustainability Reporting is a means for the stakeholder to gauge the ability of the Company to deliver and continue over a period of time, where focus is on stakeholder not on shareholders alone.

Companies no longer operate for the sole purpose of financial results for shareholders since their actions and activities have an effect over a plethora of stakeholder and so they cannot neglect them anymore. Companies would perform better only when the society in totality values their contribution to the well-being of all members of the society and not shareholders alone. In the coming decades the future profit and growth of the corporates will be defined by how well they respond to global challenges such as resource scarcity, population growth and climate change. The first step towards this direction is to create sustainable products and services. So, to take their first step the companies will have to work in the backyard to understand the impact of their current products and services on the stakeholders of the Company so that they can prepare for future.

Sustainability Reporting will primarily help the companies in achieving their objective of realising and reporting on the actions of the Company and their initiatives for each stakeholder. If the industry follows a certain set of guidelines for reporting on the non-financial parameters just like financial parameters comparison with peers would become possible and will benefit the companies and stakeholder in understanding the vision and future steps to be taken by the Company to fulfil the vision. The National Voluntary Guidelines published by Ministry of Corporate Affairs in 2012 and followed by the mandate on top 100 listed companies to publish Business Responsibility Report by SEBI were the tipping point in India on reporting of Sustainable Development by the Corporates in India.

The aim of conducting the present study was to analyse and study the disclosure practices among the top 100 listed companies in India. The study showed that not only the top 100 listed companies were following the mandate of publishing a Business Responsibility Report but almost 50% of the companies covered in the study were voluntarily publishing Sustainability Report in globally accepted guidelines published by Global Reporting Initiatives and International Integrated Reporting Council. This only led us to believe that the Indian Corporates were moving towards a more globally acceptable sustainable disclosure practices than meeting the bare minimum requirement of publishing the mandated Business Responsibility Reporting. Encouraged by experience SEBI has extended this mandate to 500 companies.

The study had concluded that all companies met the required mandate of publishing the Business Responsibility Reporting, however, the Indian framework of sustainability reporting can now move towards a more comprehensive and vast disclosure such as the globally accepted frameworks since more than 50% are voluntarily moving forwards in this direction.

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## EXECUTIVE SUMMARY OF THE STUDY

### Objective

- To assess and compare the Disclosure practices of Top 100 Listed Companies Business Responsibility Report (BRR) for FY 2015-16 and FY 2016-17 as mandated by SEBI.
- To compare the BRR of the top 100 companies with regards to certain disclosures.

BRR, as per the template prescribed by SEBI in its circular, is divided into five sections. The study has captured mostly quantitative data, which is either straight forward quantitative or which can be quantified and data from polar questions from the BRR of the sample companies, for the purpose of a comparative analysis amongst them and comparison of answers between the sample companies for FY 15-16 and FY 16-17.

**Reporting Framework-** As per the SEBI Circular the Companies have option to publish BRR in the framework prescribed by SEBI or publish a Sustainability Report in internationally accepted reporting framework (GRI or IRRC) along with mapping of the principles of BR enlisted in the SEBI circular.

Based on analysis and comparison of reports of sample 100 companies over two-year period, the findings are given in the Report and a summary of Report is presented hereunder.

- Almost 90% of the sample companies had provided BRR in format of SEBI in FY 15-16 and FY 16-17.
- 40 companies in both FYs had provided Sustainability Report along with providing a full BRR.
- 3 companies provided Sustainability Report with mapping of BR principles in both FYs.

Barring a few, BRR report of all companies were complete when compared with the SEBI prescribed framework.

- In terms of compliance with requirement of providing BRR, all companies were compliant.
- In terms of completeness of the report, approximately 95% of the companies had complied with the format prescribed in terms of completeness of information reported.
- Sustainability Report was unavailable on websites of 35% of companies in FY 16-17 and 4% of the companies in FY 15-16 which have stated that they have published a Sustainability Report. Indicating delay in uploading the Report on website by most companies, if 2015-16 data is taken into account.

**Assurance Statement of the Report-** SEBI does not mandate companies publishing BRR to seek an assurance statement for the disclosures in their BRR. Internationally although not mandated by GRI G4 reporting framework, GRI advises companies to provide an assurance for their Sustainability Report.

- In FY 16-17, approximately 85% of the Companies which had published Sustainability Report provided an assurance statement which was an improvement over FY 15-16, where 83% had provided assurance statement.

The report has captured certain Data from each Section of the BRR. The summary of the Report is also presented Section-wise:

### Section A- General Information about the Company

Under this Section Companies disclose information regarding the identity of the Company and hence the data is not comparable under this section.

### Section B- Financial Details of the Company.

Under this Section, companies are required to disclose Financial Details such as PAT, total turnover, paid up



capital etc. Further, the Companies are required to disclose the expenditure on CSR initiatives and sectors of expenditure. The details of CSR are also covered under Section E: Principle 8. The observations of the study relating to CSR are disclosed under Section E: Principle 8.

### **Section C-** Participation of other entities in BR initiatives of the Company.

- Around 70% of the companies had provided answer to the question in FY 16-17 and FY 15-16.
- However, the question required companies to disclose the % of participation of other entities in BR initiatives of the Company and only 25% (approx.) of the companies in both the years had provided response in percentage.
- Although 70% of the Companies provided answer, however, a much lesser % provided answer in terms of percentage participation.
- Answers of many companies were either less than 30% or more than 60%, and therefore it does not communicate any conclusive information as less than 30% can mean anything between 0-30% and more than 60% can mean anything between 60-100%.
- Based on disclosures of 100 companies, it is felt that SEBI should provide a more detailed guideline for the companies to answer the question so that the answers are meaningful and comparable between companies.

**Section D-** Assessment of the disclosure on the policies for the 9 principles along with disclosures on implementation and framing of the policies. Each principle is divided into 10 questions/ information regarding its implementation, audit/ evaluation, approval etc.

The study analysed the disclosure of the companies under this question and assigned 1 mark for each answer making maximum score to 90.

- It was observed that scores of 53 companies in FY 16-17 and 47 companies in FY 15-16 were in the range of 80-90. Implying that these companies did answer positively to most questions under the Section.
- While there was an improvement in the top end of spectrum of scoring companies, however, at the bottom end there was deterioration as two companies in FY 16-17 and 1 in FY 15-16 had a score which was below 40.

Further, the study also analysed the response of the Companies to the question 1 “*If there was a policy for P1 to P9?*” From the responses it was observed that

- All companies had disclosed data under this question. Improvement was noticed in performance as in FY 16-17 all companies had framed a policy on P1, P3 and P8 as against on P1 and P3 in FY 15-16.
- Further, 95% of the companies had framed a policy for all principles except for Principle 7. Among all the principles, P7 “*Principle on public advocacy*” had the least number of companies which had framed a specific policy.

The study has also analysed the responses of the Company on the question “*Does the company have specified committee of the Board/ Directors/ official to oversee implementation of the policy?*” From the data collected it was observed that

- for policy on P1, P3 and P8 all companies had framed a policy as well as had a specified committee to oversee the implementation.
- However, in case of policy on P2, P5 and P9 all the companies that had framed a policy on these principles, five companies did not have a committee to oversee its implementation.

**Section E- Principle wise performance.**

- **Principle 1-** Disclosure on applicability of policy relating to ethics, bribery and corruption was applicable to the Company only or to its Group/ Joint Ventures/ Suppliers etc. The responses to this question could not be quantified. However, the responses of the Company are depicted in the extract of the sample company in Annexure 1. Further, for the study data was also collected on stakeholder complaints received during the year and pending at the end of Financial Year. However, the data was not comparable since under Stakeholder Complaints the disclosure of companies varied. Companies had disclosed either one of Consumer Complaints, Ethical Complaints, shareholder grievances, whistle blower complaints or two or more of these types of complaints. Stakeholder in itself has a wide connotation and includes shareholders, consumers, suppliers, employees and environment. Therefore, for clarity SEBI must issue clear guidelines on the disclosure under this question.
- **Principle 2-** Disclosure on sustainable sourcing was analysed. Companies are required to disclose the percentage of inputs that were sustainably sourced along with details of procedures adopted.
  - o Less than 10% of the sample companies had disclosed the percentage of input that were sustainably sourced in both FY 15-16 and FY 16-17.
  - o Although, 70 companies in both FYs had disclosed details of procedures adopted for sustainable sourcing. Disclosure on procedure was far more evident than disclosures on percentage of inputs that were sustainably sourced.

Further, data was also collected on responses of the Company on mechanism to recycle/ reuse products/ waste.

- o The trend of disclosing abstract rather than the quantitative assessment extended for responses disclosed by sample companies under this question as well. 70 companies in both FYs disclosed details of mechanisms to recycle/ reuse adopted by the Company.
- o However, only 33 of the 70 companies in both FYs disclosed the percentage of products/ waste that was recycled and reused.
- **Principle 3-** Disclosure on percentage of women employees and percentage of employees with disability from the total permanent employees.
  - o Data shows that companies in IT and Banking Sector (barring a few) had more women employees as compared to any other sector in both FY 15-16 and FY 16-17.
  - o In more than 50% of the sample companies, women as part of the total permanent employees consisted of less than 10% in both FY 15-16 and FY 16-17.
  - o Similarly, maximum % of participation of disabled employees to total employees was observed in Bharat Electronics Limited. Most companies that had above average participation of disabled employees were PSUs and PSBs in both FY 15-16 and FY 16-17.
  - o Within the private sector, the participation of disabled employees is still not widely prevalent. Tata Consultancy had the highest number of disabled employees at 655 in 2015-16, which came down to 625 in FY 16-17.

Companies are also required to disclose complaints of Sexual Harassment, Child Labour and Discriminatory employment under Principle 3.

- o No complaints were reported complaints on Child Labour and Discriminatory Employment in FY 15-16 and FY 16-17.

- o Highest complaints of sexual harassment were reported in banking and IT sector. However, maximum participation of women is also observed in these sectors. From the complaints reported compared to the number of women employees, it was observed that maximum 0.43% of women employees in a Company had reported of sexual harassment complaints. Further the percentage has decreased 0.56% in from FY 14-15 to 0.43% in FY 16-17.
- **Principle 4-** Companies were required to disclose if they had mapped their internal and external stakeholder.
  - o Except two companies in FY 15-16 and FY 16-17 all companies had mapped their internal and external stakeholders.
  - o Further, companies were required to disclose if they had identified stakeholder which are vulnerable, marginalised and disadvantaged. 90% companies had responded to the question.
  - o Data was also collected on special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. The same has been disclosed in the extract for the companies under Annexure 1.
- **Principle 6-** Disclosure of identified environmental risks.
  - o Almost 90% of the companies had stated that they have identified environmental risk.  
Further, company's response to the question *"Does the company have any project related to Clean Development Mechanism"* were also analysed.
  - o Only 50 companies from the sample stated that they have projects related to clean development mechanism.
- **Principle 8-** Inclusive Development. For the purpose of analysis on initiatives of inclusive development data on the expenditure on Corporate Social Responsibility initiatives by the companies was gathered.
  - o In FY 16-17 more than 50% of the companies from the sample spent the mandated 2% expenditure of the net average profit of last 3 financial years on CSR initiatives. The number of compliant companies increased every year from FY 14-15 to FY 16-17.  
  
CSR expenditure initiatives were classified under several categories such as Health, Sanitation & Social Empowerment, Women Empowerment, Education Vocational Training & Livelihood, Rural Development Environmental Sustainability & Disaster management. Expenditure by each company was then segregated based on the sectors above and the data gathered was analysed to identify the sectors on which most and least expenditure was incurred.
  - o It was observed that companies spent most on Health and Sanitation & Social Empowerment and Education, Livelihood and Vocational Training. Least expenditure was incurred on women empowerment in both FYs.
- **Principle 9-** Companies are required to disclose data on consumer cases and customer complaints received during the financial year and pending at the end of FY. However, the data could not be compared as the companies either disclosed consumer cases or customer complaints or both in case of few companies. The data captured is disclosed under the extract of BRR report of each Company under Annexure 1.  
Data was also collected on whether the companies conduct a consumer survey or evaluate consumer feedback.
  - o 85 companies from the sample carried out a consumer survey in FY 16-17 as compared to 83 companies in FY 2015-16.

## Summary of PART B

Under Part B of the study, a comparison was made on the disclosures under the GRI G4 Guidelines with the disclosure under BRR. From the comparison of disclosure under both the guidelines it is evident that the GRI-G4 guidelines are far more comprehensive and encompassing in terms of the content of the required disclosures as compared to the BRR format provided by SEBI. The disclosures under GRI G4 are split in 2 parts- General Standard Disclosures and Specific Standard Disclosures. GRI reporting provides reporting framework which is sector specific also. However, similar option is not available in BRR. Since sustainability reporting and initiatives to work towards a sustainable development are not similar in all sectors, reporting requirement shall also be different. SEBI mandated questions are to be answered by all companies. However, one size does not fit all and so the mandated questions should be tweaked as per the sectors so that higher transparency and disclosures are observed in the reporting companies.

However, from the study it can be stated that India Inc is progressively moving towards the goal of Sustainable Development by requiring the Companies to disclose the efforts made by them. Further, many companies have also not just published BRR but have also published a more comprehensive Sustainability Report based on international reporting framework such as GRI and IIRC. Therefore, it can be concluded that most of the companies are now transparent about their initiatives as they are disclosing not just the mandated report but taking a step further and disclosing a much more comprehensive report.

**Areas of improvement-** On the objective evaluation of the answers, it was observed that not all responses were to the point on the questions. Some questions were answered in detail, while in case of others, the answers were short & incomplete. Policies on certain principles such as ethics and bribery, inclusive development were framed by all companies while formulation of specific policy on public advocacy was still to be adhered to by many companies.



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**PART A- BUSINESS RESPONSIBILITY REPORTING  
DISCLOSURE PRACTICES IN THE TOP 100 LISTED  
COMPANIES- FINDINGS AND ANALYSIS**

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## **PART A- BUSINESS RESPONSIBILITY REPORTING DISCLOSURE PRACTICES IN THE TOP 100 LISTED COMPANIES- FINDINGS AND ANALYSIS**

*In a free enterprise, the community is not just another stakeholder in business, but is in fact the very purpose of its existence.*  
– JN TATA

*Sustainability reporting is a process that assists organizations in understanding the linkage between sustainability and the organization's plans and strategy; goal setting, performance measurement and management of change towards a sustainable global economy. Sustainability is a concept that combines profitability with social responsibility and environmental care. In essence, sustainability report is the organization's views and vision on the most critical (or material) aspects of the organization's economic, social and environmental impacts and the relation of those with its performance.<sup>1</sup>*

In today's world, focus has moved towards Stakeholders and companies can no longer care for shareholders alone. Therefore, all forward looking companies are progressively recognising and working towards conducting the business responsibly and in a sustainable manner and are increasingly conscious of their responsibility towards the society at large. As companies do not work in isolation and are dependent on environment and eco-system, it is in their own interest that they tend towards the socio-economic ecosystem and environment from which they benefit, and which are integral to their survival and growth. Today's enterprises are not only accountable to their shareholders for revenue and profitability but also accountable for running the business responsibly keeping in focus sustainability of their business operations and welfare of all stakeholders. One can say that all of us are tenants of nature, having a duty to protect the planet in the shape we received it and hand it over to future generation at least in the same state, if not better, as we got it.

To what extent an enterprise is fulfilling its obligation to all stakeholders including society at large, environment and eco-system is intended to be reflected in the Sustainability Report that has been prescribed. World over nudged by the regulators, governments and stakeholders, the Companies have progressed to Sustainability Reporting thus giving information about the environmental, social and governance performance.

For ensuring completeness and standard of reporting various regulatory as well as voluntary organisations have created a framework under which, companies should make disclosures about policies related to Environmental, Social and Governance (ESG) factors and steps taken by them for implementing the policies by following the standards.

### **Business Responsibility Report (BRR)-SEBI Mandate**

BRR as a tool for sustainability reporting is of recent origin in India, Securities and Exchange Board of India (SEBI), Regulator for the securities market in India, vide its Circular dated 13th August 2012 mandated top 100 listed Companies, based on their market capitalisation, to submit a Business Responsibility Report (BRR or BR Report). BRR, owes its origin to focus and attention that investors, regulatory organisations and stakeholders were paying to Environmental, Social and Governance factors. India as a nation has attracted lot of attention and has gained prominence in international arena in last decade. Hence, India can no longer afford to remain insulated from global developments and to remain a preferred investment destination it must follow International developments and if possible do better.

### **HISTORICAL EVOLUTION OF SUSTAINABILITY REPORTING, BIRTH OF GLOBAL REPORTING INITIATIVES (GRI) & INTERNATIONAL INTEGRATED REPORTING COUNCIL (IIRC)**

Corporate Sustainability reporting has roots of its origin in Environmental Report, which were published mostly by

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<sup>1</sup> Global Reporting Initiative- Research and Development Series; <https://www.globalreporting.org/resource/library/GRI-Assurance.pdf>



chemical industry in 1980's. Non-financial reporting such as CSR and sustainability reporting however, is a fairly recent trend which has gained prominence in the last two decades.

The Global Responsibility Initiative's Sustainability Reporting Standards (GRI Standards) were the first and most widely adopted global standards for sustainability reporting. Global Responsibility Initiative (GRI) was founded in Boston, USA and its roots lie in the US non-profit organizations: The Coalition for Environmentally Responsible Economies (CERES) and the Tellus Institute. Former CERES Executive Director Dr. Robert Massie and acting Chief Executive Dr. Allen White pioneered a framework for environmental reporting in the early 1990s, and as a result, the Global Reporting Initiative project department was set up in 1997 in order to develop the framework. The United Nations Environment Programme (UNEP) was also involved in the establishment of GRI.

GRI is an independent international organisation that has developed a globally acceptable reporting framework for publishing Sustainability Report. The GRI Sustainability Guidelines facilitate companies' worldwide to disclose the sustainability performance of the Company in a similar manner in which companies disclose the financial performance of the company.

GRI Sustainability Reporting Standard (GRI Standard), the most recent guidelines on Sustainability Reporting by GRI was launched in October 2016. These guidelines were preceded by GRI's G4, the fourth generation of the Guidelines, which was launched in May 2013. The GRI Standards will be required for all reports or other materials published on or after 1 July 2018 – the G4 Guidelines remain available until this date.

GRI Guidelines are framed in a way that enable business or other organisations in assessing their impact on various issues such as, climate change, human rights, employee wellbeing, ethics and governance. The guidelines are updated so as to provide the stakeholder and companies with more relevant and credible sustainability report, by focussing on topics which are material to the Company's business and their key stakeholder.

The GRI website states that *"By using the GRI Guidelines, reporting organizations disclose their most critical impacts – be they positive or negative – on the environment, society and the economy. They can generate reliable, relevant and standardized information with which to assess opportunities and risks, and enable more informed decision-making – both within the business and among its stakeholders."* Further the GRI also states that *"G4 is designed to be universally applicable to all organizations of all types and sectors, large and small, across the world."*

An introduction to G4 states that *"G4 includes references to other widely recognized frameworks, and is designed as a consolidated framework for reporting performance against different codes and norms for sustainability. This includes harmonization with other important global frameworks, including the OECD Guidelines for Multinational Enterprises, the UN Global Compact Principles, and the UN Guiding Principles on Business and Human Rights."*

This enables the stakeholders to compare the sustainability report of company and its peer within the industry hence, providing enhanced information to stakeholders to make more informed decisions. GRI guidelines are an initiative which have created a more effective reporting method in sustainability reporting so that the companies can compare their results from year to year and among themselves. Although not mandatory, as many as 46 companies in FY 15-16 and 41 companies in FY 2016-17 from the top listed 100 companies in India had disclosed a sustainability report as per the GRI guidelines.

The GRI guidelines are presented in 2 parts

Part 1: Reporting principles and Standard Disclosures. The guidelines also contain criteria to be applied by the organisation to prepare its report in accordance with the guidelines

Part 2: Implementation manual, contains reporting and interpretative guidance that an organization should consult when preparing its sustainability report.

Wherever required the GRI has also incorporated principles enunciated and has harmonized guidelines with United Nations Global Compact's Ten Principles, 2000; the OECD's Guidelines for Multinational Enterprises, 2011; and the UN's Guiding Principles on Business and Human Rights, 2011.

## **IIRC INTEGRATED REPORTING**

The next step towards a more comprehensive reporting to shareholders and stakeholders led to the evolution of Integrated Reporting framework from the International Integrated Reporting Council (IIRC).

IIRC is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs. Together, this coalition shares the view that communication about value creation should be the next step in the evolution of corporate reporting<sup>2</sup>

Integrated reporting focuses on the ability of an organization to create value in the short, medium and long term, and in so doing it:

- Has a combined emphasis on conciseness, strategic focus and future orientation, the connectivity of information and the capitals and their interdependencies
- Emphasizes the importance of integrated thinking within the organization.<sup>3</sup>

Few Indian companies started following IIRC reporting on voluntary basis. It was observed that from the top 100 listed companies, 5 companies in FY 2016-17 and 2 companies in FY 2015-16 had prepared an Integrated Report as per the IIRC prescribed framework. 4 companies from the 5 who prepared in Integrated Report in FY 2016-17 also provided a mapping of the GRI guidelines along with the integrated report.

With the growing importance of disclosure of non-financial information to take a well-informed decision, SEBI in its circular dated 6th February 2017 has stated

*“It has been observed that certain listed entities in India and other jurisdictions have been making disclosures by following the principles of integrated reporting. Towards the objective of improving disclosure standards, in consultation with industry bodies and stock exchanges, the listed entities are advised to adhere to the following:*

- Integrated Reporting may be adopted on a voluntary basis from the financial year 2017-18 by top 500 companies which are required to prepare BRR.*
- The information related to Integrated Reporting may be provided in the annual report separately or by incorporating in Management Discussion & Analysis or by preparing a separate report (annual report prepared as per IR framework).”*

## **REGULATORY INITIATIVES OF SUSTAINABILITY REPORTING IN INDIA- Precursor to BRR**

In line with global developments, Ministry of Corporate Affairs in July 2011 published ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business.’ (NVG) The guideline consists of ‘9 Principles’ which should be adopted by the Companies as part of their business practices. These guidelines contain comprehensive principles to be adopted by companies as part of their business practices and a structured business responsibility reporting format requiring certain specified disclosures, demonstrating the steps taken by companies to implement the said principles.<sup>4</sup> These disclosure under NVG were voluntary for listed companies from financial year 2011-12.

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<sup>2</sup> The International <IR> Framework, Page 1- About the IIRC, <https://integratedreporting.org/wp-content/uploads/2013/12/13-12-08-THE-INTERNATIONAL-IR-FRAMEWORK-2-1.pdf>

<sup>3</sup> The International <IR> Framework, Page 2- About the Integrated Reporting, <https://integratedreporting.org/wp-content/uploads/2013/12/13-12-08-THE-INTERNATIONAL-IR-FRAMEWORK-2-1.pdf>

<sup>4</sup> SEBI Circular No. CIR/CFD/CMD/10/2015 dated 4th November 2015,

In consonance with the NVG, SEBI, vide its Circular dated 13th August 2012 (hereinafter referred to as “SEBI Circular”) mandated top 100 listed Companies, based on their market capitalisation, to submit a Business Responsibility Report (hereinafter referred to as “BRR” or “BR Report”). The provisions of this circular were applicable with effect from financial year ending on or after December 31, 2012. The objective for Business Responsibility Report is disclosure of responsible business practices adopted by listed companies to its stakeholders. The disclosure required under the Business Responsibility Report are based on the principles which were enunciated first under the NVG.

The Regulation 34(2)(f) of the SEBI (Listing Obligation and Disclosure Requirement) 2015 required that the top 100 listed Company as per Market Cap (calculated on 31 March every year) publish a Business Responsibility Report. SEBI further amended the Regulation to extend the obligation to top **500** listed companies, which was effective from 1st April 2016.

Failure to provide a Business Responsibility Report by those companies which are mandated to provide the report can be construed as non-compliance with Clause 34 of the SEBI (Listing Obligation and Disclosure Requirement).

In the same circular SEBI had also proposed a framework for BRR in form of a template which is divided in four major sections viz. General Information of the Company, Financial Details, Business responsibility information and Principle wise performance of the Company. The format is helpful in comparing information captured in the Business Responsibility Report of the Companies.

### THE NINE PRINCIPLES OF BRR ENUNCIATED UNDER THE SEBI CIRCULAR

Disclosures in Business Responsibility Report as prescribed by SEBI have been divided into ‘9 Principles’. The 9 Principles, which were first notified under the NVG by Ministry of Corporate Affairs, form the basis to assess compliance with Environment, Social and Economic norms and are as below:

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

**Principle 2: Product Life-Cycle Sustainability:** *Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle*

**Principle 3: Employees’ Well-being:** *Businesses should promote the wellbeing of all employees*

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

**Principle 5: Human Rights:** *Businesses should respect and promote human rights*

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

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

**Principle 8: Inclusive Growth:** *Businesses should support inclusive growth and equitable development*

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

The principles are generic in nature and are applicable to all companies which are mandated to disclose a Business Responsibility Report have to answer to all the questions on the 9 principles. The questions are laid out in the template prescribed by SEBI. Annexure 3.

## **PRESENT STUDY**

There is an increasing awareness among Stakeholders, especially institutional shareholders, not only about the financial but also non-financial disclosure by the companies. It is no wonder that realising the need and importance of conducting business with responsibility that SEBI has also mandated and provided a format for disclosures on various principles elaborated under Business Responsibility Report. This dictate from SEBI on one hand facilitates and sets minimum requirement of disclosures regarding the BR initiatives of the Company, on the other hand gives freedom to the Company to disclose more and follow more rigorous disclosure regime. The template provided by SEBI enables stakeholders in comparing disclosures of different companies on non-financial parameters such as Environmental, Social and Governance issues. In nutshell, BRR enables investors and other stakeholders to evaluate companies on ESG parameters.

This Compendium is in three parts A, B & C:

### **PART A- Analysis of disclosures under Business Responsibility Report**

The aim of the present study is to assess and prepare a comparative of the disclosure practices with respect to Business Responsibility Report of the sample companies. The study compares the **level of disclosures** in the BR Reports of the **Sample Companies** in terms of **completeness** and **comprehensiveness**. The Report highlights best practices of disclosure across sample companies as also highlights any shortcomings noticed. In addition, report also covers comparative of disclosure between two consecutive years for sample companies.

#### **Sample companies & sample size for the Compendium, Analysis & findings:**

The study summarises and compares the disclosures in BRR report of the top 100 listed companies in FY 15-16 with disclosures in FY 16-17. As per SEBI mandate, the top 100 listed companies on NSE as on 31st March 2015 were required to publish BRR for 2015-16. Similarly, the top 100 listed companies calculated on 31st March of each year were required to publish a Business Responsibility Report as per the SEBI circular. For the purpose of comparison between FY 2015-16 & 2016-17, the same companies have been retained in the sample regardless of their ranking among top 100 companies.

**Annexure 1-** Compendium comprising of 100 sample companies and an extract of disclosures in their respective BR report. Available on CD.

### **PART B- Comparison of disclosure requirement under SEBI reporting framework vis a vis the Global Reporting Initiative**

The Report also provides a comparison of the disclosure requirements in the Domestic Regulation (SEBI) vis-à-vis GRI – G4 Sustainability Reporting guidelines.

**Annexure 2-** Comparison of General Disclosures under GRI framework with disclosure requirement within the domestic regulations. The study has compared the disclosure requirement under the GRI-G4 guidelines with that of disclosure requirement under BR Report as prescribed by SEBI. The Comparison has also covered disclosure which are mandated under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 (LODR).

### **PART C- Business Responsibility Reporting (BRR)- best practices guide**

Based on the Responses of the questions in the BR template provided by SEBI from the sample companies a best practices guide has been compiled. The best response included in the guide were identified based on answers/ disclosures by sample companies which were informative, clear and accurate. This guide provides one or few of the best identified answers/ presentation only as a guidance on disclosure practices among the sample companies.

### SOURCE

The data for the Study has been obtained from the Business Responsibility Reports as published on the website of the Sample Companies or in the Annual Reports of the sample companies for the financial years 2016-2017/ 2016 and 2015-2016/ 2015 and Sustainability reports if any published by the Sample Companies. Data on corporate social responsibility initiatives undertaken by the Companies has been also obtained from the annexure on CSR published with the Director's Report in the respective Annual Reports of the Sample Companies for FY 2016-2017/ 2016, 2015-2016/ 2015 and 2014-15/ 2014.

### METHODOLOGY AND SCOPE OF THE STUDY

BR Report, as per the template prescribed by SEBI in its circular on BRR, has been divided into five sections. The study has acquired mostly quantitative data, which is either straight forward quantitative or which can be quantified and data from polar questions from the BRR of the sample companies for the purpose of a comparative analysis amongst the them and comparison of answers between the sample companies for FY 15-16 and FY 16-17.

While tabulation has been done for both Qualitative and Quantitative data, the findings in Part A- Analysis of Disclosures Under Business Responsibility Report are mainly restricted to objective data such as Yes/No answers and quantitative data as disclosed by the Company in Business Responsibility report and Annual Report. Comparative analysis of subjective or qualitative data in BR Report and Annual Report is not a part of study to avoid any subjectivity of analysis.

However, we have analysed the qualitative data for the purpose of Part C- Business Responsibility Report Best Practices Guide (BPG) of this study. The BPG has been prepared with an objective of guiding the report makers with the most comprehensive answers termed as best answers, which were found to be most informative and were presented in the most reader friendly manner.

The following information (Section Wise) has been captured for the purposes of analysis for this report:

- **Section A- General Information of the Company-** This section contains information and data about the reporting Company. The data relates to identity of the company hence no comparison can be made. Further, all companies have provided the data.
- **Section B- Financial Details of the Company-** This section requires disclosure about the financial details of the Company and the CSR expenditure. All the Companies have provided this information adequately in their respective BRRs. Further, data on the CSR expenditure is also covered in the annexure to director's report. The data on CSR expenditure, reasons for not spending and sectors of CSR expenditure is also collected for purpose of analysis.
- **Section C Information of BR Initiatives of subsidiary companies and other entities.** For the purpose of the study the quantitative data on percentage of participation of other entities in the BR initiatives of the Company is collected and analysed.
- **Section D covers information on the policies under each principle.** Further, the section has questions regarding formation of the policy, link to view the policy and its implementation. The following information has been collected from this section for the analysis:
  - o Details of compliance- Principle-wise BR Policy/policies- (Reply in Y/N)
  - o Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report?
  - o Frequency with which the Board of Directors, Committee of the Board or CEO assess BR performance of the Company.
- **Section E covers disclosure on all the 9 principles.** From this section the following information has been collected for the purpose of analysis:

**o Principle 1: Conduct, Governance, Ethics, Transparency and Accountability**

§ Disclosure regarding Stakeholder complaints received in the past financial year and what percentage was satisfactorily resolved?

**o Principle 2: Safety and Optimal Resource Utilisation across Product Lifecycle**

§ Does the company have procedures in place for sustainable sourcing? If yes, what percentage of your inputs was sourced sustainably

§ Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste.

**o Principle 3: Employee Wellbeing**

§ % of women employees as part of the total permanent employees

§ Disclosure on permanent employees with disabilities

§ Does the Company have an employee association that is recognized by management? What percentage of the permanent employees are members of this recognized employee association?

§ Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

**o Principle 4: Engaging Stakeholder**

§ Has the company mapped its internal and external stakeholders? Yes/No

§ Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders

**o Principle 6: Nurturing the Environment**

§ Does the company identify and assess potential environmental risks? Y/N

§ Does the company have any project related to Clean Development Mechanism?

**o Principle 8: Supporting Inclusive Development**

§ Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

§ Has the Company done any impact assessment of their initiative?

**o Principle 9: Providing Customer Value**

§ What percentage of customer complaints/consumer cases are pending as on the end of financial year?

§ Did the company carry out any consumer survey/ consumer satisfaction trends?

**• Corporate Social Responsibility (CSR)**

CSR is an integral part of Responsible Business. Recognising this fact, the Report has also analysed CSR efforts of the companies using data on expenditure on CSR initiatives by companies in sample.

Section 135 (5) of Companies Act 2013 states as under:

*“(5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy”*

The report has captured the amount of CSR expenditure incurred by the Company and whether the Company has spent the prescribed amount as per Section 135 (5) or not.



## FINDINGS

### REPORTING FRAMEWORK

SEBI through its Circular has mandated as under:

- o “As per clause (f) of sub regulation (2) of regulation 34 of Listing Regulations, the annual report shall contain a business responsibility report describing the initiatives taken by the listed entity from an environmental, social and governance perspective, in the format as specified by the Board. Accordingly, listed entities shall be guided by the format as per Annexure I”
- o “Those listed entities which have been submitting sustainability reports to overseas regulatory agencies/ stakeholders based on internationally accepted reporting frameworks need not prepare a separate report for the purpose of these guidelines but only furnish the same to their stakeholders along with the details of the framework under which their BR Report has been prepared and a mapping of the principles contained in these guidelines to the disclosures made in their sustainability reports.”

Therefore, companies have freedom to publish a BR report as follows:

- Either publish a Business Responsibility Report guided by the SEBI prescribed Format.
- Or, if the Companies are publishing a Sustainability Report based on internationally accepted reporting framework then they do not prepare a separate BR report. However, to bring uniformity, these companies have to furnish the sustainability report along with the mapping of principles of BR principles as described in the SEBI circular. This was to ensure that minimum information as mandated by SEBI was made available by all companies.

Some companies which have opted to publish reports in format other than SEBI prescribed Format, they have published Sustainability Report following either GRI or IIRC guidelines.

Table# 1 below depicts the framework of reporting adopted by the sample companies. The sample size is top 100 listed companies as on 31st March 2015, which were mandated to publish BRR for FY 15-16. For the purpose of comparison between two financial years, sample companies have remained same regardless of their ranking among top 100 companies. However, during FY 16-17 Cairn India Ltd merged with Vedanta Ltd and thus the sample size for FY 16-17 was 99 companies.

Table 1: Disclosures of BR Reports and Sustainability Report in FY 16-17 and FY 15-16

Reporting type	FY 16-17	FY 15-16
BRR in SEBI template	50	50
BBR in SEBI template & Sustainability report	40	41
Sustainability Report with mapping of BR principles <sup>A</sup>	4	3
Sustainability report, mapping of BR principles not provided <sup>B</sup>	1	1
Incomplete BR report in SEBI template- <sup>C</sup>	4	5
<b>Total Sample</b>	<b>99</b>	<b>100</b>

A

FY 2016-17	FY 2015-16
Coal India Ltd	Coal India Ltd
ITC Ltd	HCL Technologies Ltd
Reliance Industries Ltd	ITC Ltd
State Bank of India	

**Note:**

- o HCL has provided full BRR in SEBI format along with a Sustainability Report as per GRI guidelines as well.
- o State Bank of India and Reliance Industries Ltd had provided a BRR in FY 15-16 as per SEBI format, however, in FY 16-17 they have provided a Sustainability Report along with mapping of principles of BRR.
- B Tata Steel Ltd has provided an Integrated Report based on IIRC guidelines. The Company has stated “*The Company has also provided the requisite mapping of principles between the Integrated Report, the Global Reporting Initiative (‘GRI’) and the Business Responsibility Report as prescribed by SEBI. The same is available on the website [www.tatasteel.com](http://www.tatasteel.com).*” However, the same was not available on the website.

C

FY 2016-17	FY 2015-16
Bajaj Auto Ltd	Bajaj Auto Ltd
Housing Development Finance Corporation Ltd.(HDFC)	HDFC Ltd
ITC Ltd	ITC Ltd
Titan Industries Ltd	Titan Industries Ltd
	Tata Power Ltd

**Note:**

- o Bajaj Auto Ltd, HDFC Ltd, ITC Ltd and Titan Industries Ltd had furnished BR reports which were not complete as per the SEBI prescribed template. Answers for certain questions or certain section of the BR template are found missing in the BR reports of these companies. Tata Power Ltd. had not provide complete BRR in 2015-16, however in year 2016-17 it provided complete BRR.
- o Further, Hindalco Industries Ltd published a Sustainability Report and BR Report as part of the Annual Report for FY 16-17 and FY 15-16. However, the BR Report published was not complete as per the SEBI BR template. The Company further stated that “*The mapping of these principles to the disclosures are contained in the Sustainability Report 2016-17 accessible at [www.hindalco.com](http://www.hindalco.com).*” However, Sustainability Report on the website was unavailable for both FY 15-16 and FY 16-17. The last available Sustainability Report is for FY 2014-15.

The following are the observations on the format of reporting:

- In 2015-16, out of sample 100 companies 91 had prepared BRR in SEBI format. This number reduced to 90 in 2016-17 as Cairn India which had prepared BRR in SEBI format got merged with Vedanta Ltd. Of these, 41 had prepared sustainability report in addition to BRR, indicating extra effort/ disclosures made by these companies.

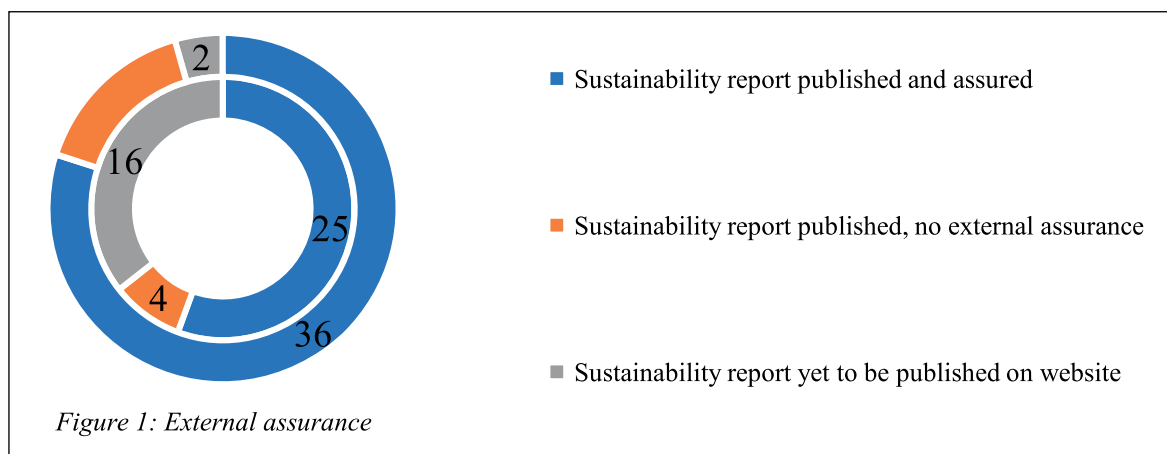
## EXTERNAL ASSURANCE IN SUSTAINABILITY REPORTS – GRI REPORTING

Like any other report, credibility and quality gets a boost, if an independent third party, based on audit of given parameters, certifies the report to be reliable/ acceptable. With the increase in sustainability reporting and importance being attached, there was a rising need for the reports to be verified and the data to be authenticated. To make BRR authentic and not brush it aside as another report from the Company, an audit is recommended by way of External Assurance, which could help in providing confidence to the investors on the quality and truthfulness of disclosures in the Sustainability Report.

SEBI has not mandated that the Business Responsibility reports are to be independently verified or externally assured. While, audit has not yet been mandated, the G4-GRI Guidelines recommends “**use of external assurance for sustainability reports in addition to any internal resources but does not require it.**”

In reporting year FY 2016-17, out of the 100 sample companies, 45 companies had stated that they have prepared Sustainability Report for FY 2016-17. However, out of these 45 companies, 16 have still not published the Sustainability report on their website.





Out of the 29 reports that were published on the website, 25 reports had been externally assured.

For FY 15-16 out of the 100 sample companies, 45 companies had stated that they have prepared a Sustainability Report. From the total 45 companies, 2 companies are yet to publish the Sustainability report on their website. Out of the 43 reports that were published and are available on the company website, 36 have been externally assured.

## SECTION C

**PARTICIPATION OF ENTITIES SUCH AS SUPPLIERS AND DISTRIBUTORS ETC THAT COMPANY DOES BUSINESS WITH, IN BR INITIATIVES OF THE COMPANY**

Section C: Other details- Q 3: “*Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]*”

Apparently, the idea behind this question is to gauge whether the Company is operating in isolation and in an island? Or is it ensuring that all its partners are also conducting business in responsible manner. Progress of conducting business in responsible manner is possible only if the responsibility travels in all directions. As an extension of idea of BRR, the questions in BR template seeks to gauge whether the Company has undertaken BR initiatives which extends to and involves the entities that Company does business with. The initiatives by the Company ideally should be such that involve Company’s partners such as the suppliers, distributors, retailers etc.

Table 2: Participation of other entities in BR initiatives of the Company

From the study the following observations are made:	2015-16	2016-17
No. of companies that <b>disclosed</b> the % of other entities that participate in BR initiatives of the Company	22	23
No. of companies that disclosed <b>none</b> of the other entities participate in BR initiatives of the Company.	48	52
No. of companies that <b>has not disclosed</b> the % of other entities that participated in BR initiatives of the Company. <sup>A</sup>	30	24
Total	100	99

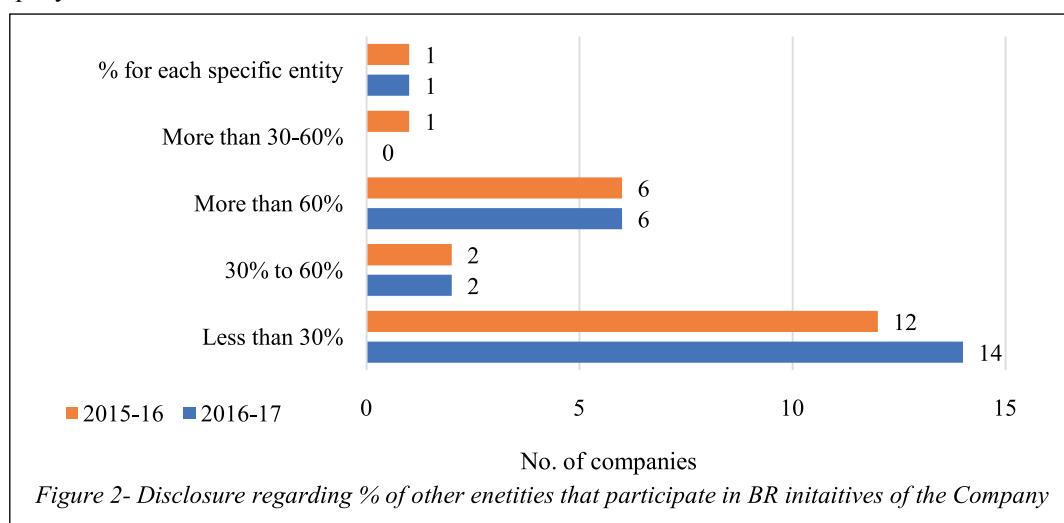
Table 2 summarizes information disclosed by the Companies in the sample regarding percentage of participation of other entities in the BR initiatives of the Company in FY 15-16 and FY 16-17. It was observed from the disclosure by the sample companies that only approximately 20% of the companies from the sample had disclosed the percentage of participation of other entities in BR initiative. While about 30% companies in 2015-16 and about 24% in 2016-17 did not disclose the data on participation by third parties in its BR initiative. Of the sample, 48% of the companies in FY 15-16 and 52%+ in 2016-17 stated that none of the other entities participate in the BR initiatives of the Company.

<sup>A</sup>Note:

- o It was observed that ACC Ltd., Cipla Ltd, Exide Industries Ltd and Wipro Ltd had not disclosed the % of participation of other entities in BR initiatives of the Company. However, in FY 16-17 these companies have disclosed the percentage of participation.
- o Further, Reliance Industries Ltd. had disclosed the percentage of participation of other entities in FY 15-16, however, the data on percentage was not disclosed in FY 16-17.
- o Bharat Petroleum Corporation Ltd had disclosed in FY 15-16 that more than 60% for suppliers, contractors, dealers and customers participate in BR initiatives of the Company. However, in FY 16-17 it stated that none of the other entities participated in BR initiatives of the Company. Similarly, Container Corporation of India Ltd. disclosed that less than 30% of other entities participate in BR initiatives of the Company. However, in FY 16-17 the Company has not disclosed any percentage.
- o Cairn India Ltd had not disclosed the data in 2015-16 and it got merged with Vedanta in 2016-17.
- o NLC India Ltd, Tata Steel Ltd. and Bajaj Auto Ltd in 2015-16 had not made any disclosure but in 2016-17 they have stated none of the other entities participated in BR initiatives of the Company.

It can then be stated that although companies have disclosed information, very few from the sample have actually been able to involve the entities that Company does business with in its BR initiatives. The graph below has further

segmented the disclosures in the sample companies based on the % of participation of other entities in the BR initiatives of the Company.



Among the 22 companies in FY 15-16 and 23 companies in FY 16-17 that disclosed the percentage of entities that participate in BR initiatives of the Company, majority companies have stated that less than 30% of the other entities participate in the BR initiatives of the Company.

The answers provided by the companies are mostly not an exact percentage. Most companies have disclosed a range or upper limit as % of participation of other entities in BR initiatives of the Company. It was observed that certain companies stated that more than 60% of the other entities participate in BR initiatives of the Company, however they have stated the exact percentage. The aim of the questions in the template was to provide stakeholder with necessary information and data on the adoption of the 9 Principles as elaborated in the circular, by the Company. However, with the answers to this particular question stakeholders are unable to get the required information, or are left with vague answers. Answers like more than 60% or less than 30% which were given by a few companies, results in more questions like how much more or how much less? A reader of the BR report is left with a non-specific and tentative information on the actual participation of the other entities that Company does business with. The intention of the question is to check if the policies and initiatives of the Company spread to the other entities that Company does business with, since BRR is only applicable to listed companies. Ideally, such initiatives will not work in isolation, the principles of Business Responsibility would culminate into responsible business practices only when the initiatives are spread to all those who contribute in the business such as the suppliers, distributors, contractors and customers.

It was observed that only Dabur India Ltd in its report for FY 16-17 and FY 15-16 and Bharat Petroleum Corporation Ltd. ("BPCL") in its report for FY 15-16 disclosed the % of other entities participation in BR initiatives of the Company individually for each of other entities viz. Suppliers, Customers, Distributors. The detailed replies of Dabur Ltd and BPCL can be found in **Part C- BPG**.

## SECTION D

**ASSESSMENT OF BUSINESS RESPONSIBILITY PERFORMANCE OF THE COMPANY:**

In this section analysis has been done on Question 3A, 2(a) 1,4,5 &10 in the same order.

Question 3A: **“Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year”**

Since the Companies are required to make annual disclosure in BR report of the initiatives taken by the Company, it is necessary that responsible person(s) also keep check of progress of implementing its goals from time to time. If the companies wish to achieve success with the initiatives, they need to measure the performance of these initiatives against the goals. As per the SEBI Template, Companies are required to only disclose the frequency with which BR performance of the Company is assessed.

In the data collected for the 99 sample companies (excluding Crain India Ltd as it had merged with Vedanta Ltd.), for FY 16-17 and 100 sample companies in FY 15-16 it was observed that not all the companies have provided the requisite information, 80% of the Companies from the sample had made a disclosure on the frequency of BR performance assessment.

Table 3: Assessment of BR performance

Observations:	2015-16	2016-17
Companies that <b>have disclosed</b> the frequency with which BR performance is accessed.	83	83
Companies that <b>have not disclosed</b> any information on the frequency of assessment	16	17

Table 4 depicts the frequency with which the BR performance of the Company was assessed in FY 15-16 and FY 16-17:

Table 4: Frequency of assessment of BR performance

Periodicity	2016-17	Cumulative	2015-16	Cumulative
ongoing basis	16	16	16	16
weekly	1	17	1	17
monthly	2	19	2	19
every 3 months	8	27	9	28
at committee meetings	1	28	1	29
3-6 months	16	44	16	45
annually	38	82	37	82
more than a year	1	83	1	83
not disclosed	16	99	17	100

Notes:

- o The companies which did not disclose the information in FY 15-16, also did not disclose the information in FY 16-17, except Bajaj Auto Ltd which disclosed in FY 16-17 that the BR performance is assessed annually by the Board
- o Further, in FY 15-16 Bharat Heavy Electrical Ltd and JSW Steel Ltd stated that BR performance is assessed every 3 months, however, in FY 16-17 they stated that it is assessed every 3 to 6 months.

- o In case of Ambuja Cement Ltd and Vedanta Ltd they had earlier stated that the assessment is made every 3 to 6 months, however, in FY 16-17 they stated that assessment is made every 3 months.
- o Cairn India had stated that it assesses the performance every 3 to 6 months. Cairn India merged with Vedanta Ltd in FY 16-17.

### Assessor of BR performance

Although not required as per the question in the SEBI prescribed template, but Companies have also disclosed which authority in the Company assesses the BR performance. Which authority conducts the assessment is as important as the disclosure on how many times the initiatives are assessed. Stakeholders should also be made aware of the fact as to who in the Company has the final responsibility to check the performance of the BR initiatives *vis a vis* the target. The report on financial performance of the Company is prepared by management which undergoes through several checks from CFO, audit committee and finally to the board, similarly a systematic check and balance should be in place for BR performance of the Company. Many companies from the sample have stated that the Board assesses the BR performance of the Company at least annually similar to assessment of the annual financial performance.

From the sample companies, 64 companies in FY 16-17 and 63 companies in FY 15-16 have disclosed ‘*Who assessed the BR Performance of the Company*’.

It was further observed that the BR Performance among these sample companies is generally assessed by Board, Chairman, CEO, MD, Management, CSR Committee or specialised committee of the Company or a combination of these.

Certain companies from the sample have disclosed a detailed response on who assesses the BR Performance of the Company. It was observed that the disclosure made by GAIL India Ltd in its BR report for FY 16-17 was very detailed and informative. GAIL India Ltd. made a disclosure that the ultimate responsibility to assess the performance was of Sustainable Development Committee, further it had various sub committees who were responsible for various aspects of the Business Responsibility. The Company has provided details of all the committees that were responsible for the BR performance and disclosed the frequency with which these committees met to discuss the aspects related to Business Responsibility. An extract of the answer disclosed by GAIL India is elaborated under **Part C- BPG**.

## EVALUATION OF SCORES OF COMPANIES BASED ON DISCLOSURE ON POLICIES (Q2(a) 1,4,5&10)

Q2 (a): “*Principle-wise (as per NVGs) BR Policy/policies. (a) Details of compliance (Reply in Y/N)*”

This section consists of questions on policies adopted by the sample Companies on the 9 principles enlisted in the SEBI circular and on the implementation of the policy. Business Responsibility Report framework as prescribed by SEBI has disclosure of information which is mostly subjective or qualitative. In the report format prescribed by SEBI only under Section D-Question 2, data disclosed is objective (answers are in form of yes or no). The study has evaluated the disclosures of sample companies under Section D – Question 2 of the BR Report for this analysis.

Under this question the Companies are mandated to disclose answers to **10 questions** based on the **9 principles** of Business Responsibility. This indicates maximum 90 responses. Each response under this question has been awarded maximum 1 point and hence for each principle 10 points are allotted (total 10 questions 1 mark each). Overall for questions on all 9 principles total score awarded is maximum 90 Points.

### Graphical representation of total scores of Sample Companies

The figure below depicts the responses by the Companies under Question 2 (a) -Section D of the BRR as per SEBI prescribed format.

8 companies have been excluded from the analysis, reason for exclusion is elaborated in Table #5

Table 5: Companies excluded from analysis with reasons

Company	Reason for excluding	FY
Bajaj Auto Ltd	BRR report does not have answers on Section D-Q2	FY 15-16 and FY 16-17
Cairn India Ltd	Merged with Vedanta	FY 16-17
Coal India Ltd	Provided sustainability Report as per GRI, not provided separate BRR Report. However, company has provided mapping of BRR with Sustainability report.	FY 15-16 and FY 16-17
Hindalco Industries Ltd	Provided sustainability Report, however same is not as per GRI. Has not provided BRR as per SEBI template.	FY 15-16 and FY 16-17
HDFC Ltd	BRR report does not have answers on Section D-Q2	FY 15-16 and FY 16-17
ITC Ltd	Provided sustainability Report as per GRI, not provided separate BRR Report. However, company has provided mapping of BRR with Sustainability report.	FY 15-16 and FY 16-17
Tata Steel Ltd	Provided Integrated Report	FY 15-16 and FY 16-17
Titan Industries Ltd	BRR report does not have answers on Section D-Q2	FY 15-16 and FY 16-17
Tata Power Ltd	BRR report does not have answers on Section D-Q2	FY 15-16

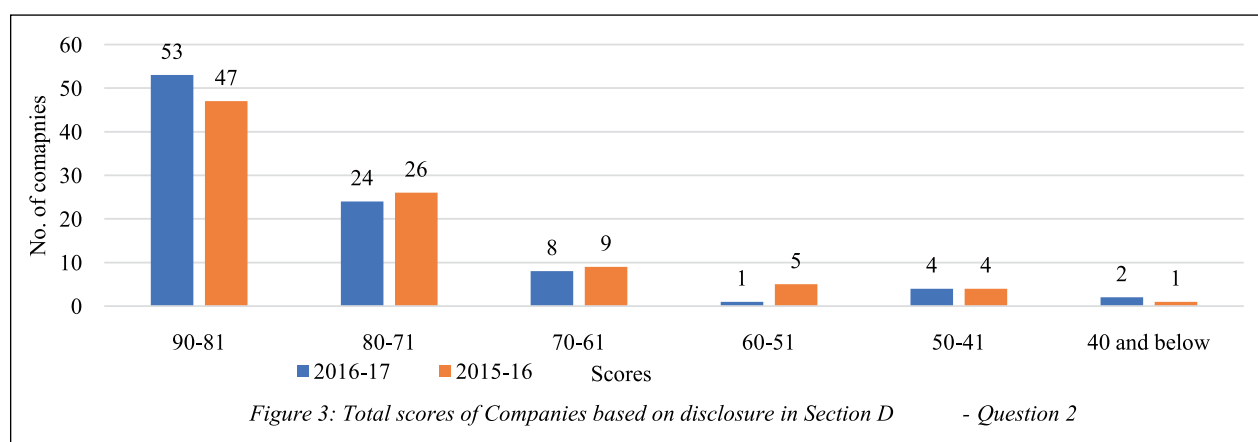


Table 5: Cumulative scoring within the sample companies

Scores	2016-17	Cumulative 2016-17	2015-16	Cumulative 2015-16
81-90	53	53	47	47
80-71	24	77	26	73
61-70	8	85	9	82
51-60	1	86	5	87
41-50	4	90	4	91
40 or below	2	92	1	92

Observation on Companies whose scores lie within 81 to 90 range:

In 2015-16, out of 92 companies, 29 had a perfect score of 90, and this improved to 30 Companies in 2016-17.

- Out of 92 companies in FY 16-17, 53 companies have scored between 90 and 80 which can be interpreted that these companies from the Sample have high level of disclosure, have framed policies on the 9 principles and have an implementation mechanism for these policies. For FY 15-16, out of these 92 companies, 47 companies have scored between 90 and 80.

- Tata Power in FY 15-16 had not disclosed data under Section D: Q2, however, in FY 16-17 it had disclosed the data. In FY 16-17, Tata Power disclosed that it had a policy for all 9 principles and answered in affirmative for all the questions on the policy.
- Further, improvement was observed in FY 16-17 in the scores of Adani Enterprises Ltd, Godrej Consumer Product Ltd, Hero Motor Corp Ltd, Indian Oil Corporation Ltd and Zee Entertainment Ltd as the scores of these companies moved in the 81 to 90 range.
- Scores of Bharti Airtel Ltd, IndusInd Bank Ltd, State Bank of India and Yes Bank Ltd also improved within the 81 to 90 range .
- The scores of Tata Consultancy Service Ltd and Vedanta Ltd decreased from their FY 15-16 score, however, they remained in the 81 to 90 range.

Observation on companies whose scores lie within 71 to 80 range:

- Improvement of scores in FY 16-17 as Exide Industries Ltd and Reliance Power Ltd moved in the 71 to 80 scores range.
- Within the range improvement was observed in the scores of Adani Ports and SEZ Ltd, Cadila Healthcare Ltd and Colgate Palmolive Ltd.
- A one point negative score from FY 15-16 to FY 16-17 was observed in Container Corporation Of India and Sun TV Network Ltd. However, their scores in FY 16-17 still remained in the 71 to 8 range.

Observation on companies whose score lies within 61 to 70 range:

- An increase of 2 points was observed in Ambuja Cements Ltd and Maruti Suzuki India Ltd in FY 16-17 scores. However, their scores moved only within the range.

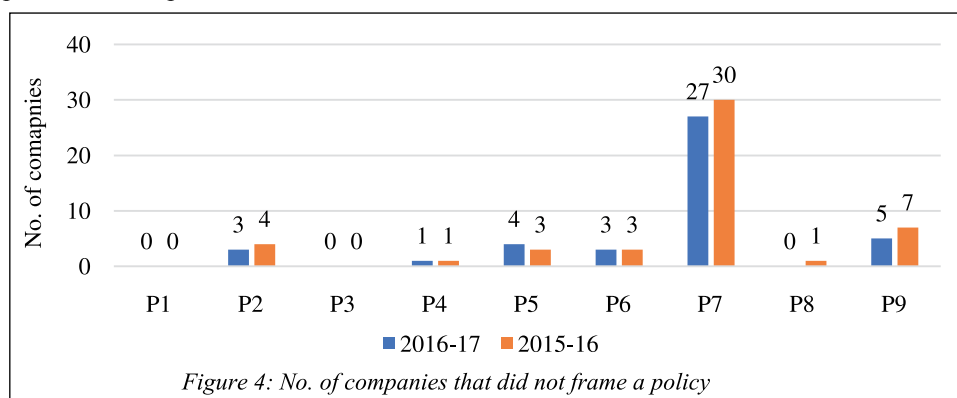
Observation on companies whose scores were below 60:

- Improvement of 1 point was seen in the score of ACC Ltd and of 3 point in score of MMTC Ltd from FY 15-16 to FY 16-17.
- There was a decrease in scores of Petronet LNG Ltd by 18 points and Power Finance India Ltd by 10 points from FY 15-16 to FY 16-17.
- The Companies which are at the bottom 2 and which have scored below or equal to 40 points are Bosch Ltd and Power Finance Corporation Ltd. There was no change in scores of Bosch Ltd from FY 15-16 to FY 16-17.

**Following is an analysis of Sub-question 1, 4, 5 & 10 under Question 2(a) of Section D**

### **Q2(a) Sub Q1. “Do you have a policy/policies for principle”**

The graph below depicts the number of companies that did not formulate a policy on the principle P1 to P9. The sample size for the graph was 92 companies for FY 15-16 and FY 16-17.

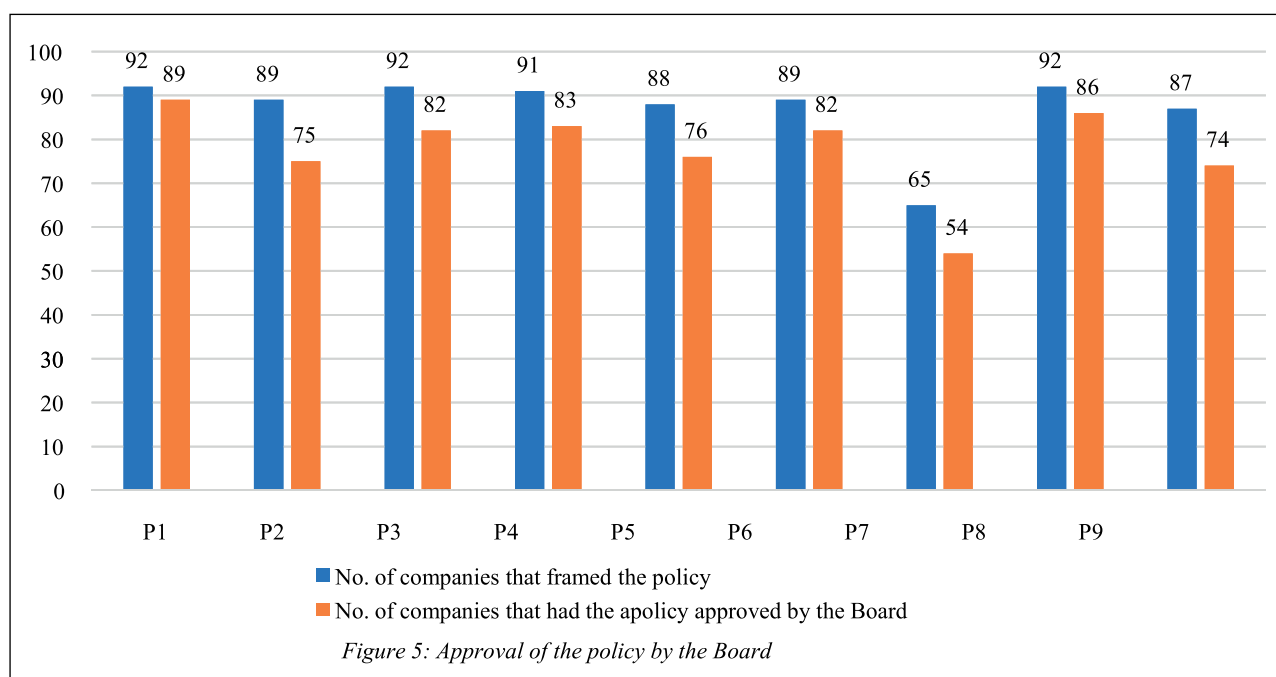


All 92 Companies have a policy on Principle 1- Ethics, Transparency and Accountability and Principle 3- Employees’ Wellbeing. However, out of the 92 Companies, for Principle on “Public Advocacy” only 62 companies had framed a policy in FY 15-16 and 65 companies in FY 16-17 to implement the principle. It can also be noted that although many companies have not provided affirmative answer to all the questions in the table, except for P7, 95% of the companies have a policy confirming to the rest of the principles.

Further observations on the Companies which did not frame a policy on the principles are as follows:

- **P2-** HDFC Bank, Petronet LNG Ltd and Power Finance Ltd did not have a specific policy in FY 16-17. In FY 15-16 the above 3 companies along with MMTC Ltd did not have a specific policy.
- **P4-** Petronet LNG Ltd does not have a specific policy confirming to Principle 4. It did not have a policy in FY 16-17 as well.
- **P5-** Ambuja Cement, Maruti Suzuki India Ltd, Petronet LNG Ltd and Power Finance Ltd did not have a policy confirming P5 in FY 16-17. However, in FY 15-16, Ambuja Cement and Petronet LNG Ltd had a policy for the same principle. Further, in FY 15-16 Maruti Suzuki India Ltd, Power Finance Corporation Ltd and Reliance Power Ltd had stated that they do not have a policy confirming to P5. Reliance Power Ltd and Power Finance Corporation Ltd have framed a policy on P5 in FY 16-17 as per the BRR.
- **P6-** In FY 15-16, ICICI Bank Ltd, MMTC Ltd and Rural Electric Corporation Ltd did not have a policy on P6. However, in FY 16-17 MMTC framed a policy on P6 in FY 16-17. Power Finance Corporation had stated that it has framed a policy on P6 in FY 15-16, however, in FY 16-17 it has stated that it does not have a policy confirming the same principle.
- **P8-** Wipro Ltd had stated in FY 15-16, that it does not have a policy confirming to P8, however, in FY 16-17 it has framed a policy for the principle.
- **P9-** ACC Ltd, MMTC Ltd, NTPC Ltd, Petronet LNG Ltd, Power Finance Corporation Ltd and Steel Authority Of India Ltd, stated that they did not have a policy on P9 in FY 15-16. Out of the above, MMTC Ltd framed a policy on P9 in FY 16-17. Further, Cairn India Ltd which merged with Vedanta Ltd in FY 16-17 also did not have a policy on P9.

**Q2(a) Sub Q4 “Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?”**



One of the 9 questions on the policy is, if the policy is approved by the Board. It can be perceived that simply formulating a policy is not sufficient, the policy should also be approved. The graph below depicts, how many companies have answered in affirmative to “Has the policy been approved by the Board.?” It was observed that, more than 10 companies who had a policy on P2, P3, P5 and P7, did not get the policy approved by the Board.



Observations on the disclosures by sample companies:

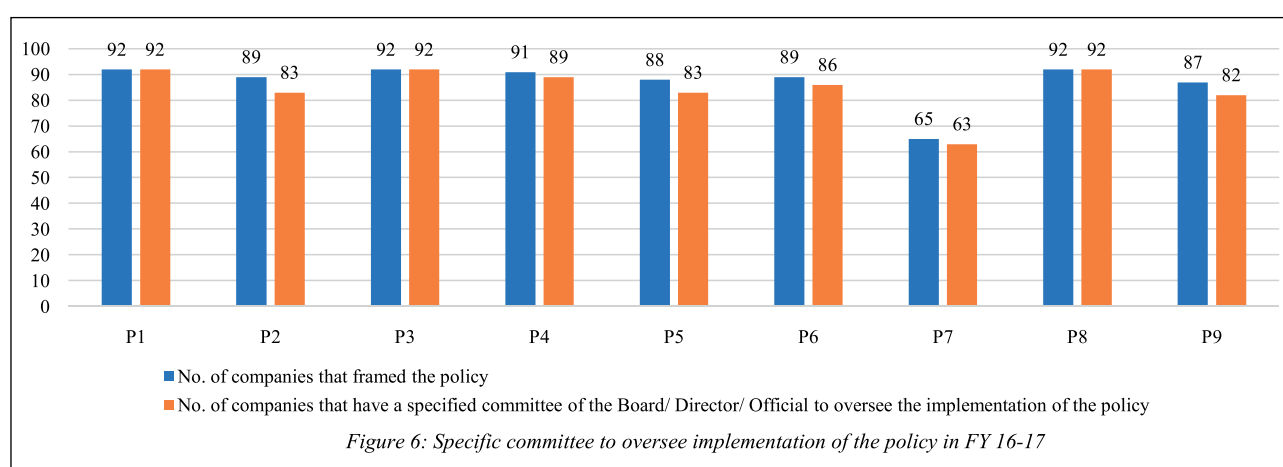
- **P1-** It is observed that except 3 companies, all the 92 companies from the sample had the policy on P1 which was approved by the Board. Bank of Baroda, Bosch Ltd and DLF Ltd had framed a policy on P1, however they had answered in negative to the question if the policy was approved by the Board.
- **P2-** Out of 92 companies, 89 companies had formulated a policy on P2. HDFC Bank Ltd, Petronet LNG Ltd and Power Finance Corporation Ltd did not have a specific policy on Principle 2. Further, 14 companies which had formulated a policy on P2, did not obtain Board's approval on the policy. These companies are - ACC Ltd, Adani Enterprises Ltd, Adani Ports and SEZ Ltd, Adani Power Ltd, Bosch Ltd, Cummins India Ltd, DLF Ltd, Exide Industries Ltd, Godrej Consumer Product Ltd, Hindustan Copper Ltd, MMTC Ltd, Steel Authority of India Ltd, Sun TV Network Ltd and ZEE Entertainment Ltd.
- **P3-** All 92 companies had framed a policy on Principle 3, however, only 82 Companies had the approval of the Board for the policy. However, the policy, although framed was not approved by the Board of 10 companies, viz. ACC Ltd, Adani Enterprises Ltd, Adani Ports and SEZ Ltd, Adani Power Ltd, Bosch Ltd, Cummins India Ltd, DLF Ltd, Godrej Consumer Product Ltd, Sun TV Network Ltd and ZEE Entertainment Ltd.
- **P4-** Out of 92 companies, 91 companies had framed a policy on P4. Petronet LNG Ltd did not have a policy confirming to Principle 4. Out of 91 companies only 83 companies had the policy approved by the Board. 8 companies had a policy which was not approved by the Board, viz. Adani Enterprises Ltd, Adani Ports and SEZ Ltd, Adani Power Ltd, Bosch Ltd, Cummins India Ltd, DLF Ltd, Hindustan Copper Ltd and Sun TV Network Ltd.
- **P5-** Only 88 companies had a policy on Principle 5. Four companies, viz. Ambuja Cement, Maruti Suzuki India Ltd, Petronet LNG Ltd and Power Finance Ltd did not have a policy on Principle 5. 12 companies did not obtain Board approval for the policy, these were viz. ACC Ltd, Adani Enterprises Ltd, Adani Ports and SEZ Ltd, Adani Power Ltd, Bosch Ltd, Cadila Healthcare Ltd, Cummins India Ltd, DLF Ltd, Godrej Consumer Product Ltd, Steel Authority of India Ltd, Sun TV Network Ltd and ZEE Entertainment Ltd.
- **P6-** Out of 92, 89 companies had a policy on P6, out of which, only 82 companies had a policy approved by the Board. ICICI Bank, Power Finance Corporation Ltd and Rural Electrification Corporation Ltd did not have a specific policy for Principle 6. Further, 7 companies which did not have a policy approved by the Board were Adani Enterprises Ltd, Adani Ports and SEZ Ltd, Bosch Ltd, DLF Ltd, MMTC Ltd, Sun TV Network Ltd and ZEE Entertainment Ltd.
- **P7-** Out of 92 Companies, only 65 had a policy on P7, out of which 54 had a policy approved by the Board. Adani Enterprises Ltd, Adani Ports and SEZ Ltd, Adani Power Ltd, BPCL, Container Corporation of India Ltd, DLF Ltd, Godrej Consumer Product Ltd, Hindustan Copper Ltd, Reliance Power Ltd, Wipro Ltd and ZEE Entertainment Ltd had a policy on P7, however the policy was not approved by the Board.
- **P8-** All 92 companies had a policy on P8, however only 86 companies had a policy approved by the Board. The Company whose policy was not approved were, Adani Enterprises Ltd, Adani Ports and SEZ Ltd, Adani Power Ltd, DLF Ltd, Sun TV Network Ltd and Wipro Ltd.
- **P9-** Out of 92 companies, 87 companies had a policy on P9. ACC Ltd, NTPC Ltd, Petronet LNG Ltd, Power Finance Corporation Ltd and Steel Authority of India Ltd did not have policy for Principle 9. Of 87 companies, 74 companies had a policy approved by the Board. The Companies which had a policy but was not approved by the Board were Adani Enterprises Ltd, Adani Ports and SEZ Ltd, Adani Power Ltd, Ambuja Cement Ltd, Bosch Ltd, Cummins India Ltd, DLF Ltd, Godrej Consumer Product Ltd, Hindustan Copper Ltd, MMTC Ltd, Sun TV Network Ltd, Vedanta Ltd and ZEE Entertainment Ltd.

It was further observed that DLF Ltd had policy on all 9 principles, and none of the policies were approved by the Board. There were as many as 64 companies from the sample which had framed policies on all 9 principles, however there were only 51 companies which had all the 9 policies approved by the Board.

For the second part of the question relating to “*Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director*”, only 9 companies from the sample had disclosed the data. These 9 companies were Asian Paints Ltd, Dabur India Ltd, Jaiprakash Associates, Siemens Ltd, Sun Pharmaceuticals Ltd, Tata Power Ltd, Union Bank of India Ltd, United Breweries Ltd and Wipro Ltd. Asian Paints Ltd Dabur India Ltd, and Wipro Ltd gave a detailed response as to who signed/ endorsed each of the policy on all the 9 principles. However, responses of the rest of the companies were combined for all the policies which the companies had framed.

**Q2(a) Sub Q5 “Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?”**

The obligation of the Company does not end with the formulation of the policy. Companies should have in place a specified group of directors or a group of officials in the management who are assigned with the task to oversee the implementation of the policy. The graph below depicts how many companies have answered in affirmative to this particular question.



It was observed that for P1, P3 and P8 for which all 92 companies have framed a policy, also have a specific committee to oversee the implementation of the policy.

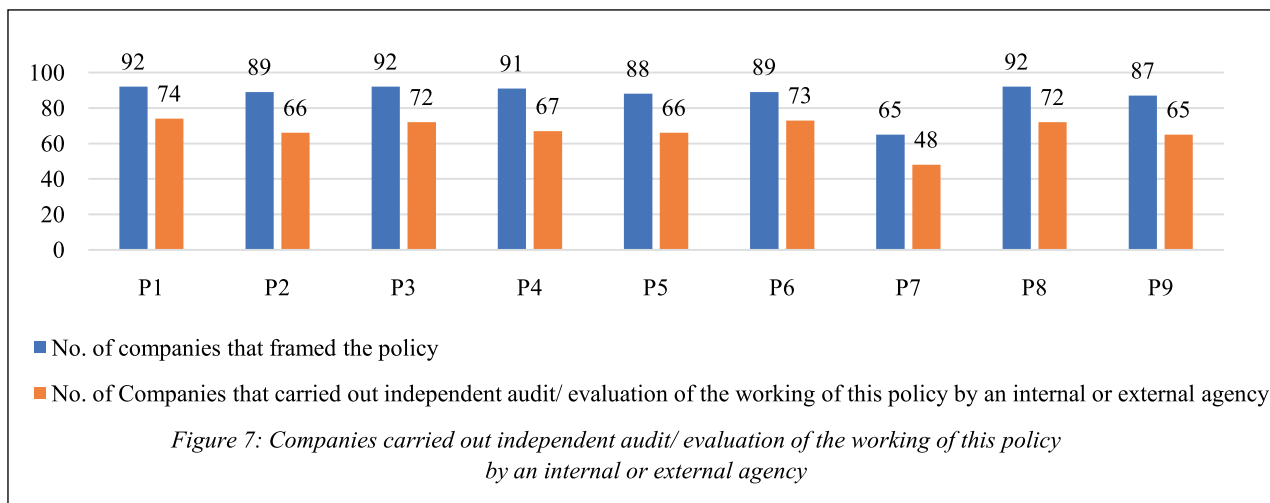
Principle wise details about the companies that did not have a committee or the companies did not explicitly disclose if they had a committee, for implementation of the policies are as under:

- **P2-** 6 companies, viz. Bosch Ltd, Cummins India Ltd, Hindustan Copper Ltd, Maruti Suzuki India Ltd, MMTC Ltd and Steel Authority of India Ltd
- **P4-** 2, companies viz. Bosch Ltd and Hindustan Copper Ltd
- **P5-** 5 companies viz. ACC Ltd, Bosch Ltd, Cummins India Ltd, Dr. Reddy Laboratories Ltd, Hindustan Copper Ltd and Steel Authority of India Ltd
- **P6-** 3 companies viz. Bosch Ltd, Hindustan Copper Ltd and MMTC Ltd
- **P7-** 2 companies viz. BPCL and Hindustan Copper Ltd
- **P9-** 5 companies viz. Ambuja Cement Ltd, Bosch Ltd, Cummins India Ltd, Hindustan Copper Ltd and MMTC Ltd

While it is important for companies to have a policy on each of the principle, which serves as source document and guide, it is extremely important to have a committee overseeing the implementation of the policy so that it can be effectively implemented. The aim of formulating the policy is not achieved if there is no authority to implement the same. In such case, the policy will remain a vision and cannot be diligently put to practice unless there is an inspection mechanism.

### Q2(a) Sub Q10 “Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?”

Audit evaluation helps the company in evaluating the objective with which the policy is made and to substantiate if the policy is achieving those objectives. Unless there is audit evaluation of the policy, the Company will not be able to improve the policy or assess the lacunae, if any, in the policy. The graph below depicts, how many companies have stated that they carried out an independent evaluation of the working of their policy.



It is observed that from the total policies framed on all the principles, audit evaluation was carried out for only 77% of policies. On an average, approximately 20 companies had not carried out an audit evaluation on the working of the policy. Further, 6 companies from the sample did not carry out audit evaluation on the working of any of the policies framed by the Company.

## SECTION E

Under this section analysis has been done only for the questions where response of the Company could be quantified for purpose of comparison.

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

Principle 1- Question 2 *“How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?”*

The data collected under this particular section could not be grouped for the purpose of the analysis, as the Sample Companies have disclosed different kinds of complaints under this section. Many companies from the sample have provided data on shareholders complaints, consumer complaints or public grievances. While some companies provided data on complaints relating to the code of conduct, some companies provided sexual harassment or whistle blower complaints. Since the question does not explicitly specify which kind of stakeholder complaints the companies are required to disclose, none of the above disclosure can be classified as inaccurate. However, for the purpose of analysis comparison between these complaints and the percentage that are pending will give an inaccurate interpretation. Therefore, the data of complaints under the question is disclosed in the extract of each Company in the Annexure 1. However, going forward the regulator i.e. SEBI must prepare a guidance note on information that is required to be given in each question. If the idea is to have complaints from all types of stakeholders, probably grouping of stakeholders would help. It should also be ensured that there is no duplication.

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

Principle 2- Question 3 *“Does the company have procedures in place for sustainable sourcing (including transportation)? (i) If yes, what percentage of your inputs was sourced sustainable? Also, provide details thereof, in about 50 words or so.”*

## SUSTAINABLE SOURCING

NVG 2011 *“The principle recognizes that all stages of the product life cycle, right from design to final disposal of the goods and services after use, have an impact on society and the environment. Responsible businesses, therefore, should engineer value in their goods and services by keeping in mind these impact. The principle, while appreciating that businesses are increasingly aware of the need to be internally efficient and responsible, exhorts them to extend their processes to cover the entire value chain – from sourcing of raw materials or process inputs to distribution and disposal.”*

Further, the objective of Principle 3 as per SEBI Circular is *“Businesses should assure safety and optimal resource use over the life-cycle of the product – from design to disposal – and ensure that everyone connected with it- designers, producers, value chain members, customers and recyclers are aware of their responsibilities.”* Further it states that *“In designing the product, businesses should ensure that the manufacturing processes and technologies required to produce it are resource efficient and sustainable.”*

The questions proposed under this principle in the BR template aims to bring to forefront the Company’s initiatives towards sustainable development by informing the stakeholders of the balance between commercialization and social, ethical, and environmental considerations while achieving the bottom line i.e.profits.

Table 6: Disclosure on procedures of sustainable sourcing

Observations:	2015-16	2016-17
Companies that have mentioned that ‘Question’ is not applicable since they are service providers	24	24
Companies from the sample disclosed that they have procedures for Sustainable sourcing, however, they have not disclosed the % of inputs that were sustainably sourced.	65	64
Companies that disclosed the % of input that were sustainably sourced-	9	9
Company had neither disclosed a BRR nor a sustainability report, so the answer was not available.	1	1
Company stated that “No specific procedures have been adopted for sustainable sourcing.”	1	1
Total Sample	99	99

Only 9 companies in FY 16-17 and in FY 15-16 from the sample had disclosed the percentage of the input/s that were sustainably sourced among all these companies. Although companies which did not disclose the percentage of input that were sustainably sourced, did disclose the steps taken by the company to source the inputs sustainably. However, it is observed that most companies that are required to disclose the percentage did not disclose the same in both the Financial Years. The intention of the question is to inform the stakeholder of the initiatives taken by the Company to work towards sustainable development and the objective is not met if the Company does not evaluate sustainable sourcing in quantifiable term.

As per the question Companies are required to disclose details (in 50 words) of procedure of sustainable sourcing adopted by these companies.

Observations:	2015-16	2016-17
Companies that have mentioned that ‘Question’ is not applicable since they are service providers	24	24
Companies from the sample disclosed details in 50 words or more	71	70
Companies that did not disclose the details	5	5
Total Sample	100	99

From the table, it can be observed that more than 70% companies disclosed details of procedures adopted for sustainable sourcing. However, from Table 6 it can be observed that hardly 9 of these companies disclosed the percentage of the material that was sustainably sourced. Therefore, even though there exists procedure of sustainable sourcing, not all companies have quantified the input being sourced sustainably.

## RECYCLING OF WASTE

Principle 2- Question 5 ***“Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as < 5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.”***

One of the objectives of Principle 2- is *“Businesses should recognize that over-consumption results in unsustainable exploitation of our planet’s resources, and should therefore promote sustainable consumption, including recycling of resources”* as stated in the SEBI circular.

The question ascertains the Company’s endeavours in propagating recycle of products and waste produced in manufacturing or providing services while conducting its business. The question is important as one of the most important goals of sustainable development is conducive use of resources so that the future generation do not suffer at

the cost of over utilisation by present generation. While as important as it is to source inputs sustainably, it is equally important that the waste generated is reused/ recycled to its maximum potential.

Table 7: Disclosure on recycle of products & waste

Observations:	2015-16	2016-17
Companies have mentioned that recycling of product or waste is not applicable to them since they are either Companies who provide services or companies which cannot recycle their products (eg: Pharma companies)	23	22
Companies who provide service but have provided the % of waste recycled	3	4
Companies from the sample have not disclosed the % of the product or waste recycled.	33	33
Companies from the sample have disclosed the % of waste recycled.	41	40
Total Sample	100	99

Approximately 50% of the companies that were required to make the disclosure on recycle of products have disclosed the same with the percentage of product/ waste recycled. Among the companies which disclosed the data, disclosure given by NALCO, SAIL and Reliance Infrastructure Ltd. was found to be most informative and concise. An extract of the disclosures given by NALCO and Reliance Infrastructure Ltd. can be found in Part C- BPG.

As per the question companies are required to provide details in 50 words of mechanism to recycle products/ waste adopted by the Company.

Observations:	2015-16	2016-17
Companies for which 'Question' is not applicable since they are service providers	13	14
Companies for which 'Question' is not applicable but have disclosed details of waste recycled	11	11
Companies from the sample disclosed details in 50 words or more	69	70
Companies that did not disclose the details	7	5
Total Sample	100	99

### Principle 3: Business should promote the well-being of all employees

#### PARTICIPATION OF WOMEN EMPLOYEES

Principle 3- Question 1 & 3 ***“Please indicate the Total number of employees. Please indicate the Number of permanent women employees”***

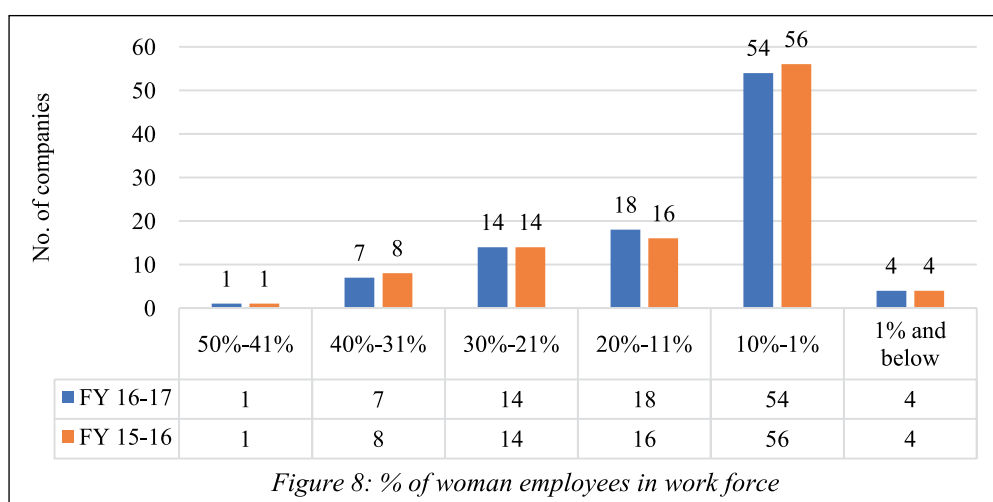
The objective of principle 3 includes *“Businesses should provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation”* as stated in the SEBI circular.

Diversity in workplace by participation of women, people from different races, caste, religion even physical disability would eventually lead to a workplace which does not discriminate. Although the questions under principle 3 are not as comprehensive as the objective, since the companies have to only disclose data related to number of permanent women employees and permanent employees that are differently abled, it is a start in the direction of recognising diversity at workplace as an important element.

Out of the sample of 99 companies for FY 16-17, data on total employees was disclosed by 98 companies and data on total number of permanent women employees was disclosed by 97 companies. However, the company which had not disclosed data on Number of permanent women employees, had disclosed the percentage of women employees in workforce. Data for Hindalco Ltd was not available for FY 15-16 and FY 16-17.

The total number of permanent employees in the top 100 listed companies increased from approximately 26 lakh employees in FY 15-16 to 28 lakh employees in FY 16-17. Further, an improvement was seen in the number of permanent women employees from 4.6 lakh to 5.3 lakh in FY 16-17.

The graph below depicts the % of women employees in the total permanent workforce.



### Observations:

The average percentage of women permanent employees to the total number of employees in FY 15-16 was 18.80%, the same increased to 19.63% in FY 16-17. In FY 16-17 percentage of women employees was above average in 23 company, whereas in FY 15-16 percentage of women employees in 25 companies was above average. This indicates that in 2016-17 lesser companies had more than average number of women employees as compared to FY 15-16.

The maximum percentage of women employees to the total permanent employees was observed as 50% in IDFC Ltd in FY 16-17 and 46% in FY 15-16. However, it should be noted in the context that, IDFC Ltd. had just 10 employees which were on its roll in FY 16-17 and 13 employees in FY 15-16 post it's demerger in 2015 with IDFC Bank Ltd. Out of 10 employees on its pay roll, 5 were women in FY 16-17. Therefore, it is an outlier and cannot be part of representative sample.

Sector wise, within the IT & Software sector companies e.g. Infosys Ltd., Wipro, TCS and Oracle have a higher percentage of woman employees as compared to other sectors. Percentage of women in the total workforce in IT Sector is between 30% and 40%.

Followed by the IT Sector, Banking sector has the second highest % of woman employees as compared to other sectors. In the Banking sector, percentage of total permanent women employees to the total permanent employees ranges from 17% in HDFC Bank to 32% in Axis Bank Ltd in FY 16-17. In FY 15-16 also in all the banks percentage of women to the total permanent employees was above average and ranged between 17% to 33%, The highest percentage in FY15-16 was observed in Axis Bank Ltd within the banking Sector.

Indian Bank has the highest % of women employees in FY 16-17 and FY 15-16 among the Public-Sector Banks.

Further, HDFC had a higher percentage of women employees in the workforce when compared with HDFC Bank. LIC Housing Finance had an even higher number of women employees as compared to HDFC, although a PSU. Almost all the companies which operate in IT Sector, Banking Sector or Financial Services Sector have women employees which are above the average of 12.03% women employees to the total permanent employees' companies within the sample companies in FY 16-17 and above the average of 11.80% in FY 15-16.



Few companies were outlier in their industry and their percentage of women employees to the total permanent employees was above the average. These companies were Bharat Electronics Ltd (BEL), Titan Industries Ltd, MMTC Ltd and Cummins India Ltd. In fact, after IDFC, BEL has the second highest percentage of women employees in its workforce.

The largest addition in number of women employees in absolute terms was in case of Wipro and TCS, both increased count of women employees by 10,000+. The biggest decline was in case of Coal India Ltd.

As observed from the data disclosed by the sample companies, 58 companies in FY 16-17 and 60 companies in FY 15-16 have less than 10% of women employees as part of the total permanent employees.

Sector wise, Banking sector and IT & Software sector appear to move towards a more inclusive workplace in terms of participation of women, which seems to be lacking when it comes to other sectors.

Adani Power, Adani Enterprise, Adani Ports & Special Economic Zone Ltd., Shree Cement Ltd. have consistently remained in the bottom of the pyramid both in FY 15-16 and FY 16-17. These companies have women employees less than 1% of the total permanent employees.

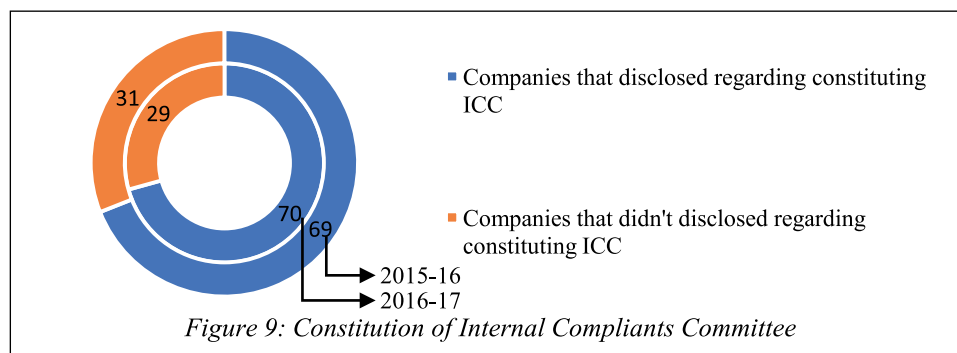
## PREVENTION OF SEXUAL HARRASMENT

Section E- Principle 3 has question on the reported and pending cases of Sexual Harassment. However, the template does not have questions on whether the Company has a Sexual Harassment policy and if there is a committee to deal with cases of sexual harassment within the Company. However, it was observed companies in their annual reports have mostly disclosed if the Company has an Internal Complaints Committee. Therefore, data has been collected on the disclosure by the sample Companies if there is an Internal Complaints Committee within the Company.

Objective of principle 3 also states that “*Businesses should create systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities*” as per SEBI circular.

Although the BR template provided by SEBI does not expressly require the Company to disclose if they have a Sexual Harassment policy it is in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, companies are required to constitute an Internal Complaints Committee. Despite no mandate on the required disclosure, companies from the sample have disclosed whether they had constituted an Internal Complaints Committee during the FY in their annual report.

The graph below depicts the number of companies which have disclosed constitution of an Internal Complaints committee (ICC) in their Annual Report for the FY 2016-17 and FY 15-16.



Even after the mandate to form an Internal Complaints Committee, it is observed that almost 30% of the companies from the sample have not publicly disclosed about its formulation. In a critical area such as ‘sexual harassment’, we are still to witness a proactive disclosure policy regarding the existence of a complaints committee among the companies.

As per BRR template, Section E: Principle wise performance, Principle 3- Question 7, companies are required to disclose:

***“Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.”***



As required under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Companies have to incorporate in its annual report, data on Number of cases filed of sexual harassment and their disposal.

Further, companies have disclosed the reported cases on sexual harassment in sustainability report also. All companies have disclosed data on reported and pending cases of sexual harassment for FY 16-17. Out of the sample 100 companies, except HDFC Bank all companies have disclosed this data for FY 15-16. HDFC Bank has stated that “*In the reporting year, all reported cases were investigated by the ICC and successfully resolved.*” However, the total number of cases which were reported was not disclosed.

*Table 8: Top 3 companies with highest number of cases reported of Sexual Harassment in the last 3 Financial Years*

FY	Name of the Company	Number of reported cases	% to total women employees	No. of women employees
2016-17	Wipro Ltd.	116	0.19%	59,889
	ICICI Bank	95	<b>0.43%</b>	22,229
	Infosys Ltd.	88	0.12%	72,248
2015-16	Wipro Ltd.	111	0.28%	39,545
	ICICI Bank	87	<b>0.46%</b>	18,807
	Infosys Ltd.	62	0.09%	69,116
2014-15	Wipro Ltd.	100	0.23%	42,990
	ICICI Bank	94	<b>0.56%</b>	16,839
	Infosys Ltd.	53	0.09%	61,824

It can be seen that ICICI Bank had the highest % of sexual harassment cases reported.

*Table 9: Reported & Pending cases*

Name of the Company	Number of reported cases			Number of pending cases		
	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15
Wipro Ltd	116	111	100	14	4	8
Tata Steel Ltd.	26	18	24	7	4	9
Axis Bank Ltd	32	32	34	6	4	6
State Bank of India	21	27	14	6	4	4

It is observed that companies where there was a high participation of women employees to the total permanent employees as compared to average of the total sample, are the companies where higher number of cases of sexual harassment are observed, except in Tata Steel Ltd where only 5.8% in FY 16-17 and 5.36% FY 2015-16 of the permanent employees were women. Highest number of pending cases as well as reported cases across three years were noticed in case of WIPRO Ltd.

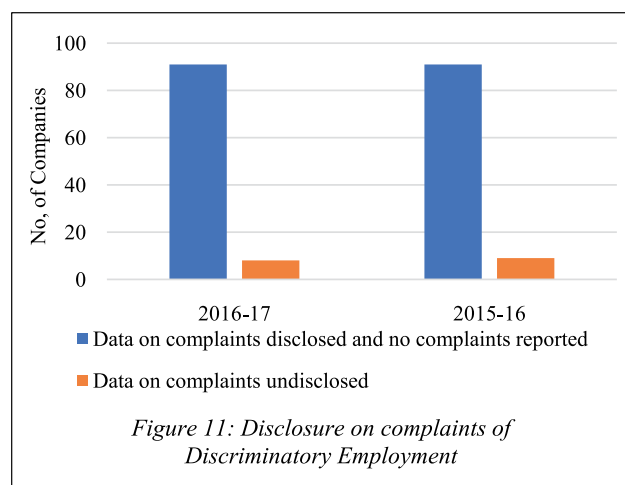
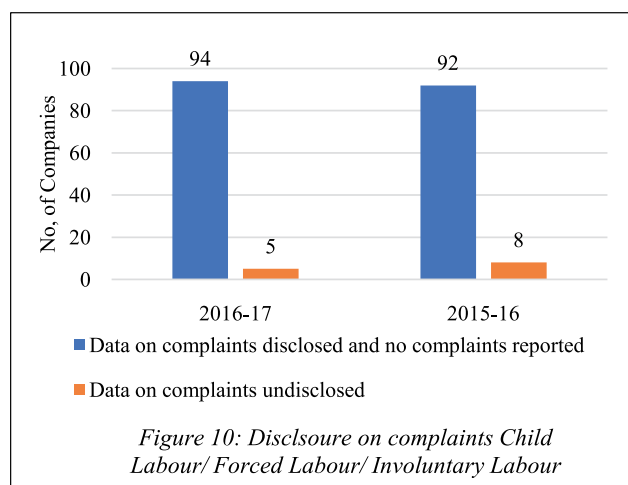
### **Disclosure regarding complaints of Child Labour/ Forced Labour or Involuntary Labour**

Under Principle 3, companies have to disclose whether there were any complaints regarding Child Labour/ Forced Labour or Involuntary Labour reported or pending for that particular Financial Year. From the sample of 99 companies in FY 16-17, total 5 companies have not disclosed data regarding complaints of Child Labour/ Forced Labour/ Involuntary Labour. Further, 8 companies from the sample had not disclosed data on complaints reported on Discriminatory Employment.

In FY 16-17 no complaints were reported regarding Child Labour/ Forced Labour/ Involuntary Labour or Discriminatory Employment among the companies from the sample which disclosed the data on complaints reported.

In FY 15-16 from the sample of 100 companies, total 8 companies had not disclosed if any complaints were reported on Child Labour/ Forced Labour/ Involuntary Labour. However, one Company disclosed that there are no pending Complaints on Child Labour/ Forced Labour/ Involuntary Labour. Further in FY 15-16, total 9 companies had not disclosed the data on any reported complaints on Discriminatory Employment. However, one Company disclosed that there are no pending Complaints.

In FY 15-16 also there were no complaints reported regarding Child Labour/ Forced Labour/ Involuntary Labour or Discriminatory Employment among the companies from the sample which disclosed the data on complaints reported.



## DISCLOSURE ON NUMBER OF PERMANENT EMPLOYEES WITH DISABILITIES

As per Section E: Principle wise disclosure, Principle 3- Question 4, Companies are required to disclose:

***“Please indicate the number of permanent employees with disabilities.”***

The Companies from the sample were required to disclose the number of permanent employees with disabilities in the work force. From the sample of 99 companies in FY 16-17, 87 companies had disclosed the data on number of employees with disabilities.

In the sample of 100 companies for FY 15-16, 85 companies from the sample had disclosed data on number of employees with disabilities.

The total number of disabled employees in FY 16-17 were 13,311 in the 87 sample companies which had disclosed the data. However, in FY 15-16 the total number of disabled employees were 15,256 in the 85 sample companies which had disclosed the data, indicating a decline in number of disabled employees over the two reporting period.

The average % of disabled employees to the total number of permanent employees in FY 16-17 was 0.55% and FY 15-16 was 0.71%. In FY 16-17, 28 companies from the 87 which had disclosed the data, percentage of disabled employees to the total permanent employees was above the average of 0.55%. In FY 15-16 also 27 companies from the 85 which had disclosed the data, percentage of disabled employees to the total permanent employees was above the average of 0.71%. Among these 28 companies it was observed that except 1, all the companies were either PSUs or PSBs. The exception was Titan Industries Ltd where the % of disabled employees to the total permanent workforce was above the average of all sample companies in both FY 16-17 and FY 15-16.

The highest % of disabled employees to the total permanent employees was reported in Bharat Electronic Ltd, approximately 4.63% in FY 16-17 and 4.42% in FY 15-16. The second highest % of disabled employees to the total permanent employees was reported in Power Finance Corporation Ltd, which was 2.81% in FY 16-17 and 2.57% in FY 15-16.

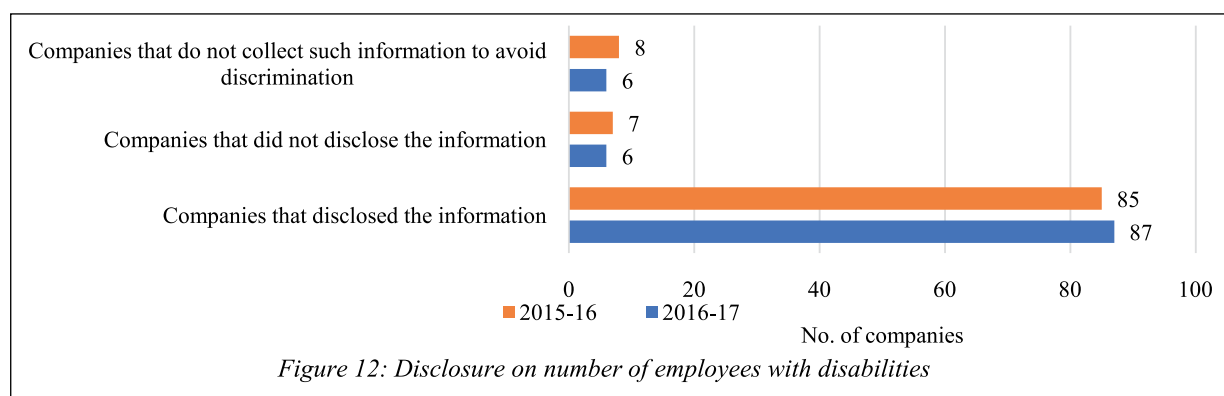
In absolute terms, largest number of disabled employees were found in Canara Bank, Punjab National Bank and Bank of Baroda (all PSBs). In private sector three top employer in absolute terms were Tata Consultancy, Wipro Ltd and Bharti Airtel.

The maximum reduction in % of disabled employees between 2015-16 & 2016-17 was found in case of Punjab National Bank, where number fell from 1.96% to 1.36%. In number terms it resulted in reduction of 388 employees.

Similarly, maximum increase was observed in case of NMDC Ltd, where % increase was 0.70% from 1.09% in 2015-16 to 1.79% in 2016-17, represented by an increase of 37 employees to 100 from 63 in 2015-16.

In absolute terms, top three incremental addition to disabled employees number was found in case of Union Bank, Canara Bank and Bank of Baroda. On the other hand, biggest decline in terms of absolute number was found in case of Punjab National Bank at 388 employees.

The table below shows a detailed breakup of the companies which disclosed and did not disclose such information with reasons.



Below are the observations for those companies which did not disclose the information in either FY 15-16 or FY 16-17:

- Although SBI disclosed information on the employees with disabilities in its BRR in FY 15-16 the same was not found in Sustainability Report for FY 16-17
- Similarly, GSK Pharmaceutical had disclosed the information in FY 15-16 but did not disclose the same in FY 16-17 report.
- Coal India Ltd had not disclosed the information in FY 15-16 Sustainability Report but, the same was disclosed in its Sustainability Report for FY 16-17
- Reliance Power had not disclosed the information in BRR for FY 15-16 but the same was disclosed in the BRR for FY 16-17.
- Seimens Ltd. did not disclose the information in FY 15-16, it stated that “*We create opportunities for employees with different abilities. We also facilitate creation of workplace to facilitate people working together with different backgrounds and abilities.*” However, in report for FY 16-17 it was observed that Seimens Ltd. had disclosed the information.
- Vedanta had not disclosed the information in FY 15-16 and stated that separate list is not available. However, it had disclosed the relevant data in FY 16-17 report.

Few companies from the sample had not disclosed the data purposely, as these companies do not record such information so as to avoid any discriminations among the employees. The policy to not record such data may prevent discrimination among the employees as it is sometimes observed that recording of such data may lead to the class of these employees with a feeling of inferiority. However, on the other hand if such data is not available, the companies will also not have any way of knowing if the diversity in terms of employment of disabled/ physically challenged employees within the organisation has improved or not.

## EMPLOYEE ASSOCIATION

Principle 3- Question 5 & 6 ***“Do you have an employee association that is recognized by management. “What percentage of your permanent employees is members of this recognized employee association?”***

SEBI circular states the following as one of the objectives of Principle 3 “Businesses should respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance Redressal mechanisms.”

Data on Employee Association was disclosed by 96 companies from the sample of 99 companies in FY 16-17 in BRR Sustainability Report or in the Annual Report. As per data given by the sample companies, out of 96 companies, 72 had a recognised employee association and 24 companies did not have any recognised employee association.

Table 10: Disclosure regarding employee association

Observations:	FY 15-16	FY 16-17
Companies that have a recognised employee association	71	72
Companies that do not have a recognised employee association	25	24
Companies that have not disclosed if they have a recognised employee association	4	3
<b>Total sample</b>	<b>100</b>	<b>99</b>

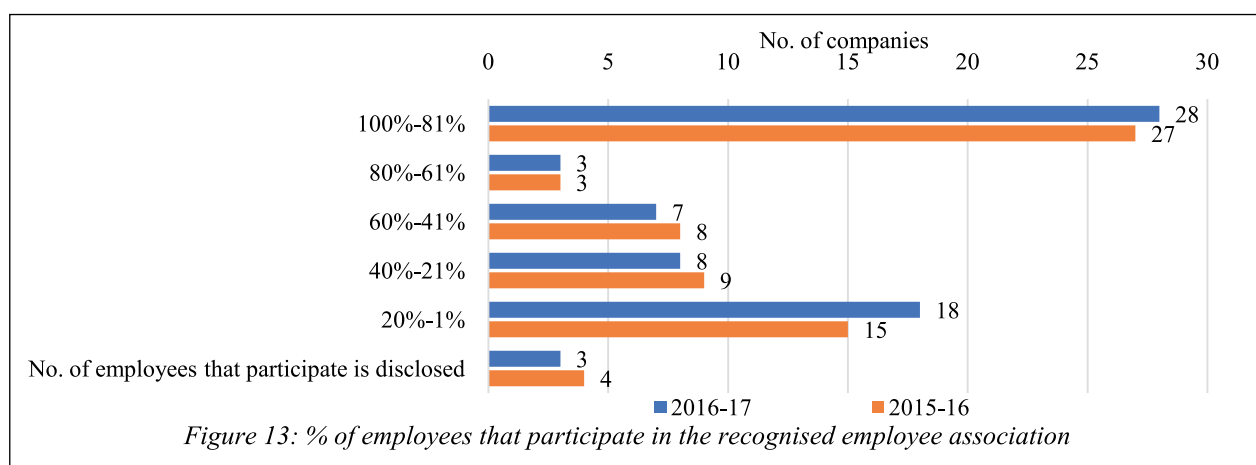
From the data, it was observed that atleast 70% of the companies from the sample recognised the right of freedom of association and recognised employee associations.

Further as per the BRR template the Companies are required to disclose **“Percentage of your permanent employees as members of the recognized employee association”**

Table 11: Disclosure regarding % of employees that participated in the employee association.

Observations:	FY 15-16	FY 16-17
Companies have disclosed % of permanent employees that are member of the recognised employee association	66	67
Companies have not disclosed % of permanent employees that are member of the recognised employee association	5	5
Companies that have a recognised employee association	<b>71</b>	<b>72</b>

Further break-up of the % of employees that participate in the recognised employee association is as follows:



Disclosure on the percentage of permanent employees that form part of recognised employee association is approximately 65% and above within the sample companies. Further from those who disclosed the percentage it is observed that more than 50% companies had disclosed that more than 40% of the permanent workforce is member of the employee association.

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

### MAPPING OF STAKEHOLDERS

Principle 4- Question 1 *“Has the company mapped its internal and external stakeholders? Yes/No”*

Objective of Principle 4 states that *“Businesses should systematically identify their stakeholders, understand their concerns, define purpose and scope of engagement, and commit to engaging with them.”*

From the sample of 99 companies in FY 16-17, 97 companies had disclosed if they mapped their internal and external stakeholder. It was further observed that many companies also disclosed the identified external and internal stakeholders. Hindalco Ltd. and Bajaj Auto have not disclosed whether they mapped the internal and external stakeholders. Both the companies had disclosed a BR report, but the same was not as per SEBI format.

In the sample of 100 companies for FY 15-16, 98 companies disclosed if they mapped their internal and external stakeholder. Hindalco Ltd. and Bajaj Auto have not disclosed whether they mapped the internal and external stakeholders. Further, it was observed that detailed answers in terms of stakeholder mapping along with stakeholder engagement was disclosed by ABB Ltd. in its BRR for FY16-17.

### DISADVANTAGED, VULNERABLE AND MARGINALIZED STAKEHOLDERS

Principle 4- Question 2 *“Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.”*

From the sample of 99 companies in FY 16-17, total 88 companies disclosed that they identified the disadvantaged, vulnerable and marginalized stakeholders. In the sample of 100 companies for FY 15-16, total 86 companies disclosed if identified the disadvantaged, vulnerable and marginalized stakeholders.

Table 12: Identification of disadvantaged, marginalised and vulnerable stakeholder

	2015-16	2016-17
Companies that have identified	88	88
Companies that did not identify <sup>A</sup>	2	2
Companies that did not disclose if they have identified <sup>B</sup>	10	9
<b>Total sample</b>	<b>100</b>	<b>99</b>

A

2015-16	2016-17
ABB Ltd	ABB Ltd
DLF Ltd	DLF Ltd

B

2015-16	2016-17
Asian Paint Ltd	Asian Paint Ltd
Bajaj Auto Ltd	Bajaj Auto Ltd
GlaxoSmithKline Pharmaceuticals Ltd	GlaxoSmithKline Pharmaceuticals Ltd
HDFC Bank Ltd	HDFC Bank Ltd
Hindustan Unilever Ltd	Hindustan Unilever Ltd
Kotak Mahindra Bank Ltd	Kotak Mahindra Bank Ltd
Sun Pharmaceuticals Industries Ltd	Sun Pharmaceuticals Industries Ltd
Titan Industries Ltd	Titan Industries Ltd
Hindalco Industries Ltd	Hindalco Industries Ltd
Reliance Power Ltd	

**Observations on the disclosure by the sample companies:**

- Reliance Power had not disclosed if they had identified disadvantaged, marginalised and vulnerable stakeholder in FY 15-16 report. However, in FY 16-17 report the Company has answered in affirmative.
- DLF Ltd stated that “*For the Company, all stakeholders are equally significant and no one is considered as disadvantaged, vulnerable and marginalized.*”
- While Sun Pharmaceutical stated that “*Various stakeholders have varying degrees of effect and we are committed to responsibly balance the interests of all stakeholders. Some may need more resource allocation, while the others may need more engagement. The initiative we design for them, take into consideration these differences and provide for more where required.*”

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

**IDENTIFYING ENVIRONMENTAL RISK**

**Principle 6- Q3 “Does the company identify and assess potential environmental risks? Y/N”**

As per the SEBI circular “*Businesses should develop Environment Management Systems (EMS) and contingency plans and processes that help them in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to their operations or that of a member of its value chain.*”

Businesses have an important role to play when it comes to environment protection and sustainable use of resources. The time today calls for the companies not to keep only a bottom line i.e. profit motive but alongside the profit they are equally responsible for keeping in check the harmful impact of their businesses on the environment. Globally companies are moving in the direction of environment friendly practices and policies for manufacturing and resource utilisation and India is neither an exception nor it would want to be one.

*Table 13: Identification of Environmental Risk*

	<b>2015-16</b>	<b>2016-17</b>
Companies that identified risks	90	90
Companies that have not identified risks <sup>A</sup>	2	2
Companies that did not disclose if risks were identified <sup>B</sup>	4	4
Companies that stated that question is not applicable <sup>C</sup>	4	3
<b>Total sample</b>	<b>100</b>	<b>99</b>

A

<b>2015-16</b>	<b>2016-17</b>
Shriram Transport Finance Company Ltd	Shriram Transport Finance Company Ltd
Sun TV Network Ltd	Sun TV Network Ltd

B

<b>2015-16</b>	<b>2016-17</b>
Bajaj Auto Ltd	Bajaj Auto Ltd
Cadila Healthcare Ltd	Cadila Healthcare Ltd
Housing Development Finance Corporation	Housing Development Finance Corporation
Hindalco Industries Ltd	Hindalco Industries Ltd

C

<b>2015-16</b>	<b>2016-17</b>
Power Finance Corporation Ltd	Power Finance Corporation Ltd
Reliance Capital Ltd	Reliance Capital Ltd
Rural Electrification Corporation Ltd	Rural Electrification Corporation Ltd
IndusInd Bank Ltd	

Most companies from the sample responded in affirmative to the question of environmental identification of risks, however, there were exceptional few which did not respond to the questions. Further, a few companies also stated that the question was not applicable to them since their main business was providing services. The observations on those who did not disclose the answers are as below:

- IndusInd bank has stated in FY 15-16 report that the question was not applicable, however, in FY 16-17 report it has stated that “*The Bank identifies and assesses the Environmental and Social Risks associated with its business investments.*”
- Power Finance Corporation, Reliance Capital Ltd. and Rural Electrification Corp. have stated that the question is not applicable.

## CLEAN DEVELOPMENT

### Principle 6- Q4 “Does the company have any project related to Clean Development Mechanism?”

SEBI circular on Principle 6 further states that “Businesses should continuously seek to improve their environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.”

Table 14: Clean Development projects

Does company have a project related to Clean Development	2016-17	2015-16
Companies that have a clean development project	50	54
Companies that do not have a clean development project	27	24
Companies that did not disclose if they have a Clean Development project	11	11
Companies that stated the question is Not Applicable	11	11
Total Sample	99	100

It was observed from the data of the sample companies that at least 50% of the companies have stated that they have a clean development project. Few companies from the sample were banks or service-oriented companies which stated that the question was not applicable to them. Further observation on the data disclosed by the sample companies is as follows:

- There were 5 companies viz. BPCL, Bosch Ltd, Jindal Steel & Power Ltd, Mangalore Refinery and Petrochemicals Ltd and Tata Motors Ltd which have disclosed that they had a project on Clean Development Mechanism in 2015-16. However, they have stated in the report for FY 16-17 that they do not have a project.
- Lupin Ltd did not have a project on Clean Development Mechanism in 2015-16 but has disclosed that it has a project in 16-17.

### Principle 8: Businesses should support inclusive growth and equitable development

## CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 (1) of the Companies Act, 2013

*Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.*

For purpose of the report the following data was gathered on the CSR committee:

- Whether the Company has a CSR Committee
- Whether the Committee has Independent Directors? If yes then % of Independent Directors which are members?
- Whether the Chairman of the Committee was an Independent Director?
- Number of meetings of the CSR committee

Further, data was also collected on the following:

- Total expenditure on CSR vis a vis the prescribed expenditure on CSR
- Companies that did not spend the prescribed amount on CSR initiatives. Whether the Company disclosed reason(s) for not being able to spend the prescribed amount?



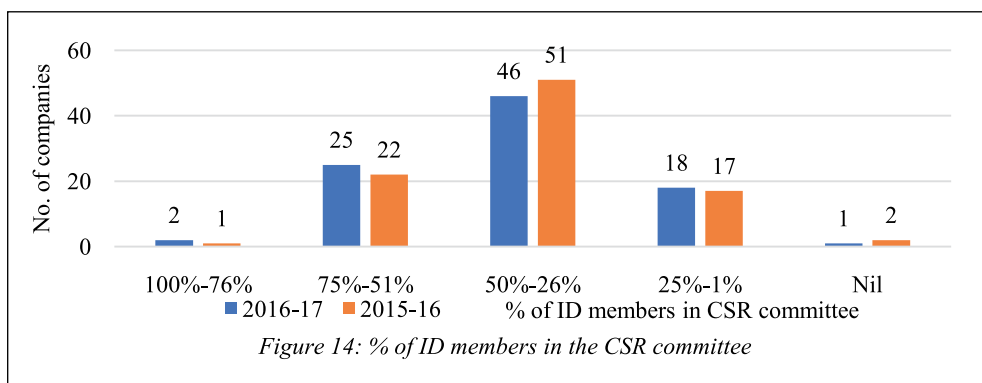
- Sectors of CSR expenditure
- Who carried out the CSR activities?
- Was there an impact assessment of CSR activities?

Out of the sample of 99 companies for FY 16-17 and FY 15-16, 7 are Public Sector Banks. Since, Public-Sector Banks are not Companies as per the Definition of ‘Company’ as stated in Companies Act, 2013, and it is not registered as a Company under the Companies Act, 2013, therefore, it is not mandatory for the PSU Banks to spend 2% of their net average profit of last 3 financial year on CSR expenditure. Therefore these banks are excluded from the observations on CSR below.

### CSR COMMITTEE

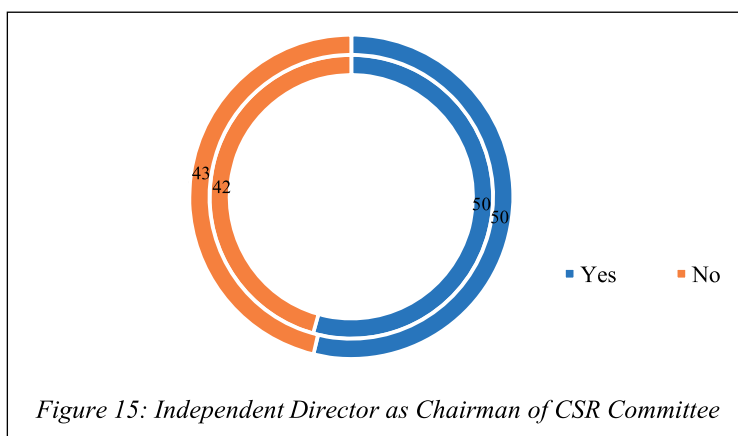
All the companies in the sample i.e. 92 companies for FY 16-17 (total 99 companies less excluding 7 PSBs) and 93 companies for FY 15-16 (total 100 companies less excluding 7 PSB) had a Corporate Social Responsibility Committee.

The average size of the CSR committee in FY 16-17 and FY 15-16 is 4 members in the sample companies. Further, on an average among the sample companies approximately 2 members were Independent directors. Further, break up of % of Independent Directors that are members of CSR committees is given in the graph below:



Although it is not a requirement of law, however, it is observed in that sample companies that most companies fell in the category of 50-25% independent directors as members of CSR committee.

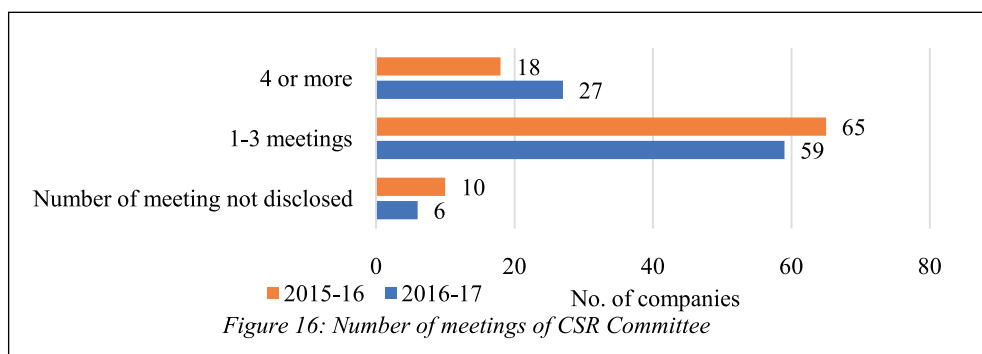
Only Wipro Ltd. had a CSR committee fully comprised of Independent Directors in both FY 15-16 and FY 16-17. Further, Only Oil India Ltd did not have any Independent Director as member of the CSR committee in 2016-17.



Although not a requirement of law, it was observed that from the sample more than 50% companies have Independent Director as the Chairman of the CSR committee. The figure has been the same from FY 15-16 as well.

The companies as per law are not required to disclose the number of meetings of the CSR committee. However, most companies from the sample had disclosed the information. The graph depicts the number of meetings of CSR committee of the Sample Companies in FY 15-16 and FY 16-17.

Most CSR committee of the sample companies have met between 1 to 3 times during the year.

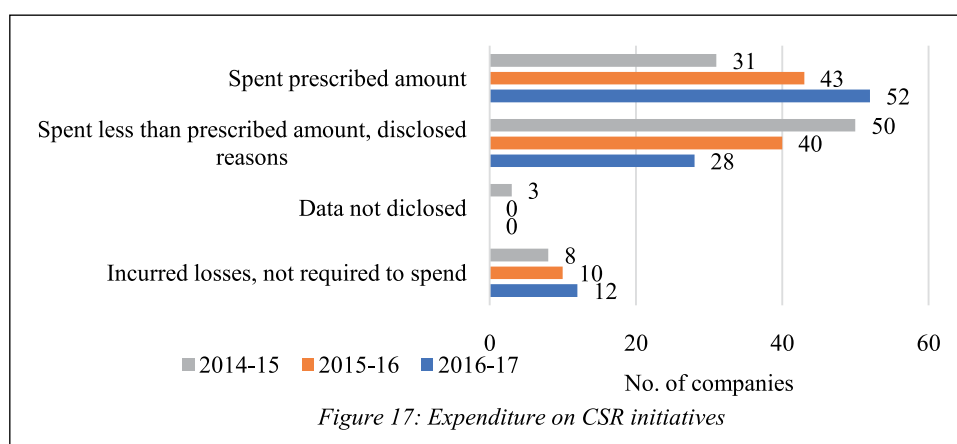


## EXPENDITURE ON CSR INITIATIVES

With effect from 1st April, 2014 and pursuant to Section 135 of the Companies Act 2013, every company, private Ltd or public Ltd, which has a net worth of ₹ 500 crore or a turnover of ₹ 1,000 crore or net profit of ₹ 5 crore, has to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities.

As required in the BR Report, Companies have to disclose under Section B, their total spending on CSR as a percentage of profit after tax and list of activities in which expenditure has been incurred. Further, the Companies need to make disclosure on CSR activities in form of an annexure to be included in Board's Report as mandated under Section 135 of Companies Act, 2013.

As per the data collected for last 3 financial years i.e. 2016-17, 2015-16 and 2014-15 the number of companies which have complied with the criteria of spending 2% of their average net profit in preceding 3 financial years are depicted in Figure 17.



It can be observed from the graph that the total number of companies which have spent the prescribed amount on CSR initiatives is growing each FY.

3 companies viz, ABB India, Castrol India Ltd and Glaxosmithkline Pharmaceuticals Ltd. did not disclose the prescribed amount of CSR expenditure in their annual report for FY 14. Therefore, whether they spent the prescribed 2% on CSR or not could not be analysed for these 3 companies.

Companies are required to disclose the reasons for not spending the prescribed amount on CSR. All companies from the sample have disclosed the reasons and the same are also disclosed in the BRR extract for the sample companies forming part of the Annexure 1 to this report.

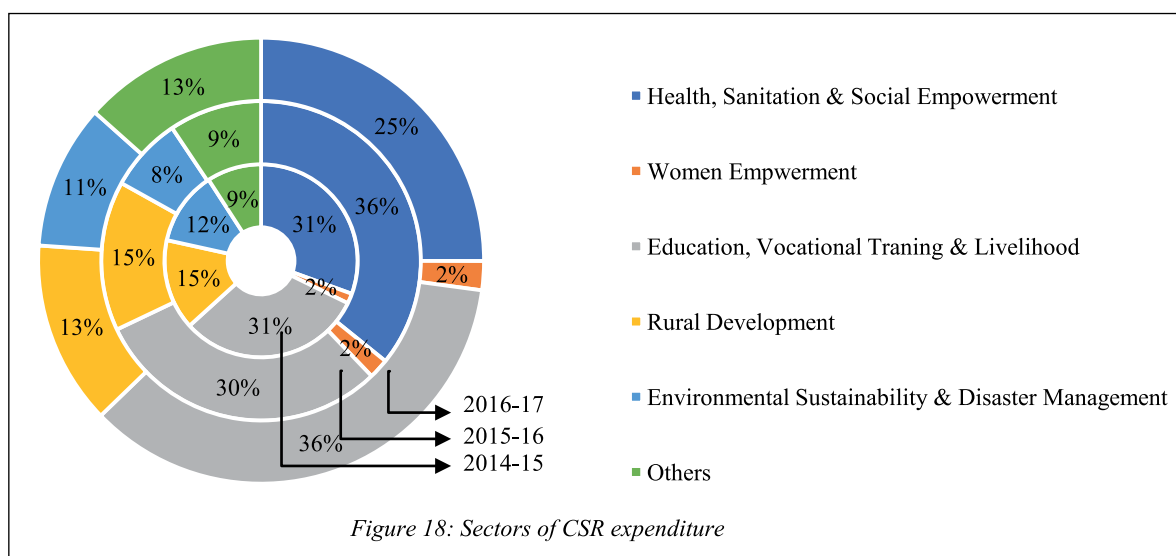
### SECTORS OF EXPENDITURE ON CSR

The companies are required to disclose in Annexure on CSR activities details of the project/ activity along with “*Sector in which the project is covered.*” We have identified 5 major sectors of CSR expenditure

- Health, Sanitation & Social Empowerment
- Women Empowerment
- Education, Vocational Training & Livelihood
- Rural Development
- Environmental Sustainability & Disaster management

Expenditure on projects/ activities that do not fall under any of the above categories are put under other initiatives category.

Total expenditure by the sample companies during FY 16-17 on CSR initiatives was approximately ₹7,012 crores as compared to an expenditure of ₹6,669 cores in FY 15-16 and ₹5,368 in FY 14-15. The breakup of the sectors in which expenditure was incurred as a % of total expenditure is depicted in Figure 17



As observed, the maximum expenditure has been incurred on Education, Vocational Training and Livelihood followed by health, sanitation and social empowerment projects/ initiatives. Women empowerment is a sector in which the least expenditure has been incurred. The trend has been the same for the last 3 years.

Table 15: Top 5 spenders on CSR initiatives and their sectoral expenditure

	Average Net Profit of previous 3 FYs (in ₹crores)	Prescribed CSR expenditure (in ₹crores)	CSR Spend (in ₹crores)	Percentage of CSR spend to the prescribed CSR expenditure	Health, Sanitation & Social Empowerment	Women Empowerment	Education, Vocational Training & Livelihood	Rural Development	Environmental Sustainability & Disaster management	Others
<b>Top 5 Spenders in FY 16-17</b>										
Reliance Industries Ltd	31,021	620	659	106%	40.84%	0.00%	38.10%	14.28%	2.04%	4.73%
ONGC Ltd	26,783	536	526	98%	17.50%	<b>2.15%</b>	40.08%	0.11%	23.69%	16.48%
TCS Ltd	22,275	446	380	85%	22.55%	0.07%	23.20%	0.00%	0.14%	54.04%
HDFC Bank Ltd	15,200	304	305	100%	7.71%	0.00%	8.47%	41.61%	0.33%	41.88%
Infosys Ltd	14,371	287	289	101%	16.51%	0.00%	23.38%	12.82%	28.99%	18.30%
<b>Top 5 Spenders in FY 15-16</b>										
Reliance Industries Ltd	27,889	558	652	117%	47.63%	0.00%	34.63%	13.58%	1.58%	2.58%
NTPC Ltd	13,567	271	492	181%	66.64%	0.00%	12.11%	8.99%	6.88%	5.38%
ONGC Ltd	29,685	594	419	71%	19.52%	0.34%	12.17%	27.19%	0.49%	10.87%
TCS Ltd	17,994	360	294	82%	24.23%	0.37%	24.19%	1.51%	0.02%	49.68%
ITC Ltd	12,338	247	248	100%	23.41%	<b>7.34%</b>	19.18%	20.55%	29.14%	0.38%
<b>Top 5 Spenders in FY 14-15</b>										
Reliance Industries Ltd	26,648	533	761	143%	79.97%	0.00%	2.87%	16.61%	0.06%	0.50%
ONGC Ltd	33,030	661	495	75%	8.15%	0.17%	14.37%	18.95%	58.04%	0.32%
Infosys Ltd	12,133	243	240	99%	36.45%	0.00%	42.84%	13.17%	0.00%	7.54%
TCS Ltd	14,250	285	218	77%	8.63%	0.12%	14.85%	0.00%	0.02%	76.38%
ITC Ltd	10,646	213	214	101%	11.17%	<b>4.86%</b>	30.94%	7.50%	35.53%	10.01%

From Table #15 it can be observed that Reliance Industries Ltd, ONGC and TCS have been consistently the highest spenders on CSR initiatives. It can further be noted that Reliance Industries has consistently spent more than the prescribed amount on CSR initiatives. However, despite being in the top 5 spenders on CSR initiatives, ONGC and TCS have consistently spent less than the prescribed amount on CSR initiatives.

Except ITC Ltd in FY 15-16 and FY 16-17 and ONGC in 2016-17, no other companies in the top 5 have spent more than 1% of the amount on Women Empowerment initiatives. It is further observed that the highest spending is in the sector of Health and Sanitation and Social Empowerment.

Table 16: companies that spent more than prescribed CSR expenditure

	Average Net Profit of previous 3 Financial Years (In ₹ crores)	Prescribed CSR expenditure (In ₹ crores)	Actual CSR Spend (In ₹ crores)	Percentage of CSR spend to the prescribed CSR expenditure
<b>Top 5 in FY 16-17</b>				
Coal India Ltd	681.75	13.65	128.06	938%
Ambuja Cements Ltd	1,489.21	29.78	59.37	199%
NHPC Ltd	2,211.74	44.23	75.82	171%
Tata Steel Ltd	5,789.77	115.8	193.61	167%
Oil India Ltd	3,790.30	75.81	108.37	143%
<b>Top 5 in FY 15-16</b>				
Coal India Ltd	984.59	19.69	73.26	372%
NLC Ltd	2,213.37	44.27	81.93	185%
NHPC Ltd	2,164.09	43.28	72.67	168%
NTPC Ltd	13,567.43	349.65	491.8	141%
Tata Steel Ltd	7,518.00	150	204.46	136%
<b>Top 5 in FY 14-15</b>				
Reliance Industries Ltd	26,648.00	532.96	760.58	143%
Oil India Ltd	4,909.38	98.19	133.31	136%
Godrej Consumer Products	620.72	12.41	16.08	130%
GMR Infrastructure Ltd	113.22	2.26	2.92	129%
Jaiprakash Associates Ltd	563.73	10.73	13.48	126%

It can be observed from the table that in FY 15-16 and FY 16-17 Coal India spent the highest % of net profit when compared to the prescribed CSR expenditure (2% as per Companies Act). Tata Steel, NHPC and Oil India Ltd also spent more and were in top 5 companies who spent more than 2% on CSR expenditure in atleast 2 of 3 last FYs.

## MODE OF UNDERTAKING CSR

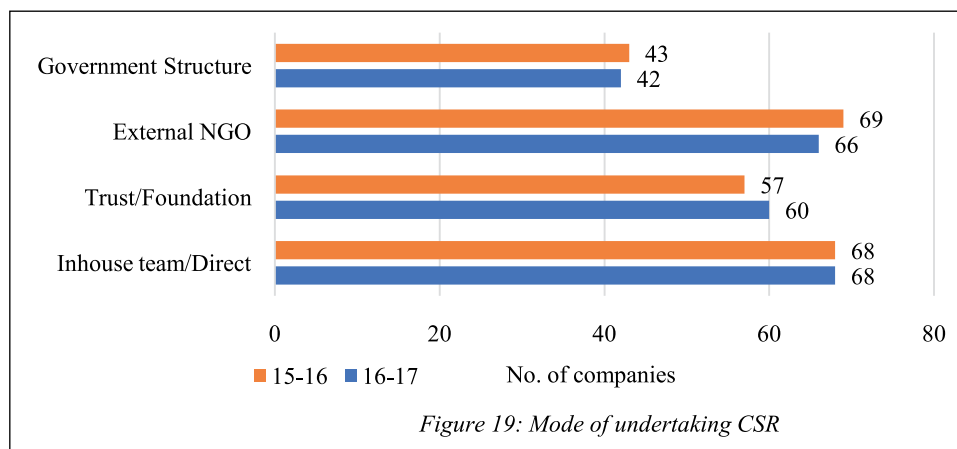
Companies undertake CSR Initiatives through various structures such as own in house teams or via Company's/ Group's Foundation or Trust. Some companies also undertake CSR Initiatives via external organisations such as NGO's or Government structures.

As required under Section E Principle 8 of the BR Report companies have to disclose:

***“Are the programmes / projects undertaken through in-house team / own foundation / external NGO / Govt. structure / any other organization?”***

Data was gathered from the answers of the sample companies regarding the mode of undertaking CSR. Companies mostly use more than one mode for carrying out CSR initiatives. The graph below depicts the most used mode of carrying on CSR initiatives:

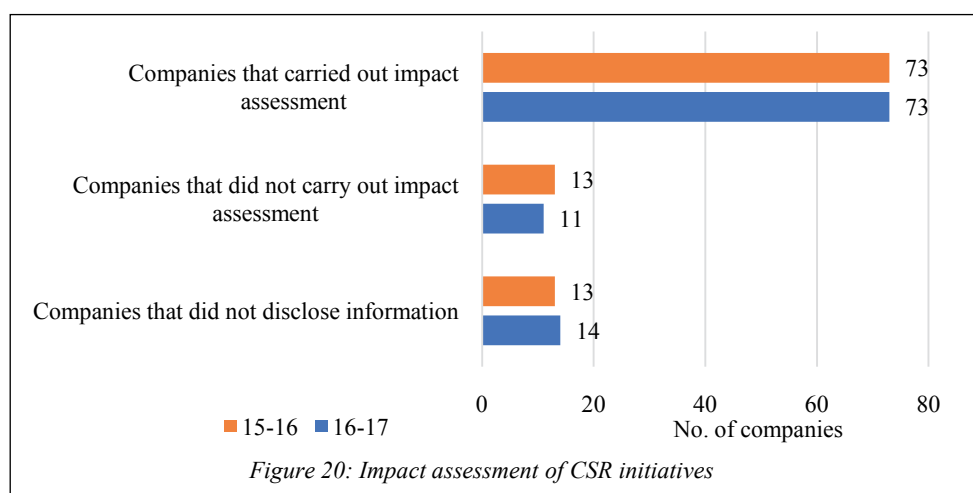
It can be observed from the graph that most companies prefer either in house team/ directly carrying out CSR initiatives or through an external NGO. Further, companies also carry out CSR initiatives via trust/ foundations. The trend is similar in FY 15-16 and FY 16-17.



## IMPACT ASSESMENT OF CSR

As required under the Section E-Principle 8, companies have to state that whether they undertook an impact assessment of their CSR initiatives. The impact assessment is disclosed in a subjective manner and not in quantifiable terms, however, the data is collected to depict the number of companies that have carried out the impact assessment.

The figures for the companies who carried out impact assessment for FY 15-16 and FY 16-17 is 73 companies from 86 companies.



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

Principle 9-Question 1 “*What percentage of customer complaints/consumer cases are pending as on the end of financial year?*”

### CONSUMER COMPLAINTS

The data collected under this particular section could not be grouped for the purpose of the analysis, as the Companies have disclosed different kinds of complaints under this section. Many companies from the sample have provided data on consumer complaints and consumer cases or either of them.

Since the question does not exactly specify which one is the company required to disclose, companies have disclosed either both or any one of the Consumer Complaints and Consumer Cases. However, for the purpose of analysis comparison between these complaints and the percentage that are pending will give an inaccurate interpretation. Therefore, the data of complaints under the question is disclosed in the extract of each Company in the Annexure 1.

However, from the data collected it was observed that except 9 companies, remaining companies from the sample in FY 16-17 disclosed the data on consumer complaints. In FY 15-16, 8 companies had not disclosed the data on consumer complaints.

Reliance Infrastructure in FY 15-16 stated that less than 4% of consumer complaints reported were pending, however, in FY 16-17 it did not disclose that data on complaints reported or pending.

**Principle 9- Question 4 “Did your company carry out any consumer survey/ consumer satisfaction trends?”**

### CONSUMER SURVEY

Companies are required to disclose under this section whether they carried out a survey to analyse customer satisfaction and obtain a feed back from customer regarding their product or service.

*Table 17: Consumer Satisfaction Survey*

Observations:	2015-16	2016-17
Companies that carried out a survey/ customer satisfaction trend	85	82
Companies that did not carry out a survey	4	7
Companies that did not disclose the information	11	10

More companies from the sample had carried out a survey in FY 2015-16 than FY 2016-17. 3 companies that did not carry out the survey in FY 16-17 were Bosch Ltd, DLF Ltd and NMDC Ltd. Further, Reliance power had not disclosed if it had carried out a survey in FY 15-16, however, in FY 16-17 report it stated that it did not carry out the survey.

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**PART B- COMPARISON OF DISCLOSURE UNDER GRI G4  
GUIDELINES VIS A VIS DISCLOSURE REQUIREMENT UNDER  
BUSINESS RESPONSIBILITY REPORTING**

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## **COMPARISON OF DISCLOSURE UNDER GLOBAL REPORTING INITIATIVE – G4 WITH BUSINESS RESPONSIBILITY REPORT**

Global Reporting Initiative is an independent organisation that helps business, governments and other organisations understand and communicate the impact of business or critical sustainability issues such as climate change, human rights, corruption and many others as stated on its website. GRI G4 are the latest guidelines which have been specified by GRI for effective sustainability reporting. GRI guidelines are globally accepted guidelines for sustainability reporting. The guidelines are used by companies all over the world to prepare sustainability reports. From the top 100 listed companies based on market cap which have been taken as a sample for the purpose of the Study, 41 companies had prepared a sustainability report under the GRI G4 guidelines framework.

In the Indian framework, Ministry of Corporate Affairs notified the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business.’ These guidelines comprised of 9 principles for responsible business practices which are to be adopted by the companies. It had also suggested a framework of Business Responsibility Report which required certain specified disclosure on steps taken by the companies to implement the principles of NVG.

SEBI has now mandated the top 500 companies based on market cap to disclose a Business Responsibility Report in the format as prescribed under SEBI Circular of 2012.

The study has aimed to bring out a comparison of disclosure as required under the GRI-G4 guidelines and disclosure under BR Report as prescribed by SEBI. The Comparison has also covered disclosure which are mandated under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 (LODR).

From the comparison of disclosure under both the guidelines it is evident that the GRI-G4 guidelines are far more comprehensive and encompassing in terms of the content of the required disclosures as compared to the BRR format provided by SEBI. A comparative table of the disclosures under sections of GRI-G4 General disclosure with the disclosure required under BR format, Companies Act and LODR is given in Annexure B.

GRI G4 guidelines have two sections of disclosures- General Standard Disclosure and Specific Standard Disclosure. The comparative table is limited to the General Standard Disclosure only. From 61 questions under the General Standard Disclosure of G4 framework, answers to 15 questions are fully covered under BR Report framework and disclosure required under Companies Act and LODR. Answers to 11 questions are partially covered in the BR Report framework. The data shows that the requirement of disclosure under BR Report in terms of quality and quantity do not cover all the aspects that are covered in the GRI G4 Guidelines.

Under the GRI Guidelines reporting organizations have disclosed the instances of most material impact of the organization on the society, environment and the economy. The impact disclosed by the organization may be positive or negative. GRI G4 guidelines are much more subjective in nature and the disclosures required have much more depth than basic objective questions. BR Report framework under Section D question 2, companies are required to answer certain questions based on the 9 principles of Business Responsibility. The disclosure is wide however it is only objective in nature so it does not provide the depth in answers that GRI guidelines require.

Thus, concluding that BR framework and requirement of furnishing a BR Report to the stakeholders and making it mandatory is a progressive step SEBI has undertaken in the direction of creating accountability to the society at large. However, there is lot of scope of improvement in terms of the quality and quantity of disclosure to bring BRR at par with Globally Accepted Standards. Many companies from the sample have published the sustainability report in the GRI G4 guidelines framework. Therefore, may companies which operate in international markets do publish such Sustainability Report. Therefore, the companies are undertaking to comply and make comprehensive disclosure. The Regulators must enhance the scope and coverage of data disclosed under BR Reporting Framework further to enhance the quality of disclosure for long-term benefit to society and economy.



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## **PART C- BUSINESS RESPONSIBILITY REPORTING- BEST PRACTICES GUIDE**

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## PART C- BUSINESS RESPONSIBILITY REPORTING- BEST PRACTICES GUIDE

Real objective of any regulatory dictate can be achieved only if the entity concerned responds to the dictate in right spirit and in an efficient manner. While right spirit relates to intent, which cannot be controlled by any regulatory dictate, efficiency can always be increased by proper guidance. It is not at all necessary that guidance must originate from regulators only, even practitioners or research organisations can provide guide. This is one such attempt to prepare a Best Practice Guide for user to prepare a BRR.

Idea behind disclosure of Business Responsibility Report ('BRR') is to make is a useful disclosure tool to communicate the efforts taken by the entities in the Environment, Social and Governance spheres. Most often objective fails as despite best intention and efforts the communication or connect is not proper between company and user.

In respect of BRR, major challenge is faced as information is not in binary form and most of the information is subjective. Any subjective question has millions of possible responses, further responses could range from a single word to single sentence to a para or page. Both brevity and verbosity are enemy of effective communication. In fact, answers to the BRR cannot be expected to be customised. Our examination of 100 companies for two years confirm this.

While selecting best practice special attention has been paid to information given and its completeness, not being too long as to lose focus nor too short to remain incomplete. Special attention was paid to presentation in user/ reader friendly manner in which information is organised. It is well known that organised information is effective in communicating and creating desired impact.

This guide solely focuses on sampling best response to all the questions in BRR template and it certainly does not compare responses of sample companies. The purpose of this referencer is not to bring out the lack of disclosures/ spot the deficiencies in the BRRs of the Companies nor just bringing synchronicity among the reports of different companies. The only objective is to suggest to user an option that they can adopt to prepare their responses, which we feel are provided in a more informative, crisp and presentable manner. This paper provides one or few of the best identified answers/ presentation among these Companies.

The guide follows the template provided by SEBI for BRR report.

**Section A** requires 'GENERAL INFORMATION OF THE COMPANY'

1. Corporate Identity Number (CIN) of the Company
2. Name of the Company
3. Registered address
4. Website
5. E-mail id
6. Financial Year reported
7. Sector(s) that the Company is engaged in (industrial activity code-wise)
8. List three key products/services that the Company manufactures/provides (as in balance sheet)
9. Total number of locations where business activity is undertaken by the Company
  - (a) Number of International Locations (Provide details of major 5)
  - (b) Number of National Locations
10. Markets served by the Company – Local/State/National/International

**Comments:** This section requires the generic information about the Company and does not necessitate any Comparison. Therefore, no specific proforma is provided for this.

## Section B: Financial Details of the Company

1. Paid up Capital (INR):
2. Total Turnover (INR):
3. Total profit after taxes (INR):
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):
5. List of activities in which expenditure in 4 above has been incurred: -

**Comments:** This section enquires about the financial details of the Company and the CSR expenditure. In SES opinion, amongst the sample taken, the disclosures for the Ambuja Cements, Canara Bank, Bank of Baroda, Castrol India Limited, GAIL (India) Limited, Indian Bank were found to be informative as they have provided the response to fifth part of Section B in a concise manner.

While the detailed information provided by the Companies is definitely required but sometimes if the number of projects are high/ varied, it is not possible for the reader to epitomize and conclude in which area the Company's CSR policy is focused and what is the intent of the Company for spending over that area.

**This section from the BRR of Ambuja Cements has been provided below for a reference –**

List of activities on which expenditure in 4 above has been incurred: -

All CSR activities conducted by the Company are in alignment with those identified under Schedule VII of Companies Act, 2013 and are listed as follows:

Sr. No.	CSR Project or activity identified under Schedule VII of Companies Act, 2013	Sector in which the Project is covered	Expenditure incurred during the period (Amount ₹ In Crore)
1	Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Drinking Water, Agro based Livelihood, Animal Husbandry, Health, Sanitation	15.82
2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	Education, Ambuja Manovikas Kendra, Ambuja Vidya Niketan, Skill and Entrepreneurship Development Institute (SEDI), Non Formal Education, Village Knowledge Centre	29.39
3	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically background groups;	Women, Female Feticide, SHG, Federation	0.91
4	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;	Non-Conventional, Biogas, Solar, Plantation, Water Resources, Watershed	6.74
5	Rural development projects.	Rural Infrastructure Project	5.51
		<b>Total</b>	<b>58.37</b>
	Overheads	Overheads	1.00
			<b>59.37</b>

Source: Annual Report 2016 Ambuja Cements Ltd. Pg. No. 116

## Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

**Comments:** This Section enquires about the Subsidiary Company and other entities e.g. suppliers, distributors etc who participate in the BR initiatives of the Company and in what percentages. All the Companies forming part of the sample size have provided whether they have any Subsidiary(ies) and whether these Subsidiary(ies) or other entity/entities that the Company does business with, participate in the BR initiatives of the Company. However, the third question enquires the percentage of entity(ies) which are involved in the BR initiatives of the Company. Such information is in alignment to the required format, however, it does not provide any concrete picture pertaining to the participation of other entities, for an example, more than 60% can mean anything above 60% and therefore, comparison between disclosure of two entities remains dubious. It would be appreciable if the Companies provide disclosures containing comprehensive data which should be bifurcated by the type of entities involved and the % of entities involved for each category. Moreover, SEBI should also update the format for BRR pertaining to such disclosures, in view of the fact that, Companies are compliant from their end with respect to this question and other such cases where such parameters are provided, moreover, the format itself should be more lucid.

For Reference, Specimen of Dabur India has provided a detailed bifurcation of the Entities which are involved with them and their percentage of participation which provides a clear picture of the different type of parties and their involvement in the BR initiatives.

**This section from the BRR Dabur India Limited has been provided below for a reference –**

**Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

Dabur actively engages with its business associates through its BR initiatives.		
Entity	Initiative	% of entity
Suppliers (small farmers)	We directly engage with local & small producers for procuring inputs for our supply of rare herbs and medicinal plants through our greenhouse projects. (Details in response to question 4 in Section E, Principle 2)	< 30%
Distributors	We actively engage with our distributors to build their capacity through workshops and training sessions.	<30%
B2B customers	We organise customized education programmes for our B2B customers like beauty parlors, doctors etc.	<30%
Suppliers and distributors	The Direct Touch policy (Whistle Blower & Protection Policy) applies to business associates (suppliers, stockists and dealers) as well. This provides a platform to business associates for reporting unethical business practices without fear of reprisal.	>60%

*Source: Business Responsibility Report 2016-17 Dabur India Ltd. Pg. No. 5*



## Section D: BR Information

### 1. Details of Director/Directors responsible for BR

#### a) Details of the Director/Director responsible for implementation of the BR policy/policies

- DIN Number
- Name
- Designation

S. No.	Particulars	Details
1	DIN Number (If applicable)	
2	Name	
3	Designation	
4	Telephone Number	
5	E-mail Id	

#### b) Details of the BR head.

**Comments:** This Section enquires about the Directors responsible for the BR policies and the BR head which does not necessitate any Comparison. Therefore, no specific proforma is provided for this.

### 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy(ies) for principle									
2	Has the policy been formulated in consultation with the relevant stakeholders?									
3	Does the policy conform to any national / international standards? If yes, specify (50 words).									
4	Has the policy been approved by the Board? If yes, has it been signed by the MD / owner / CEO / appropriate Board Director?									
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?									
6	Indicate the link for the policy to be viewed online									
7	Has the policy been formally communicated to all relevant internal and external stakeholders?									
8	Does the Company have an in-house structure to implement the policy / policies?									
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?									
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?									

**Comments:** This table requires the Companies to mention Y/N in the corresponding boxes for each principle and Question at first. Further, in certain question(s), for example, Question 6 which asks about the link of the policies to be viewed online are expected answers in the form of link. As per SES opinion, Tata Motors Ltd., Reliance Industries Ltd., GAIL (India) Ltd., Shree Cements, Siemens Limited, Mangalore Refinery and Petrochemicals Limited, Jindal Steel and Power Limited, Asian Paints Limited, Dr. Reddy's Laboratories Limited have provided an extensive, concrete & more informative table than just providing Y/N, specimen of Asian Paints Ltd, & Dr. Reddy's Laboratories Limited has been provided for reference.

Further, three companies out of the sample have provided an answer for each principle and their corresponding question, a detailed answer by providing a separate table for each principle. These three reports are of Oil and Natural Gas Corp. Ltd., Container Corp. of India Ltd. and Wipro Limited. Although, in literal terms it is not exactly in the same format as prescribed by SEBI, however, the same provides plentiful of eloquent answers to the principle and their corresponding questions in a synchronised way. Their specimen is not provided as it would run into pages, however, their respective links have been provided below for further reference.

1. ***Oil and Natural Gas Limited* has provided the answers for each principle and their corresponding questions separately along with the performance questions which make the report very presentable and reader friendly. Moreover, complete information is available for the users in this manner also in places where the answers could be provided only in yes or no which depicts the efforts made by the Company is providing the requisite information to the stakeholders. Refer ONGC's BRR in the Annual Report 2016-17 ([Link](#)).**
2. ***Container corporation of India* has also provided the answers for each principle and their corresponding questions in a tabular format separately for each principle along with the performance criteria. Though, at individual levels the answers provided are not completely quantified as required, however, the presentation given is appreciable because it provides complete information to the user separately for each question. Refer Concor's BRR in the Annual Report 2016-17 ([Link](#)).**
3. ***Wipro Limited* has provided principle-wise answers to each question separately with bountiful of information than just providing Y/N. Please refer the following [link](#).**

## NSE – Business Responsibility Reporting

As per SES, Disclosure have been provided by Asian paints limited concerning the person who signed and approved their policies for question 4 pertaining to all the principles. Such information provides clarity as the different policies under corresponding principles can be signed by different authorities also. Proforma shown below of Asian Paints Limited can be taken as a reference:

Sr. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y (It is signed by the Vice President - Human Resources Function)	Y (It is signed by the Managing Director)	Y (It is signed by the Vice President - Human Resources Function)	Y (It is signed by the Managing Director)	Y (It is signed by the Vice President - Human Resources Function)	Y (It is signed by the Managing Director)	NA	Y (It is signed by the Managing Director)	Y (It is signed by the Managing Director)
		As a process all the policies are noted by the Board. The Board authorises Senior Officials of the Company to authenticate the policies and make necessary changes whenever required.								
6.	Indicate the link for the policy to be viewed online?	<a href="https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/investors/code-of-conduct/asian-paints-code-of-conduct.pdf">https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/investors/code-of-conduct/asian-paints-code-of-conduct.pdf</a>	<a href="https://www.asianpaints.com/footer-links/ehs-policy.html">https://www.asianpaints.com/footer-links/ehs-policy.html</a>	These policies are internal policies and are not displayed on the website of the Company but have been displayed on the intranet site of the Company	<a href="https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/about-us/corporate-citizenship/CSR%20Policy.pdf">https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/about-us/corporate-citizenship/CSR%20Policy.pdf</a>	<a href="https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/investors/code-of-conduct/asian-paints-code-of-conduct.pdf">https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/investors/code-of-conduct/asian-paints-code-of-conduct.pdf</a>	<a href="https://www.asianpaints.com/footer-links/ehs-policy.html">https://www.asianpaints.com/footer-links/ehs-policy.html</a>	NA	<a href="https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/about-us/corporate-citizenship/CSR%20Policy.pdf">https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/about-us/corporate-citizenship/CSR%20Policy.pdf</a>	<a href="https://www.asianpaints.com/footer-links/customer-policy.html">https://www.asianpaints.com/footer-links/customer-policy.html</a>

Source: Annual Reports 2016-17 Asian Paints Ltd. Pg. No. 93

Dr. Reddy's Laboratories has also provided the table which provides more information through providing the brief of these principles and corresponding questions. This table itself provides plenty of information about these principles and is readable and understandable. The specimen is provided below:

S. No.	PRINCIPLE-WISE (AS PER NVGs) BR POLICY/ POLICIES (REPLY IN Y/N)	P1 ETHICS, TRANSPARENCY AND ACCOUNTABILITY	P2 PRODUCT LIFE CYCLE SUSTAINABILITY	P3 EMPLOYEE WELL-BEING	P4 STAKEHOLDER ENGAGEMENT	P5 HUMAN RIGHTS	P6 ENVIRONMENT	P7 POLICY ADVOCACY	P8 EQUI-TABLE DEVELOPMENT	P9 CUSTOMER VALUE
1	Do you have a policy/policies for....	Yes	Yes	Yes	Yes	We comply with all the statutory requirements. All the contracts and standing orders include relevant aspects of human rights	Yes	NA	Yes	Yes

S. No.	PRINCIPLE-WISE (AS PER NVGs) BR POLICY/ POLICIES (REPLY IN Y/N)	P1 ETHICS, TRANSPARENCY AND ACCOUNTABILITY	P2 PRODUCT LIFE CYCLE SUSTAINABILITY	P3 EMPLOYEE WELL-BEING	P4 STAKEHOLDER ENGAGEMENT	P5 HUMAN RIGHTS	P6 ENVIRONMENT	P7 POLICY ADVOCACY	P8 EQUI-TABLE DEVELOPMENT	P9 CUSTOMER VALUE
2	Has the policy been formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	All the standing orders are co-signed by the recognized union.	Yes	NA	Yes	Yes
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	We have adopted a code of business ethics (COBE) which conforms to national and international standards. This applies to all the directors and employees across the group.	We abide by all laws of the land and are a signatory to the 10 principles of the UN Global Compact. We take into account industry best practices and global benchmarks in defining our policies.	Yes, we conform to the required labor laws in each country. Apart from that, we continuously benchmark our policies with competition in different markets and review them as needed.	We abide by all laws of the land and are a signatory to the 10 principles of the UN Global Compact. We take into account industry best practices and global benchmarks in defining our policies.	Yes, the policy conforms to national standards pertinent to human rights.	Yes, the policy is in line with national standards.	NA	Yes, the policy is in line with national standards.	We abide by all laws of the land and are a signatory to the 10 principles of the UN Global Compact. We take into account industry best practices and global benchmarks in defining our policies.
4	Has the policy been approved by the board? If yes, has it been signed by MD/ owner/ CEO/ appropriate board director?	Yes, it has been approved by the board and/or appropriately authorized.	Statutory policies are placed before the board for consideration and approval. All other policies are approved by CEO/MD.	Policies in India are approved by CHRO and international policies by COO. The management council (MC) and relevant stakeholders are consulted.	Statutory policies are placed before the board for consideration and approval. All other policies are approved by CEO/MD.	Policies in India are approved by CHRO and international policies by COO. The MC and relevant stakeholders are consulted	Yes	NA	Yes	Yes
5	Does the company have a specified committee of the board/ director/official to oversee the implementation of the policy?	Yes	The responsibility for the implementation policies and their review primarily lies with the respective business/ function head.	All policy changes are discussed in HR leadership team meeting. The MC and relevant stakeholders are consulted before taking it for approval.	The responsibility for the implementation policies and their review primarily lies with the respective business/ function head.	NA	Yes	NA	Yes	The responsibility for the implementation policies and their review primarily lies with the respective business/ function head.

S. No.	PRINCIPLE-WISE (AS PER NVGs) BR POLICY/ POLICIES (REPLY IN Y/N)	P1 ETHICS, TRANSPARENCY AND ACCOUNTABILITY	P2 PRODUCT LIFE CYCLE SUSTAINABILITY	P3 EMPLOYEE WELL-BEING	P4 STAKEHOLDER ENGAGEMENT	P5 HUMAN RIGHTS	P6 ENVIRONMENT	P7 POLICY ADVOCACY	P8 EQUITABLE DEVELOPMENT	P9 CUSTOMER VALUE
6	Indicate the link for the policy to be viewed online?	www.drreddys.com/investors/governance/code-of-business-conductand-ethics-cobe.aspx	www.drreddys.com/media/123467/she_policy.pdf	NA	www.drreddys.com/media/123467/she_policy.pdf	www.drreddys.com/investors/governance/code-of-business-conductand-ethics-cobe.aspx	www.drreddys.com/media/123467/she_policy.pdf	NA	www.drreddys.com/media/125014/csr-policy.html	www.drreddys.com/media/123467/she_policy.pdf
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Employees are required to sign an undertaking, at least annually, stating that they have read the Code of Business Ethics (COBE) and comply with the principles of the code. New employees are required to sign a similar undertaking at the time of joining. Additionally, all our policies with respect to the nine principles are available on the company's website.	Yes, all policies have been communicated to stakeholders.	Employees are required to sign an undertaking, at least annually, stating that they have read the Code of Business Ethics (COBE) and comply with the principles of the code. New employees are required to sign a similar undertaking at the time of joining. Additionally, all our policies with respect to the nine principles are available on the company's website	Yes.	Yes	NA	Yes	Employees are required to sign an undertaking, at least annually, stating that they have read the Code of Business Ethics (COBE) and comply with the principles of the code. New employees are required to sign a similar undertaking at the time of joining. Additionally, all our policies with respect to the nine principles are available on the company's website.
8	Does the company have in-house structure to implement the policy/ policies?	Yes	Yes	Yes, we have an intranet where all policies are published along with FAQs. Apart from that we have employee communications sent out on any changes in policies.	Yes	Yes.	Yes	NA	Yes.	Yes

S. No.	PRINCIPLE-WISE (AS PER NVGs) BR POLICY/ POLICIES (REPLY IN Y/N)	P1 ETHICS, TRANSPARENCY AND ACCOUNTABILITY	P2 PRODUCT LIFE CYCLE SUSTAINABILITY	P3 EMPLOYEE WELL-BEING	P4 STAKEHOLDER ENGAGEMENT	P5 HUMAN RIGHTS	P6 ENVIRONMENT	P7 POLICY ADVOCACY	P8 EQUI-TABLE DEVELOPMENT	P9 CUSTOMER VALUE
9	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes	We also have a dedicated ombudsperson policy to address all concerns related to company level policies.	Policy grievances are handled by the respective business HR partners. We also have a common email-ID, wherein employees can drop an email with their feedback.	We also have a dedicated ombudsperson policy to address all concerns related to company level policies.	Yes.	Yes	NA	NA	We also have a dedicated ombudsperson policy to address all concerns related to company level policies.
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes	We comply with the nine principles broadly through the following policies: Code of Business Conduct and Ethics (COBE), SHE policy and principles, quality policy, purchase policy and HR policies. These policies are regularly reviewed by various internal and external agencies, including regulatory agencies. We also proactively follow public advocacy through various forums.	All policies are audited by the internal audit team. We also have external auditors who review HR policies/ processes.	We comply with the nine principles broadly through the following policies: Code of Business Conduct and Ethics (COBE), SHE policy and principles, quality policy, purchase policy and HR policies. These policies are regularly reviewed by various internal and external agencies, including regulatory agencies. We also proactively follow public advocacy through various forums.	Yes	Yes	NA	No	We comply with the nine principles broadly through the following policies: Code of Business Conduct and Ethics (COBE), SHE policy and principles, quality policy, purchase policy and HR policies. These policies are regularly reviewed by various internal and external agencies, including regulatory agencies. We also proactively follow public advocacy through various forums.

Source: Annual Reports 2016-17 Dr Reddys Laboratories Ltd. Pg. No. 25

### 3. Governance related to BR

1. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

**Comments:** The first question of this section enquires about the frequency of assessment of the BR performance of the Company by the Board of Directors, Committee of the Board or CEO. It expressly questions whether the same is “Within 3 months, 3-6 months, Annually, More than 1 year”. It has been observed that fifteen companies out of the total sample have provided it as Regularly, Ongoing basis & periodically which does not allow the reader to make the assessment as the same can differ from Company to Company and is not a defined period. And it was also observed that Companies have provided answers relating to the CSR activities and how many times CSR committee met during the year which is not asked in the question as BR performance is wider than CSR activities of the Company. The Companies should provide this frequency as a specified period and the exact information relating to the BRR performance in place of the CSR performance of the Company, in the case of the Companies which have done this.

For specimen of the first question, the respective portion of Ambuja Cement Ltd.’s BRR has been shown below:

### 3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The M.D. & CEO assesses the BR performance of the Company on a Quarterly basis which is then appraised to the Board at its quarterly meetings as a part of larger presentation on sustainability. The CSR Committee is also appraised about the BR performance bi-annually at its meetings.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company publishes its Sustainability Report on an Annual basis which is GRI G4 compliant A+ i.e. an internationally accepted reporting framework which is also assured by an independent certifying agency and is available on the website of the Company, [www.ambujacement.com/Sustainability/sustainability-reports](http://www.ambujacement.com/Sustainability/sustainability-reports).

*Source: Annual Report 2016 Ambuja Cements Ltd Pg.No 118*

## Section E: Principle-wise performance

**Comments:** Section E deals with the principle-wise performance

### Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs /Others?**

**Comments:** This information is subjective amid the data of the Companies, therefore, such information are kept outside the purview of comparison.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

**Comments:** This question enquires about the stakeholder complaints received in the previous year and how many of them have been satisfactorily resolved. However, stakeholders include various category of stakeholders which differ with the nature of their complaints. Thus, providing the complaints based on the category(ies) of stakeholders could provide a clear picture upon the issues / problems arising within the Company.

Companies like Indian Oil Corp. Ltd., NHPC Ltd., Hindustan Copper Ltd., National Aluminium Company Limited have

provided the same. Specimen of IOCL has been shown below for Question 2. Whereas specimen for HCL and NHPC Ltd. are given for Question 1 and Question 2 as well for the purpose of showing the clarity of answers given for both the questions of Principle 1.

**Indian Oil Corporation Limited –**

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The details of complaints received from various stakeholders during the financial year 2016-17 are as under:

Stakeholder	No of complaints received	No of complaints resolved	% Resolved	Remarks
Relating to Integrity Pact (IP)	12	12	100%	All complaints received under IP were tabled before the full panel of Independent External Monitors (IEM) for joint deliberation and recommendation. Compliance to IEM recommendations were complied by the concerned Functional Groups / Departments and apprised to IEMs subsequently.
Relating to Customers / Consumers	3,19,207	3,18,039	99.63%	Retail Sales: Out of 5,554 complaints, 5,449 complaints (98.1%) were resolved. LPG: Out of 3,13,532 feedback/complaints, 3,12,469 complaints (99.66%) were resolved. Lubes: All 6 complaints have been resolved. Petrochemicals: All 47 complaints have been resolved. Cryogenics: All 68 complaints have been resolved.
Relating to services, tenders and through Public Grievance Redressal	7115	7216	100%	These grievances were received through the Ministry of Petroleum and Natural Gas portal. As on 01.04.2016, the no. of grievances pending were 209. The no. of grievances received during the year were 7115, taking the total to 7324, out of which 7216 grievances were resolved. As on 31.03.2017, 108 no. of grievances are pending.
Shareholder's Complaints	1963	1963	100%	These are investor complaints forwarded by the Ministry of Corporate Affairs / Securities and Exchange Board of India / Stock Exchanges as well as those directly raised with the Company. All complaints have been resolved.

Source: Annual Report 2016-17 Indian Oil Corporation Ltd. Pg. No. 97



**NHPC Limited -**

**Principle 1**

Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

The Company considers Corporate Governance norms as an integral part of good management. The Company has a Code of Business Conduct and Ethics which is applicable to its Board Members and senior management personnel. In addition, the Company has a Policy to prevent fraud or suspected fraud. Whistle Blower Policy has also been adopted. Further, the Company has implemented an Integrity Pact for all the procurement works of the value of ₹1 crore and more, procurement of services of the value of ₹15 lakh and more and for procurement of goods of the value of ₹7lakh and more. In addition, NHPC also has policy and procedure in place for banning business dealings with bidders (i.e. Group / Joint Venture / Suppliers / Contractors) in the event of an unethical behaviour.

How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management?

We have received some stakeholder complaints during 2016-17 with regard to violation of the Corporate Governance norms and Code of Business Conduct and Ethics. The numbers of shareholders complaints available are as follows:

Description	Opening Balance as on 01.04.2016	Received During the Financial Year 2016-17	Resolved During the Financial Year 2016-17	Pending as on 31 <sup>st</sup> March, 2017
Non-receipt of refund orders	0	98	98	0
Non-receipt of dividend warrants	0	2960	2960	0
SEBI Complaints	0	40	39	1
Stock exchange complaints	0	14	14	0
Consumer forum/ Court cases	2	1	0	3
<b>Total</b>	<b>2</b>	<b>3113</b>	<b>3111</b>	<b>4</b>

The Company has observed no complaints under its Whistle Blower Policy in 2016-17.

The Company has observed 1 case of Fraud under Fraud Policy for Banning Business Dealing with Bidders in respect of Contractor/ supplier during the F.Y. 2016-17, details of which are as under.

- M/s SKP Buildcon Pvt. Ltd. Ahmedabad has been banned for three years w.e.f. 3rd June, 2016 for business dealing with NHPC Ltd.

The numbers of Bondholder's complaints available are as follows:

Description	Opening balance as on 01.04.2016	Received during the Financial Year 2016-17	Resolved during the Financial Year 2016-17	Pending as on 31 <sup>st</sup> March, 2017
Non-receipt of refund orders	0	1	1	0
Non-receipt of TDS Certificate	0	1	1	0
Non-receipt of Electronic Credit	0	1	1	0
Non-receipt of Interest Warrants	0	67	67	0
Non-receipt of Bonds/ Securities	0	96	96	0
<b>Total</b>	<b>0</b>	<b>166</b>	<b>166</b>	<b>0</b>

Source: Annual Report 2016-17 NHPC Ltd. Pg.No.69

## Hindustan Copper Ltd –

### Principle 1: Ethics, Transparency and Accountability

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

#### 1. Does the policy relating to ethics, bribery and corruption cover only the Company?

No. The Company is making continuous efforts in improving the systems and procedures so that they are transparent and in conformity with the extant rules & procedures, thereby ensuring that the working atmosphere and Company's dealings / transactions with other entities are relatively free from corruption. The Company has developed its Code of Ethics and Whistle Blower Policy which pertain to ethics, bribery and corruption. Its Code of Business Ethics governs the manner in which the Company carries out its activities and interacts with its stakeholders.

#### 2. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes. It extends to the Suppliers, Contractors, Business Partners and all other associated entities. The Company is a signatory of 'Integrity Pact' with Transparency International India wherein the Integrity Pact is signed between the bidders and the Company for all service contracts valuing `20 crore and above and for all purchase contracts valuing `10 crore and above.

#### 3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

- i) Investor Grievances: 2 Investor grievances were received and resolved during 2016-17 and there was no outstanding complaint as on 31.3.2017.
- ii) Public Grievances: 48 cases were received during FY2016-17 of which 46 were redressed.
- iii) Customer Grievance: 3 Customer grievances were received and resolved during 2016-17 and there was no outstanding complaint as on 31.3.2017
- iv) Stakeholder grievances pertaining to any other issue are forwarded to the respective department for redressal.

The stakeholders may address their complaints via platforms given below:

Employee Grievance	Grievance Redressal System - Whistle Blower Policy
Shareholder Grievance	At dedicated email id- <a href="mailto:investors_cs@hindustancopper.com">investors_cs@hindustancopper.com</a>
Trade Union Grievance	Bipartite Forum at Unit/National level for the Company
Consumers/Customers Grievance	Grievance Redressal through Marketing Department
Public in General	Public Grievance System of the Ministry

Source: Annual Reports 2016-17 Hindustan Copper Ltd Pg, No., 28

*National Aluminium Company Limited -*

**Principle 1 Business should conduct and govern themselves with Ethics, Transparency and Accountability.**

**1.1 Does the policy relating to ethics, bribery and corruption cover only the company?**

No.

**Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

Yes. A strong culture of values & ethics ensuring integrity and fairness in all dealings, is reflected in our organizational practices. The Sustainable Development Policy outlines our commitment towards integrity, ethical practices and transparency. “The Code of Business Conduct & Ethics for Board Members and Senior Management”, “Fraud Prevention Policy”, “Whistle Blower Policy”, “Code of Conduct for prevention of Insider Trading” highlight the priority accorded by the organization to business ethics. CDA rules applicable to all executives while Certified Standing Order applicable to all other employees also emphasise ethical conducts.

Any fraud or alleged fraud in any business transactions, involving employees as well as representatives of vendors, suppliers, contractors, consultants, service providers or any outside agency(ies) are dealt appropriately as per the above policies. Any violation, irregularities etc. are dealt based on Nalco vigilance Manual & Guidelines and directives circulated by CVC, Chief Technical Examiner of CVC, SEBI etc. In order to further bolster the transparency drive, Integrity Pact is implemented for all contracts of Rs. 5 crore and above. Protection is also extended to any outsider complaining under Public Information Disclosure and Protection of Informer (PIDPI) Scheme of Govt. of India.

**1.2 How many stakeholder complaints have been received in the past financial year and satisfactorily resolved by the management?**

- i) During F.Y.2016-17, 100 stakeholder complaints related to bribery, corruption and other irregularities were received by the Vigilance dept. taking stock of 19 pending complaints from previous year out of total 119 complaints, 116 complaints were dealt to their logical end and were closed and 3 are pending at different stages of investigation. Detailed investigations of the complaints were carried out based on prescribed procedures of Nalco Vigilance Manual with functional guidance and advice sought from CVC. Appropriate actions i.e. issuance of advisory letters and imposition of minor/major penalties etc. were taken, in commensuration with the gravity of established irregularity. As a preventive vigilance measure, suggestions for a few important systemic improvements related to property return, unauthorized absenteeism, tender & contract, grievance handling of contract worker, dispatch of finished product etc were also made during the year.
- ii) In total, 301 number of investor complaints were received during the F.Y. 2016-17 and all of them have been resolved satisfactorily. The detailed breakup of investor related complaints is given below :

Particulars	Received during the year	Complaints resolved	Complaints pending
SCORES	04	04	Nil
Stock Exchanges	02	02	Nil
Individuals	295	295	Nil
<b>TOTAL:</b>	<b>301</b>	<b>301</b>	<b>NIL</b>

- iii) In order to address the provisions of Right to Information Act (RTI), an officer is designated as Public Information Officer and is made responsible for providing information sought by stakeholders. During F.Y. 2016-17, a total of 197 applications were received in addition to the 17 pending ones as on 01.04.2016. As on 31.3.17: 176 queries have been settled including 01 query transferred to other public authority, while 12 applications have been rejected and the balance 26 queries are in different stages of investigation. As regards to “First Appeals”, a total of 48 applications were received during the year while number of pending applications from previous year was NIL. The status as on 31.3.17 is : 44 appeals have been settled with no application transferred, while one appeal was rejected and 3 applications were pending.

*Source: Annual Report 2016-17 National Aluminium Co. Ltd. Pg.No. 40*

## Principle 2

### 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- i.
- ii.
- iii.

**Comments:** This question is straight forward, and all the Companies forming part of the sample size have provided this information. However, this question if expanded, demands a detailed description which has not been provided by most of the Companies. The Companies have provided the name of their three products and have explained about them rather than mentioning the concerns/ risks or opportunities as required.

*As it says, “List up to 3 of your products or services whose design has incorporated -*

- 1. social or environmental concerns,*
- 2. risks and/or*
- 3. opportunities.”*

Answer of this question is taken from **National Aluminium Company Limited’s** BRR as a specimen which has been shown below:

### **Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

#### 2.1 List up to 3 of your products or services, whose design has incorporated social or environmental concerns, risks and/or opportunities.

The three major products are: Calcined Alumina, Aluminium, Electricity.

Calcined Alumina is produced conforming to internationally recognized Metallurgical Grade Alumina standard and while high purity primary Aluminium is produced conforming to the P1020A specifications mandated for London Metal Exchange (LME) grade registration. Electricity generated by CPP caters to our Smelter plant and surplus power, if any, is exported to the grid.

Comprehensive Environment impact assessment was carried out and Environment Management Plan approved by Regulatory Authority is implemented to mitigate any risks regarding negative impacts on environment or society, emanating from products, processes & services. The initiatives taken as per the plan are monitored by regulatory agencies. Aspect Impact Study, Hazard Identification & Risk Assessment and Emergency Management Plans are also drawn up with periodic reviews to address environmental and social risks. On Site Emergency Management Plans etc. are implemented at units to address Environmental and Social concerns in respect of our products & processes. Sustainable mining practices are adopted in the mines as per progressive Mines closure plan.

The environment concerns, risks, opportunities for our products are addressed as outlined below at Table-A:

TABLE : A

Unit	Products	Environmental risk areas	Environmental concerns	Opportunities
Alumina Refinery	Calcined Alumina	Environmental pollution comprising of <ul style="list-style-type: none"> <li>Air Pollution</li> <li>Water pollution</li> <li>Land contamination With risk associated with Health, Safety, Environment &amp; Ecology</li> </ul>	• Fly Ash	• Higher utilization of fly ash by motivating entrepreneurs for utilization of fly ash in areas such as: Utilisation of fly ash in manufacturing of fly ash bricks, cement, road construction, dyke making, filling up low lying areas in organization premises.
			• Lime grit	• fly ash brick manufacturing using lime grit.
			• Redmud	• Redmud utilization for extraction of Iron concentrate and Gallium from Redmud.
			• Waste water	• Recycling of return water from ash pond and red mud pond for reuse in ash slurry pumping, red mud slurry making and mud washing thus recycling caustic.
Smelter	Aluminium	Environmental pollution comprising of • Air Pollution <ul style="list-style-type: none"> <li>Water pollution</li> <li>Land contamination With risk associated with Health, Safety, Environment &amp; Ecology</li> </ul>	Generation of hazardous waste like : <ul style="list-style-type: none"> <li>spent potlining</li> </ul>	• i) Spent potlining utilization in Cement industry and power plant is being explored.
			• Dross	ii) Aluminium Dross is recycled in pots.
			• shot blasting waste etc.	iii) Non recyclable hazardous waste like shot blasting waste, furnace slags are sent to common HW landfill at Sukinda, Jajpur.
			• Stack, Fluoride & Particulate emission due to pot operation	• Prevention of HF gas leakage from potline by using leak proof pot hoods. Absorption of Fluoride gases in alumina by dry scrubbing method in FTPs thus recycling of fluorine to process
			• Spillage of bath material during different operating processes.	• Provision of automatic shutoff valve and recycling of spillage bath.
			• Generation of fluoride contaminated surface runoffs.	• Recycling of water by collecting surface runoff in 3 holding pools and defluoriding by Emrion Nano based Defluoridation technology
CPP	Electricity	<ul style="list-style-type: none"> <li>Air Pollution</li> <li>Water Pollution</li> <li>Land Contamination</li> </ul>	• Fly Ash	• Fly ash utilization in brick making, cement plant, road construction, reclamation of low lying area, abandoned stone queries, abandoned coal mines void, Ash dyke & mounds etc.
			• Waste water	• i) Recycling of ash pond decanted water for ash slurry making. ii) Utilisation of STP water for horticulture & plantation.
Mines	Bauxite	<ul style="list-style-type: none"> <li>Air Pollution,</li> <li>Noise pollution</li> <li>Land Contamination</li> </ul>	• Emissions	• Heat recovery from Flue gas
			• Waste water	• Recycling of treated waste water for dust suppression and horticulture activities
			• Dust	
			• Overburden	• i) Reuse of overburden material for back-filling of mined out area <ul style="list-style-type: none"> <li>ii) Rehabilitation of backfilled area with plantation thereby converting the barren mined out area into deep forest</li> </ul>
			• Explosive	• Use of NONEL to delay blasting sequence to reduce noise level and use of Ripper Dozer where ever possible.

Source: Annual Report 2016-17 National Aluminium Co. Ltd. Pg.No. 41

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
- ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

**Comments:** This question enquires about the reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain and reduction during usage by consumers (energy, water) has been achieved since the previous year of resources used in the production of the products i.e., energy, water, raw material etc. per unit of product. There is sheer ambiguity in the question as it does not demand for any numbers in this regard which provides blanket to the Companies to provide theoretical answers to this question. However, as required by the question, quantification of the same provides a better picture of what efforts the companies have actually taken to use the resources throughout the value chain in a better manner in comparison of the previous year.

J P Associates, National Aluminium Company Limited, ACC Ltd., Reliance Infrastructure Limited, Indian Oil Corporation Limited, Hero Motocorp Limited have provided detailed quantifiable data in this regard. Specimen of a few are shown below.

#### *National Aluminium Company Limited –*

2.2 For each product, provide the following details in respect of resource use (energy, water, raw material) per unit of product (optional).

- i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain. Sustainable use of raw material, conservation of energy and optimum use of water are the thrust areas with regards to conservation of resource. The achievements during the last financial year is depicted in Table B below:

TABLE-B

Specific Consumption per unit of production	Unit of Measurement	Norm	Previous Year (F.Y. 2015-16)	Current Year (F.Y. 2016-17)
Explosive consumption in Bauxite Mines	Gram/MT	160	157	143
Coal for steam generation in SPP of Alumina Refinery	Tonne/Tonne	0.650	0.658*	0.653
Electrical energy in Alumina Refinery	KWH/Tonne	335	323.03	320.45
DC Energy consumption in Smelter	KWH/MT	13500	13,453	13,448
Net carbon consumption for hot metal in Smelter	Kg/MT	430+10	426	432
Coal consumption in CPP on net power generation	Kg/KWH	0.90	0.905	0.906

\* This is a restatement based on revised computation

- ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year. Though information on use of energy and water at consumers facility is not captured at our end but supply of consistent quality products by us enables the consumers i.e. mostly secondary producers and downstream facilities, to have smooth operations in their plant, resulting in reduction of rejects & waste. This facilitates the consumers to optimally plan their resource requirement resulting in economy of raw material, energy and water. Besides, enhanced use of aluminium in manufacturing of railcoaches & automobiles and in the aerospace & packaging

sectors , contributes to conservation of fuel resulting from reduction in weight. Recyclability of aluminium also offers tremendous scope of application in civil construction, power transmission & strategic sectors like defense , with resultant conservation of energy , water etc.

*Source: Annual Report 2016-17 National Aluminium Co. Ltd. Pg.No. 43*

### ACC Limited –

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):**

**i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain.**

Consumption per unit of production	Current Year (January - December 2016)	Previous Year (January - December 2015)
Electrical Energy (kWh/ Tonne of Cement)	88.66	84.45
Thermal Energy (K Cal / kg of Clinker)	748	730
CO2 Emissions (kg CO2 / Tonne of Cement)	545	533

**ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year.**

The Company's products do not have any broad-based impact on energy. However, as the cement manufacturing process is energy intensive, the Company takes several measures to reduce thermal and electrical energy consumption.

*Source: Annual Report 2016 ACC Ltd. Pg. No. 124*

**3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

**i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

**Comments:** This question enquires about the procedures in place for sustainable sourcing and what percentage of inputs were sourced sustainably. Ninety Companies of the total sample Companies have provided the procedures in place for sustainable sourcing without providing the percentage of inputs which recycled. The remaining companies have provided the percentages; however, it is ambiguous because every company has various inputs and whether all the inputs have been recycled at the same percentage or the Company has given the data for that input only. It will be a better practice if the same is defined separately for different inputs. As observed, Reliance Infrastructure Limited, Indian Oil Corporation Limited and Hero motocorp Limited have provided the same in percentage with respect to different resources.

Specimen of their report has been attached below.

### Reliance Infrastructure Limited –

**2. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

Under its Renewable Purchase Obligation (RPO), as per the Regulations of the Maharashtra Electricity Regulatory Commission, the Company procures a part of its power through renewable energy sources, including solar and non-solar categories and the percentage of obligation shall gradually increase from 11 per cent in 2015-16 to 15 per cent in 2019-20. The Company's Non-Solar RPO is being met through wind generation and small hydro power and it is exploring other possible options to procure Renewable Energy for fulfilling its RPO obligation. For meeting Solar RPO, RInfra has contracted 40 MW solar power from a plant located at Rajasthan.



During 2016-17, the Company purchased 294.84 million units of power from non-conventional sources, amounting to ₹232.28 crore. This represents 5.25 per cent of electricity purchased in 2016-17. In addition to the above, the Company also purchased Renewable Energy Certificates equivalent to 440.33 million units aggregating to ₹66.05 crore.

At the Company's generation plant at Dahanu, coal is procured through the Fuel Supply Agreement (FSA) with South Eastern Coal Fields Limited (SECL), Bilaspur which is valid till 31st March 2029, whereby the annual contracted quantity of coal is ensured. For supply of water, the Company has entered into an agreement with Irrigation Department, Government of Maharashtra which is valid upto October 31, 2020 and is renewed after every six years.

*Source: Annual Reports 2016-17 Reliance Infrastructure Ltd. Pg.No. 55*

*\*Refer this for all the three questions above for principle 2.*

### **Indian Oil Corporation Limited –**

#### **3. Does the Company have procedures in place for sustainable sourcing (including transportation)?**

##### **(i) If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof in about 50 words or so.**

Oil & Gas sector is particularly vulnerable to sectoral threats like depletion of resources and geo-political uncertainties. IndianOil has long term and short-term contracts in place for its crude oil procurement. A large part of the crude oil imports is planned through Long Term Contracts with the National Oil Companies (NOC) of countries having surplus exportable crude oil. For long term sustainability of supply chain & in order to reduce supply side risks, IndianOil has diversified its crude oil sourcing from multiple export centres, which has helped to optimize the crude basket.

As pipeline transportation is the most sustainable mode of transportation for hydrocarbons, IndianOil has been expanding the pipeline network continuously. During 2016-17, IndianOil increased its pipeline network by 1102 km and as on 31.03.2017, the total length of IndianOil pipelines stands at 12848 km.

In addition, IndianOil has taken several measures to increase efficiency in crude oil sourcing and vessel utilizations, which are given below:

- Processing of cheaper Heavy and High TAN crude oils at refineries has been increased.
- Three new varieties of crude oil have been processed for the first time at various IndianOil refineries during the year, which have also been added to the regular crude basket.
- During the year, IndianOil transported 69.263 million tonnes of crude oil through a combination of Time Charter & Voyage Charter vessels, considering the parcel size, prevailing market price, logistics involved including co-loading of different parcels, etc. for optimisation of freight cost.
- About 80% of imported crude oil was transported through Very Large Crude Carriers (VLCC).
- Optimal deployment of Time Charter vessels resulted in 98% of their utilization.

*Source: Annual Reports 2016-17 Indian Oil Corp. Ltd Pg.No. 98*



### *Hero motocorp Limited –*

**3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

Yes. The Company has taken few initiatives in past years, wherein sustainable sourcing has been ensured. Following are the key initiatives taken during FY 2016-17, in this regard:

- Programme SCOPE (Supplier Certification of Parts Excellence), in which 39 suppliers were enrolled for new parts quality upgradation for direct on line supplies in FY 2016-17
- Implementation of Total Productive Maintenance (TPM) methodology approach at our supplier was continued and the Company enrolled 35 suppliers during FY 2016- 17 in this initiative. 26 suppliers have already been given consistency / excellence award
- 14 suppliers (28 projects) identified for engagement in Operational Excellence programme to improve operational efficiencies in terms of improvement in productivity, output and capacities

However, it is difficult to ascertain the percentage of inputs sourced from these suppliers accounting towards total inputs due to the different kinds of materials being used by the Company.

*Source: Annual Report 2016-17 Hero Motocorp Ltd. Pg.No. 101*

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

**Comments:** This is a straight forward question and strict comparison is not justifiable. However, Reliance Infrastructure Limited, NALCO have provided this information in a detailed manner which shows their efforts made for procurement of goods and services with complete clarity which provides plentiful of data that how much efforts the Company has made in this area.

Specimen of a RIL & NALCO is shown below:

### *Reliance Infrastructure Limited –*

**Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company makes continuous efforts to develop and maintain local small vendors in order to have timely delivery with optimum cost and best quality. Several steps are taken to procure goods and services from local and small producers including weaker sections of communities surrounding their place of work.

The Power Distribution division strives to provide technical support, process audit and quality assurance to the vendors and vendors are encouraged to develop the type tested products in line with latest market technologies and standardised for cross utility applications.

During the purchase process, DTPS gives preference to local vendors and suppliers. The company not only procures materials from these entrepreneurs but also supports to connect them with other companies to scale up their business. Vendors and suppliers are also included in the sharing best practices during vendor meets carried out periodically at DTPS. Most of the service contracts awarded to local community people create employment for them to earn for their livelihood.

DTPS has been certified with Social Accountability 8000 standard and complies with all national and international human rights like forced labour, child labour, gender equality, etc. and all the concerned conventions of the International

Labour organisation. Further, all suppliers are encouraged to comply with the SA8000 standard and regular supplier premises (supply chain) are audited by the commercial and user departments for compliance with SA 8000 standard. DTSPS regularly carries out audits of vendor's manufacturing and operating process and ensures continual improvement and sustainability.

The Engineering Procurement and Contract (EPC) Division of the Company, as part of sourcing strategy, gives priority to sourcing of local raw materials like sand, etc., for construction of roads and power projects.

*Source: Annual Report 2016-17 Reliance Infrastructure Ltd. Pg.No. 55*

### ***National Aluminium Company Limited –***

#### **2.4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Ancillary Development Policy of the organization promotes development of local vendors. The MSME facilitation cells at units implement the policy by providing guidance in Technical, Commercial areas to these vendors to improve their competitiveness. The goods and service which can be offered by MSME units are listed and displayed prominently and web hosted in our website for wider circulation and awareness. Display halls at M&R complex and S&P complex display the products along with technical knowhow for developing the product & information regarding annual requirement and last procurement price etc. are provided to MSME entrepreneurs. Relaxation in tendering process ie. waiving of tender security and tender fees etc are extended to such units to encourage them to participate in bidding. Our purchase manual is suitably amended to extend purchase preference to MSME units quoting in the band of 15% of lowest quoted price for the products and service earmarked for them. List of Goods and Services which can be procured from MSEs are available in our website

- The procurement of products produced and services rendered by MSE (Micro and Small Enterprises) units of Odisha inclusive of Ancillary Units during 2016-17, was ₹285. 88 crores as against ₹236.64 Crores of last financial year, while the same from MSE units (including those from outside Odisha) was worth Rs.414.95 crores against previous year procurement of ₹322.33 crores. The procurement from MSEs during the year was 21% of total procurement of goods and services made by Nalco. The total procurement from SC/ ST MSEs stood at ₹9.36 Crores, which is 0.47% of the total procurement made by Nalco during FY 2016-17. For FY 2017-18, the target for procurement of products produced and services rendered by MSEs has been set at ₹415.80 Crores.
- Two Sub-PLAC (Plant Level Advisory Committee) meetings were conducted during the year 2016-17, at M&R Complex on 23.07.2016 & 04.11.2016, in association with MSME, DI, Rayagada and DIC, Koraput. The 20th PLAC meeting in this regard was conducted by Nalco on 27.1.2017 at Bhubaneswar. State Level Vendor Development cum Buyer- Seller meet was organized at S&P Complex on 28.9.2016 in association with Orissa Assembly of Small and Medium Enterprises (OASME) and MSME, DI, Cuttack and in M&R Complex on 04.10.2016 in association with MSME, DI, Rayagada and DIC, Koraput.
- Our participation in various MSME exhibitions and conventions also provides the much needed exposure and encouragement to many vendors. During the year, we participated in the “30th Annual State Level Convention - 2016” organised by Odisha Assembly of Small & Medium Enterprises (OASME)”, Cuttack on 12th August 2016 and was honored with the “Best Mother Plant” award in recognition of our contribution towards the cause. Also Nalco bagged the “Best Display Award” in the Mother Plant category in the Three day long National Vendor Development Programme-cum- Industrial Exhibition and Buyer- Seller meet programme “MSME Expo Odisha - 2016” organised by MSME Development Institute, Ministry of MSME, Govt. of India from 5th to 7th Dec,2016 at Kila Maidan, Cuttack

*Source: Annual Report 2016-17 National Aluminium Company Ltd. Pg. No. 44*

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.4

**Comments:** This question not only enquires about whether the Company has any mechanism to recycle product and waste. Moreover, if its applicable, the Companies are extensively asked to provide the percentage of recycling of products and waste separately as <5%, 5-10%, >10%. However, recycling process and percentage differ between the type of resource(s). The complete picture of the percentage of recycling of products and waste will be available only if the Company(ies) provide it separately for each resource(s) being recycled, wherever applicable. Twelve Companies have provided it separately for different items, namely, Cadila Healthcare Limited, Cipla Limited, Hero MotoCorp Limited, Jaiprakash Associates Limited, Lupin Limited, National Aluminium Company Limited, NTPC Limited, Reliance Industries Limited, Steel Authority of India Limited, Tata Consultancy Services Limited, Titan Industries Limited and Vedanta Limited.

Specimen of a few Companies who have provided the same is shown below:

***National Aluminium Company Limited –***

**2.5 Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste?**

Yes.

We recycle process waste, metal rejects and waste products, effluent & industrial drain water, decanted water from Ash pond and Redmud Pond to maximum possible extend. We also practice rain water harvesting, ground water charging and sewerage water treatment. In the year 2016-17, 16163255 cubic metre waters from CPP ash pond & 9293695 cubic meter water from Refi nery ash pond and 3473918 cubic meter water from Refinery Red Mud Pond was recycled. Some of our achievements in this direction is presented in the table below.

TABLE C: Recycling/ Reuse of waste

Unit	Utilisation	Percentage
Bauxite Mines	Overburden utilized for concurrent reclamation of mined out areas	100%
Alumina Refinery	Caustic Soda recycled from waste redmud	5.76%
	Ash utilization	102.72%
	Recycling of Ash pond water	98.31%
Smelter	Recycling of Aluminium scrap	100%
	Aluminium dross recycled as input to process	87.87%
	Recycling of spent anode	100%
CPP	Ash Utilisation	37.88%

**Source: Annual Report 2016-17 National Aluminium Company Ltd. Pg. No. 45**

**Reliance Infrastructure Limited –****4. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste**

At RInfra Mumbai Power Distribution Division, a special initiative is being taken to recycle all wastes. The resource savings achieved during 2016-17 is as under:

Paper Waste Recycling:	22.9 metric ton
e-Waste recycled through authorized recyclers:	223.4 metric ton
Hazardous waste disposed through an authorised Common Hazardous Waste Treatment and Safe Disposal Firm:	101.3 metric ton
Fuel savings:	31,221, litre (10 per cent increase in savings since 2015-16)

On account of Comprehensive Waste Management System, the Company has recycled more than 90 per cent of its total waste generated in 2016-17.

Continual efforts to conserve resources to minimize and recycle wastes and reuse waste through both conventional and non-conventional waste management practices are an integral part of business operations of our power stations.

- The waste/used oil which comes under the Hazardous waste category and e-waste is disposed of through authorized vendor recyclers. Other wastes such as steel, wood are reused internally. System for super cleaning of lube oils has increased the recycling and life of lubricants in plant machinery. About 80 per cent of lube oil is recycled and reused.
- Current total ash utilisation of DTSPS is more than 100 per cent, as a portion of the ash generated in the past years was also utilised. The ash is used for cement mix, bricks, tiles, blocks manufacturing and initiatives are in place to utilize the bottom ash as well.
- The waste effluent water from de-mineralization plant is neutralized in effluent holding tanks and reused for ash disposal. Domestic effluent generated from power plant and township area is treated through diffused aeration based activated sludge process treatment system. The recycled water is used in non-fruit bearing plantation and the sludge is utilised as a fertilizer
- The bio wastes from colony and plant canteen are decomposed and used as organic fertilizers in horticulture.

Through Environment Management System ISO 14001, the EPC Division takes steps to increase our waste efficiency. Fly Ash bricks are used to reduce carbon foot print. Also, use of fly ash in ready mix concrete (batching plant) helps in protection of environment by partly replacing cement, production of which entails energy consumption and CO2 emissions.

*Source: Annual Report 2016-17 Reliance Infrastructure Ltd. Pg.No. 56*

**Principle 3**

- 1. Please indicate the Total number of employees.**
- 2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.**
- 3. Please indicate the Number of permanent women employees.**
- 4. Please indicate the Number of permanent employees with disabilities.**
- 5. Do you have an employee association that is recognized by management.**
- 6. What percentage of your permanent employees is members of this recognized employee association?**

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour		
2.	Sexual harassment		
3.	Discriminatory employment		

8. What percentage of your under-mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees
- Permanent Women Employees
- Casual/Temporary/Contractual Employees
- Employees with Disabilities

**Comments:** All the questions of this principle are straight forward and does not require strict comparison. However, Question 7th and 8th are expected to be provided with a better clarity and divisions. For question 7th, if the Company provides Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year then there may not be proper clarity as to whether the complaint which is pending belong to this FY or the previous one. If there pending complaints are more than filed during the year, then it may create some confusions. Therefore, the Companies should provide the Complaints pending for the Previous year end, total filed in the last financial year and pending, as on the end of the current financial year and what is the status as on date.

**As provided by National Aluminium Company Limited –**

- 3.7 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

The status is:

S. No.	Category	No. of complaints pending as on 31.03.2016	No. of complaints filed during the F.Y. 2016-17	No. of complaints pending as on 31.03.2017
	Child labour/ forced labour/ involuntary labour	Nil	Nil	Nil
	Sexual harassment	01	01	01

As on date, the above complaint on sexual harassment is closed. No such complaint is pending, as on now.

**Source: Annual Report 2016-17 National Aluminium Company Ltd. Pg.No. 45**

For question 8th, the question asks about the percentage of employees who were given safety & skill up-gradation training in the last year. There is a possibility that the % of employees who were given safety & skill up-gradation training as exactly the same i.e., exactly same set of employees were given these training(s) for last year. However, in literal as well as understanding terms, both these are different set of trainings and it would be clearer if the Companies provide percentages for these to separately. As provided by **Bharat Electronics Limited –**

8. What percentage of your under-mentioned employees was given safety & skill up-gradation training in the last year?

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Permanent Employees	19	39
2.	Permanent Women Employees	17	50
3.	Contract Employees	29	05
4.	Employees with Disability	21	27

*Source: Annual Report 2016-17 Bharat Electronics Ltd. Pg. No. 79*

#### Principle 8

- Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
- Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?
- Have you done any impact assessment of your initiative?
- What is your company's direct contribution to community development projects Amount in INR and the details of the projects undertaken.
- Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

**Comments:** This principle is associated with inclusive growth and equitable development of the Company and the Society. Ninety Companies out of the total sample have provided the information regarding Question 1, 2, 4 & 5 and in the remaining Companies, the same information has been provided, as per the sustainability report format or integrated report format followed by them. For Question 3, Eighty-two companies have answered whether impact assessment is done or not done or is not applicable to them whereas in case of the remaining companies the same has not been provided, therefore it is unclear whether the same is done or not. The questions pertaining to principle 8 are more subjective and therefore, answers for the same cannot be at first hand compared amongst these Companies.

With regard to Question 4, some quantification of the data would provide lucid information as it enquires about the company's direct contribution to community development projects Amount in INR and the details of the projects undertaken. The Companies should provide the projects undertaken and the sector wise expenditure and details of the projects to bring clarity about what amount has been spent on which sector which contributed to community development projects. In SES' opinion, answers this question is provided comprehensively by NHPC Limited & ACC Limited and their specimen has been provided below for reference.

Specimen 1 -

*Note: ACC Ltd. has only provided good representation of the expenditure made over the projects. However, the question also requires the details of the projects undertaken which has not been provided by the Company. Refer NHPC Ltd's report for the representation of details.*

**What is the Company's direct contribution to community development projects - Amount in INR and details of the projects undertaken?**

The Company spent an amount of ` 22.27 Crore on developmental projects as under:

Sr. No.	Focus Areas	Expenditure (₹Crore)
1	ACC - Disha - for Youth Employability	2.80
2	ACC - Swavlamban - focusing on women empowerment and livelihood	2.26
3	ACC - LEISA - for farmer's livelihood (Low External Input Sustainability Agriculture)	3.81
4	ACC - Vidya Utkarsh (Quality of Education in Government Schools)	4.13
5	ACC - Vidyasaarathi (Scholarship for Students)	0.38
6	ACC - Arogyam (Preventive, Promotive and Curative Health Care)	2.67
7	ACC - Sampurna Swachhata (towards Open Defecation Free villages)	3.70
8	ACC - Sanrakshit Paryavaran (Solar, Biodiversity and Soil & Water Conservation)	1.89
9	ACC - Drona (to promote rural sports and traditional Indian culture)	0.63
	<b>Total</b>	<b>22.27</b>

Source: Annual Report 2016 ACC Ltd. Pg.No. 131

Specimen 2 –

**What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

Total amount spent on community development projects during Financial Year 2016-17 was ` 7,581.87 lakh. The details are as under:

Project	Amount (₹ in Lakh) for 2016-17
i. Education & Skill development	5036.39
ii. Healthcare	1530.55
iii. Rural Development	551.45
iv. Environment & Sustainability	60.29
v. Women Empowerment/ Senior Citizen	18.37
vi. Swachh Bharat/ Swachh Vidyalaya Abhiyan	253.09
vii. CSR Capacity Building, Sports, Art & Culture and Other Initiatives	131.73
<b>Total expenditure</b>	<b>7581.87</b>

The details of various Projects undertaken during the year are as under:

**1. Education & skill development**

- Skill Development and Vocational Training Programs conforming to NSQF (National Skill Qualification Framework).
- Contribution towards setting up of Engineering Colleges at Bilaspur (HP) and at Takdah, Darjeeling (WB).
- Construction of Vivekanand Kendra Vidyalaya at Kolaptukar, Dollungmukh (Arunachal Pradesh)
- Improvement/ up gradation of ITIs /Schools in different parts of country.
- Construction & up-gradation of school buildings and labs and providing infrastructure in schools.
- Provided scholarship to students for higher education.



**2. Healthcare**

- a) Deployment of Mobile Medical Units in Assam equipped with medical facilities, qualified doctors and medical attendants for providing basic health services in villages.
- b) Organizing a large number of medical camps, Cataract surgery camps and Vaccination programmes in surrounding areas of Projects/ Power Stations and distributed free medicines to economically weaker families/ individuals.
- c) Providing aids and assistive devices to differently abled persons.
- d) Provided assistance for Improvement of overall health conditions of the communities through up- gradation of Govt. Hospitals, Maternity Centres.
- e) Providing Ambulances, Medical equipment and other infrastructure facilities to Govt. Hospitals.

**3. Rural Development**

- a) Rural Development to augment basic infrastructure facilities like area electrification, Community Centre, water Supply Lines, Drains, Roads/ Paths, Irrigation canals etc.
- b) Construction activities of RCC Bridges/ Wooden Bridges, Cremation sheds, Rain shelters etc.
- c) Electrification of Hamlets in Alchi village (Leh).
- d) Development of Agriculture/ Apiculture, poly green houses for villagers, organic cultivation.
- e) Construction of cold storage for keeping and securing the agri products.
- f) Other infrastructure and community development as per local needs.

**4. Environment & Sustainability**

- a) Development of Bio-Diversity Park and herbal parks.
- b) Installation of Solar Street Lights. Providing LED Lights to conserve energy.
- c) Installation of Food processing units for preservation of local fruits.
- d) Restoration of canals for irrigation purpose.

**5. Women Empowerment/ Senior Citizen**

- a) Various skill development programs such as training in tailoring, knitting, sports and art were organised for empowerment of women.

**6. Swachh Bharat/ Swachh Vidyalaya Abhiyan**

- a) Safe Drinking Water facilities with bore well, filtration in public areas, community centers etc.
- b) Community drinking water facility with RO Plant
- c) Basic Amenities / sanitation facilities in Market/ Public places.
- d) Construction/ Installation of toilets in Schools/ Public places.
- e) Construction/ Installation of Water Supply Lines and Sanitation in villages.
- f) Water Supply System for Schools.

**7. Sports, Art & Culture / Other Initiatives**

- a) Meeting with key stakeholder/ Impact assessment/ base line survey.
- b) Training to promote Rural Sports.
- c) Promotion of local Art & culture.

*Source: Annual Report 2016-17 NHPC Ltd. Pg. No. 73*



### Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

**Comments:** With regard to this question, providing only the percentage of customer complaints/consumer cases are pending as on the end of financial year cannot suffice an entire picture of the working of the enterprise and the quality of their products / services. For a relative comparison, if the companies contemplate providing the total number of complaints received, resolved and pending, it can be considered a more comprehensive representation as it allows the stakeholder to conclude the degree of quality of customer services and the functioning of the Company. Moreover, if the company has varied set of customers, complaints details relating to each set of customers could be more lucid and proficient.

In case of Question 2, to a greater extent, can't be compared amongst the companies as all the Companies have different products, different areas where these products are sold and the local laws are different depending upon the places where these products are being sold, however, In SES' opinion, the answer given by **Indian Oil Corporation Limited** is detailed and represents comprehensively as to how the company display product information on the product label, over and above what is mandated as per the local laws.

Answer given by **Indian Oil Corporation Limited and Mahindra and Mahindra Limited** can be seen below as a specimen for Question 1 –

Specimen 1-

#### Principle 9: Questions

1. What percentage of customer complaints/ consumer cases is pending as on the end of financial year.

Sr. No.	Business Group	No. of complaints received	No. of complaints resolved	No. of pending complaints	% pending complaints
1	Petrochemicals	47	47	Nil	Nil
2	LPG	313532	312469	1063	0.34
3	Retail Sales	5554	5449	105	1.89%
4	Lubes	6	6	Nil	Nil
5	Cryogenics	68	68	Nil	Nil

Source: Annual Report 2016-17 Indian Oil Corporation Ltd. Pg. No. 107

Specimen 2 -

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner****1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

Customer complaints are treated very seriously in the organization. We hear our customers through various mediums such as emails to [customercare@mahindra.com](mailto:customercare@mahindra.com), With You Hamesha 24X7 Call Centre toll free no, websites, tweet handle, telephone, letter, fax etc. The status of pending complaints/cases as on March 31, 2017 is as follows:

	Automotive Division	Farm Division (Including Swaraj)	Total
Percentage of consumer cases pending as on 31 <sup>st</sup> March 2017 of cumulative cases pending or filed since 1st April, 2009	45.51%	50%	46.47%

\*\* The divisor for the above calculation has been changed vis-à-vis the previous year. Had the divisor not been changed, the figures would have been as follows:

Auto Division: 20.93%, Farm Division 18.29% and Total 20.31%.

**AD – Customer complaints**

Receiving Period	Total Complaints Registered in this period	Open	Close	Open%	Close%
F17	71070	498	70572	0.70%	99.30%
F12-F17	314716	498	314218	0.16%	99.84%

**FD – Customer complaints**

Receiving Period	Total Complaints Registered in this period	Open	Close	Open%	Close%
F17	9790	69	9721	0.70%	99.30%
F11-F17	91964	69	91895	0.08%	99.92%

**SD – Customer complaints**

Receiving Period	Total Complaints Registered in this period	Open	Close	Open%	Close%
F17	138	6	132	4%	96%
F11-F17	821	21	800	3%	97%

Source: Annual Report 2016-17 Mahindra and Mahindra Limited Pg. No. 148

Answer given by **Indian Oil Corporation Limited** can be seen below as a specimen for Question 2 –

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).**

Yes. All commercial products of IndianOil follow Bureau of Indian Standards (BIS) guidelines for product information and labelling, details of which are given below:

**LPG:** Cylinders, Pressure Regulators & Valves conform to BIS Standards, which are displayed on the equipment.

The Distributors are also under instruction to sell Rubber Tube/LPG Hose and Hot Plates conforming to BIS Standards.

**Lubes:** All packed lubricants display safety and disposal instructions. Additional information viz. Application, Benefits, Performance standards, etc. are also printed on the product label.

**Bitumen:** It is mostly sold in Bulk and only about 10% of the product is sold in packed form (in Barrels). It is ensured that product specifications are made available to the customers and highest Quality Control & Safety procedures are followed for marketing these products.

**Aviation Fuel:** It is sold only in bulk and product specification test reports of all the batches are provided.

**Petrochemicals:** Polymer products are 100% recyclable and accordingly, a “recyclable” symbol is printed on package of products as per ASTM (American Society for Testing & Material) International Resin Identifications Coding Systems. Information regarding product type, product name with grade and lot no., net weight, etc. are mentioned on the bags. Also, the symbol “recyclability number” (e.g., for PP, the symbol is used) and “use no hooks” are printed on the bags.

*Source: Annual Report 2016-17 Indian Oil Corporation Ltd. Pg. No. 107*

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

**Comments:** This question necessitates information related to any case(s) filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. This information is imperative to the stakeholders as it enables the user to identify if any unfair trade practices etc are raising any governance concern over the management and the Company.

In SES opinion, *Indian Oil Corporation Limited and Mahindra and Mahindra Limited have provided detailed answers with respect to this question–*

Specimen 1-

**Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

There are four cases pending before the Hon’ble Delhi High court and Supreme Court pertaining to anti-competitive behavior. Briefs of the said cases are as under:

Reliance Industries Limited filed a complaint against 3 Oil Marketing Companies (OMCs) & National Aviation Company India Limited (NACIL) before the Competition Commission of India (CCI), wherein allegations were made about cartelization etc. of tender floated by NACIL for supply of ATF for 2010-11. OMCs had raised preliminary objection relating to the jurisdiction CCI. By Order dated 30.09.2010, CCI held that the preliminary objection was legally not tenable and accordingly dismissed the Case. Against this Order, appeal was filed in Delhi High Court. The High Court has passed interim orders in favour of the OMCs, permitting them to operate till the next date of hearing.

North-East Dealers Association had filed a complaint before CCI, alleging that OMCs are using unfair terms and conditions in the Dealership Agreement and misusing their dominant position. CCI, vide order dated 11.02.14, dismissed the said application for want of merit and substance. Against the said order, North-East Dealers Association filed an appeal before COMPAT. COMPAT, vide order dated 26.11.15, set aside the order of CCI, against which CCI has filed SLP before the Hon’ble Supreme Court. The Hon’ble Supreme Court admitted the appeal and passed stay orders on operation of judgment dated 26.11.2015 of COMPAT. The matter is pending before the Supreme Court.

OMCs received notice dated 22.04.2013 from Director General of CCI requesting information on various modalities of Petrol pricing as CCI had suo-moto started investigation into the prices of Petrol and asked why OMCs increased and decreased prices simultaneously and by similar amounts. OMCs defended by submitting that Petroleum and Natural Gas Regulatory Board had jurisdiction and not CCI, which was rejected by CCI vide order dated 23.10.2013. IndianOil has filed a writ petition before Delhi High Court against CCI's order dated 23.10.13. The matter is pending in the Delhi High Court.

In another case, a party has alleged non-competitive price due to cartelization by Sugar Manufacturers and joint tendering by OMCs for supply of ethanol. The party had appealed before Competition Appellate Tribunal (COMPAT) against CCI's interim order and also filed application for interim relief of stay of the tender process. The COMPAT dismissed both Appeal and Application for stay. The party thereafter filed Civil Appeal before the Supreme Court against COMPAT's order. The matter is pending in the Supreme Court.

*Source: Annual Report 2016-17 Indian Oil Corporation Ltd. Pg. No. 107*

Specimen 2-

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

Yes. The Company has been impleaded in the below listed proceedings that allege violation of provisions of the Competition/ MRTP Act. The Company is vigorously defending itself in these proceedings.

**Description of the matters pending under the Competition Act, 2002:**

Shamsher Kataria – Case No. 3/2011: Based on the information given by the Informant Shamsher Kataria against 3 car manufacturers, Honourable Competition Commission of India (CCI) had started investigation in respect of 17 car manufacturers about the nonavailability of spare parts in the open market. One of the allegations is OEMs are restricting the availability of spare parts in the open market other than their own distribution network resulting in high prices of the said spare parts and the said spare parts not being available to the independent car repairers. The DG had initiated the investigation in which we had submitted the detailed information as sought by the DG. Thereafter the DG submitted a report and based on the said report, the Commission had issued notices to the 17 car manufacturers to file their respective responses on the said report. Accordingly, we had filed our reply to the said report along with all possible supporting documents. Thereafter, the matter was heard by the CCI and on August 25, 2014 CCI passed an order (“Order”) against fourteen Automobile companies including Mahindra & Mahindra (M&M) Limited and has imposed a penalty of Rs. 292.25 crores amounting to 2% of the average annual turnover for the years 2007-08, 2008-09 and 2009-10. M&M vide a Writ Petition W.P.(C) 6610/2014 (“W.P”) filed before the Hon’ble Delhi High Court (“HC”) has challenged the vires of certain sections of the Competition Act, 2002 based on which penalty has been calculated and also the Order has been passed by the CCI. The matter has now been released by the present bench and the Chief Justice has listed it on July 10, 2017 before the concerned roster. The Hon’ble Court has also extended the interim orders till further order.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

Yes, through

- J. D. Power survey for Automobiles
- Premonasia Survey for Tractors
- Brand Track Study
- CaPS Study
- CSat (Customer Satisfaction) commercial through TNS

*Source: Annual Report 2016-17 Mahindra and Mahindra Ltd. Pg.No. 149*

### 4. Did your company carry out any consumer survey/ consumer satisfaction trends?

**Comments:** This question enquires whether the Company has carried out any consumer survey/ consumer satisfaction trends. The answer could also be given only in Yes/ No, but that does not serve the actual purpose of enquiring the question as it does not provide the actual efforts made by the Company in this regard. If this question is interpreted meticulously, it was observed that this question could be answered with more coherent and comprehensive manner.

As provided by *Jaiprakash Associates Limited* for the Complete principle 9, however, answer to this question was found very elaborate. Specimen has been given below:

### PRINCIPLE 9 – CUSTOMER SATISFACTION

**Businesses should engage with and provide value to their customers and consumers in a responsible manner**

#### CUSTOMER ENGAGEMENT AND SATISFACTION

The Company is committed to delivering a consistent standard of product quality and service, as well as a high level of customer engagement in order to best serve its customers' needs and concerns.

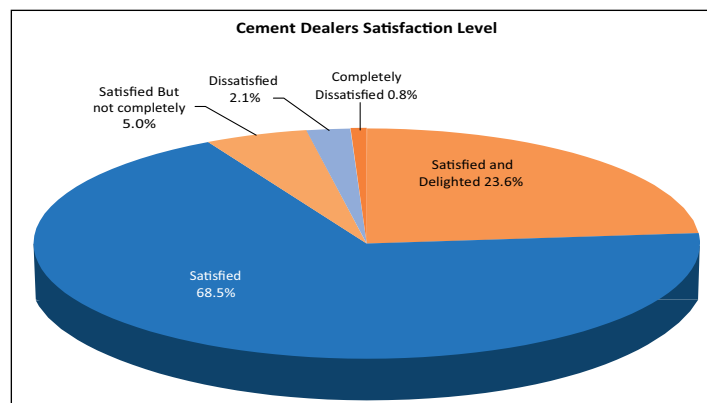
In Cement Division: Dealer Satisfaction surveys are conducted to measure satisfaction of the customers from time to time. A Survey was conducted by M/s. Market Pulse, Noida, U. P. and M/s. AZ Research Pvt. Ltd., New Delhi, the leading market research and analytics firms, on all India basis covering all the dumps of Cement Division, on the basis of approved questionnaires to measure satisfaction of the customers. Parameters covered for the study were:

- 1) Overall Satisfaction,
- 2) Satisfaction with product Quality,
- 3) Quality of Sales Service,
- 4) Quality of Technical Service,
- 5) Profitability and Commercial Terms, and
- 6) Price Management & Brand Image.

The overall Dealer Satisfaction was found to be as under:

	No. of respondents	In %age terms
Satisfied and Delighted	273	23.6%
Satisfied	794	68.5%
Satisfied But not completely	58	5.0%
Dissatisfied	25	2.1%
Completely Dissatisfied	9	0.8%
<b>TOTAL SAMPLE OF RESPONDENTS</b>	<b>1159</b>	<b>100.0%</b>

It was observed that 92% of the dealers were satisfied or delighted with the Company.



### In Real Estate Division:

Jaypee Greens, the real estate arm of the Jaypee Group, started its operations in 2002. Over a period of 15 years, the customer base has increased to approximately 45,000 across 4 locations namely Jaypee Greens-Greater Noida, Wishtown-Noida, Jaypee Greens Sports City and Wishtown- Agra.

As an initiative to achieve higher customer satisfaction, the Customer Response Cell (CRC) was set up to handle various requests, complaints and queries raised by customers. This cell works in co-ordination with various departments of the Company: Sales, Commercial, Legal and Construction - and facilitates the relationship between the customer and the Company. The basic purpose of CRC is to deal with queries and complaints of customers on a day-to-day basis, which are received via mail, telephone or personal visits to the office.

To gauge customer satisfaction, we have arranged for independent surveys conducted on a periodic basis using questionnaires and personal interviews with the customers. The results of the survey are taken as feedback to improve the products, systems and business processes. The findings of the survey help in planning to serve the customers in better ways.

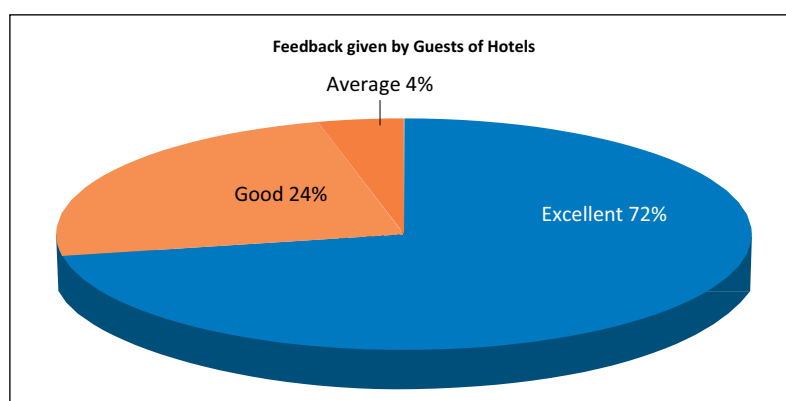
In order to facilitate smooth handover of possession to customers for units that are ready for occupation and to address any issues faced by the customer post occupation, the Company has also set up a Facility Management Group (FMG) with a dedicated help desk to receive and address customer queries.

### In Hospitality Division:

The Company has put in place robust mechanisms i.e. Mobicon International Services for data management and Real Time Guest Comments Management to disseminate the feedback forms obtained from the guests, for follow up with the concerned department on regular basis for corrective action as and when required.

The hotels have implemented Guest Feedback System called E-Survey to ensure “zero defect services”. During the last financial year about three lac guests patronized the hotels of the company. The hotels obtained the valuable suggestions from the guests of the Hotels Division during the year 2016-17 as under:

1	Excellent services	72%
2	Good services	24%
3	Average services	4%
	Total	100%



### CUSTOMER COMPLAINTS

There are a few consumer cases, including by/before the Competition Commission of India, filed against the Company in the past financial year and the Company is committed to resolving them at the earliest. In the Cement division, there were 4 complaints pending from the previous financial year, and 329 customer complaints received during the financial

year 2016-17; all 333 have been addressed and resolved satisfactorily before the end of the year. In the Engineering & Construction and Sports division, the Company has received positive feedback from the overwhelming majority of its clients and customers over the years, indicating high levels of satisfaction with the products, projects and services delivered to them. The Hotels Division of the Company possesses the strong complaint management system i.e. Triton to resolve the service related matters immediately to achieve high customer satisfaction and delight.

### **PRODUCT LABELING AND COMMUNICATION**

The Company ensures that all product and service-related communication is timely and accurate. Cement is the major product that the Company manufactures, for which product labeling is done in compliance with labeling requirements regarding brand name, weight, grade, name and address of the manufacturer, etc.

*Source: Annual Report 2016-17 Jaiprakash Associates Ltd. Pg. No. 110*

#### **Principle 4**

- 1 Has the company mapped its internal and external stakeholders? Yes/No.**
- 2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**
- 3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

#### **Principle 5**

- 1 Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**
- 2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

#### **Principle 6**

- 1 Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**
- 2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**
- 3 Does the company identify and assess potential environmental risks? Y/N**
- 4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**
- 5 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**
- 6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
- 7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

## Principle 7

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
  - a.
  - b.
  - c.
  - d.
2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

**Comments:** These principles are straight forward, subjective and generic in nature. There answers cannot be compared or graded amongst the Companies as better than other(s). The Companies have provided answers depending upon the type of initiative(s) taken by them and therefore, they have not been considered within the purview of comparison amongst the sample companies.

In SES opinion, the following Companies have also provided Decent Overall Presentations, the Companies / readers of the Report can refer their BRR for reference (presentation-wise):

1. DLF Limited (Annexure-F of the Annual Report 2016-17 (Page – 32))
2. Dr Reddy's (Page – 22 of the Annual Report 2016-17)
3. GAIL (Page – 82 of the Annual Report 2016-17)
4. NALCO (Annexure - III of the Annual Report 2016-17 (Page – 36))
5. Ambuja Cements (Page – 115 of the Annual Report 2016)
6. Jaiprakash Associates Limited (Page – 97 of the Annual Report 2016-17)
7. Jindal Steel & Power Limited (Page – 101 of the Annual Report 2016-17)
8. Mahindra & Mahindra Limited (Page – 137 of the Annual Report 2016-17)
9. Mangalore Refinery and Petrochemicals Limited (Page – 67 of the Annual Report 2016-17)
10. Shree Cements (Page – 122 of the Annual Report 2016-17)
11. Tata Motors (Page – 191 of the Annual Report 2016-17)
12. Tata Power (Page – 150 of the Annual Report 2016-17)
13. Wipro Ltd. (Page – 319 of the Annual Report 2016-17)



## Annexure 2- Comparison of Disclosure in the GRI G4 Guidelines vis a vis Business Responsibility Report

	GRI - G4 Standard	Coverage	Content covered in	
			BRR- SEBI	Other Sections of Annual Report
G4-1	Statement from CEO/ senior most in organisation about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	covered elsewhere partially	Not covered in BRR	Not a legal requirement. But the Companies often discuss this under corporate overview section.
G4-2	Provide a description of key impacts, risks, and opportunities.	covered elsewhere partially	Not covered in BRR	Covered Partially under SEBI (LODR) Regulation 2015- Schedule V (B Management Discussion and Analysis: 1 (b) Opportunities and Threats & e) Risks and concerns)
G4-3	Report the name of the organization.	covered in BRR	<b>Section A-2</b> <i>Name of the Company</i>	Form MGT-9 annexed to the Board's Report
G4-4	Report the primary brands, products, and services	covered in BRR	<b>Section A-8</b> <i>List three key products/ services that the Company manufactures/ provides</i>	SEBI (LODR) Regulation 2015- Schedule V (B. Management Discussion and Analysis: 1. c) Segment-wise or product-wise performance
G4-5	Report the location of the organization's headquarters	covered in BRR	<b>Section A-3</b> <i>Registered address</i>	MGT-9 annexed to the Board's Report
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	covered in BRR	<b>Section A-9</b> <i>Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of Major 5) (b) Number of National Locations</i>	

		Content covered in			Content covered in	
	GRI - G4 Standard	Coverage	BRR- SEBI	Other Sections of Annual Report	Content not covered	
G4-7	Report the nature of ownership and legal form.	covered elsewhere	Not covered in BRR	Form MGT 9 I. REGISTRATION AND OTHER DETAILS: iv. Category / Sub-Category of the Company		
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	partially covered in BRR	Partially covered in Section A10 Markets served by the Company – Local/ State/ National/ International		BRR covers only the markets (countries) in which the Company serves but does not give geographic breakdown, sectors served, types of customer and beneficiaries	
G4-9	Report the scale of the organization, including: Total number of employees	covered in BRR				
	Total number of operations*	covered elsewhere	Section E Principle 3 (1) Please indicate the Total number of employees.	Rules to Section 197(12) requires number of permanent employees on the rolls of Company		
	Net sales (for private sector organizations) or net revenues (for public sector organizations)	covered in BRR	Section B-2 Total Turnover (INR)	Company disclose areas of operations in the Director's Report. Further Companies also disclose Segment Wise performance under Management Discussion and Analysis	Note* From the GRI Guidelines and from implementation manual the definition of operations was unclear. Operations has been interpreted as segments in which company operates.	
	Total capitalization broken down in terms of debt and equity (for private sector organizations)	covered in BRR and elsewhere	Section B-1 Paid up Capital (INR)	Debt is disclosed under the heading 'Borrowings' in the Financial Statements.		
	Quantity of products or services provided	not covered	Not covered in BRR	Not covered elsewhere	Quantity of products not covered	
G4-10	Report the total number of employees by employment contract and gender	partially covered in BRR	Section E Principle 3 (2) Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.		BRR covers total number of Temporary employees. GRI-G4 require disclosing the total number of employees by gender and by region, while P3-2 does not require this breakdown.	

	GRI - G4 Standard	Coverage	Content covered in		
			BRR- SEBI	Other Sections of Annual Report	Content not covered
	Report the total number of permanent employees by employment type and gender.	partially covered in BRR	<b>Section E Principle 3 (1)</b> <i>Please indicate the Total number of employees.</i> <b>Section E Principle 3 (2)</b> <i>Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.</i>		BRR covers total number of permanent employees. GRI G4 require disclosing the total number of employees by gender and by region, while P3-2 does not require this breakdown.
	Report the total workforce by employees and supervised workers and by gender.	not covered	Not covered in BRR		
	Report the total workforce by region and gender	partially covered in BRR	<b>Section E Principle 3 (3)</b> <i>Please indicate the Number of permanent women employees.</i>		BRR only covers total number of permanent woman employees. GRI requires disclosure on information of total workforce by region and gender. This is not covered in BRR
	Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees of and supervised employees of contractors.	not covered	Not covered in BRR		
	Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	not covered	Not covered in BRR		
G4-11	Report the percentage of total employees covered by collective bargaining agreements	not covered	Not covered in BRR		

		Content covered in			Content not covered
	GRI - G4 Standard	Coverage	BRR- SEBI	Other Sections of Annual Report	
G4-12	Describe the organization's supply chain.	not covered	Not covered in BRR		
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including:	covered elsewhere partially	Not covered in BRR	As per Section 134 of the Companies Act, 2013 and Rule 4 of the Companies (Share Capital and Debentures) Rules, 2014 details of Ownership structure are covered in the section of Board's report and MGT 9	
	Changes in the location of, or changes in, operations, including facility openings, closings, and expansions	covered elsewhere partially	Not covered in BRR	As per Regulation 51 of SEBI (Listing Obligation and Disclosure Requirement 2015 Regulation) The Company is required to promptly inform the Exchanges of information such as any changes in the general character or nature of business / activities, disruption of operation due to natural calamity, and commencement of commercial production / commercial operations	
	Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations)	Covered elsewhere		covered in MGT 9, change in share capital	
	Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	Not covered	Not covered in BRR		
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	Not covered	Not covered in BRR		

	GRI - G4 Standard	Coverage	Content covered in		
			BRR- SEBI	Other Sections of Annual Report	Content not covered
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Not covered	Not covered in BRR		
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>• Holds a position on the governance body</li> <li>• Participates in projects or committees</li> <li>• Provides substantive funding beyond routine membership dues</li> <li>• Views membership as strategic</li> </ul>	partially covered in BRR	Principle 7-1 <i>Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with</i>		BRR Covers list of trade and chamber association Company is associated with but does not cover national and international advocacy organisations. Further, it does not cover position on the body, funding details and how they view the membership.
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	covered in BRR	Section C <i>(1) Does the Company have any Subsidiary Company/ Companies?  C o m p a n i e s ? (2) the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company?</i>		The GRI Standards do not require disclosing the number of subsidiary companies that participate in the BR Initiatives of the parent company.
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	not covered	Not covered in BRR		

	GRI – G4 Standard	Coverage	Content covered in		
			BRR- SEBI	Other Sections of Annual Report	Content not covered
G4-19	a. List all the material Aspects identified in the process for defining report content.	not covered	Not covered in BRR		
G4-20	For each material Aspect, report the Aspect Boundary within the organization	not covered	Not covered in BRR		
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	not covered	Not covered in BRR		
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatement.	covered elsewhere partially	Not covered in BRR	Companies Act, 2013 has a provision for re-opening of accounts and voluntary revision of Financial Statement.	The Section only covers revision of Financial Statement and not any other information provided in the Annual Report.
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	not covered	Not covered in BRR		
G4-24	Provide a list of stakeholder groups engaged by the organization.	partially covered in BRR	Section E Principle-4-1 Has the company mapped its internal and external stakeholders	Companies interact with investors by conducting Analyst Meets	The principle does not cover list of stakeholders, it covers just in yes or no if the Company has mapped internal and external stakeholders.
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	not covered	Not covered in BRR		
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	partially covered in BRR	Section E Principle 4 (3) Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.		BRR covers only initiatives taken by the Company to engage with disadvantaged, vulnerable and marginalized stakeholder unlike GRI which covers all stakeholders.

Content covered in			Content covered in	
	GRI - G4 Standard	Coverage	BRR- SEBI	Other Sections of Annual Report
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	partially covered in BRR	Section E Principle 1 (2) How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so The GRI Standards do not require disclosing the total number of stakeholder complaints and the percentage that were satisfactorily resolved.	
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	covered in BRR	Section A (6) Financial Year reported	
G4-29	Date of most recent previous report (if any).	not covered	Not covered in BRR	
G4-30	Reporting cycle (such as annual, biennial).	covered	Section D (3) (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	
G4-31	Provide the contact point for questions regarding the report or its contents	partially covered in BRR	Section A (5) E-mail id	GRI G4, requires disclosing the contact point for questions regarding the report or its content, while A5 requires an email address of the company.



		Content covered in		
	GRI - G4 Standard	Coverage	BRR- SEBI	Other Sections of Annual Report
G4-32	<p>a. Report the 'in accordance' option the organization has chosen.</p> <p>b. Report the GRI Content Index for the chosen option (see tables below).</p> <p>c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.</p>	not covered	Not covered in BRR	BRR does not provide for use of in accordance option. Also, BRR does not mandate that report be externally assured
G4-33	<p>a. Report the organization's policy and current practice with regard to seeking external assurance for the report.</p> <p>b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.</p> <p>c. Report the relationship between the organization and the assurance providers.</p> <p>d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.</p>	not covered	BRR does not mandate that report be externally assured neither is there any disclosure in BRR report if the report has been externally assured voluntarily	



	GRI - G4 Standard	Coverage	Content covered in		
			BRR- SEBI	Other Sections of Annual Report	Content not covered
G4-34	a. Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	covered elsewhere partially	Not covered in BRR	SEBI (LODR) Regulation 2015 Schedule V: Annual Report The annual report shall contain the following disclosures C. Corporate Report: Governance (2) Board of Directors (a) composition and category of directors (3) Audit Committee (4) Nomination & Remuneration Committee (6) Stakeholders' grievance committee	CGS Report covers disclosure on composition of Board and Committees. However, it does not cover disclosure on committees responsible for decision-making on economic, environmental and social impacts as required under GRI G4 guidelines
G4-35	a. Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	not covered	Not covered in BRR		
G4-36	a. Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	partially covered in BRR	Section D (1) Details of Director/ Directors responsible for BR (a) Details of the Director/ Director responsible for implementation of the BR policy/policies		BRR covers disclosure on Directors responsible for BR but does not mandate disclosure whether post holders report directly to the highest governance body as required under GRI G4
G4-37	a. Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	not covered	Not covered in BRR		

Content covered in				
	GRI - G4 Standard	Coverage	BRR- SEBI	Other Sections of Annual Report
G4-38	<p>a. Report the composition of the highest governance body and its committees by:</p> <ul style="list-style-type: none"> <li>-Executive or non-executive</li> <li>-Independence</li> <li>-Tenure on the governance body</li> <li>-Number of each individual's other significant positions and commitments, and the nature of the commitments</li> <li>-Gender</li> <li>-Membership of under-represented social groups</li> <li>-Competences relating to economic, environmental and social impacts</li> <li>-Stakeholder representation</li> </ul>	covered elsewhere partially		<p>SEBI (LODR) Regulation 2015 Schedule V: Annual Report</p> <p>The annual report shall contain the following disclosures</p> <p>C. Corporate Governance Report</p> <p>Details of Board and committees Directors and membership, executive and non-executive, tenure, gender is covered. However, details of Membership of Underrepresented social groups, competences relating to economic, environmental and social impacts, stakeholder representation is not covered.</p>
G4-39	<p>a. Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).</p>	covered elsewhere partially		<p>SEBI (LODR) Regulation 2015 Schedule V: Annual Report</p> <p>The annual report shall contain the following disclosures</p> <p>C. Corporate Governance Report: (2) Board of Directors (a) composition and category of directors</p> <p>Details if chairman is executive or non-executive director is covered in CG report. However, details about his or her function within the organization's management and the reason or this arrangement is not covered.</p>

	Content covered in			Content not covered
	GRI - G4 Standard	Coverage	BRR- SEBI	Other Sections of Annual Report
G4-40	<p>a. Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including:</p> <ul style="list-style-type: none"> <li>- Whether and how diversity is considered</li> <li>- Whether and how independence is considered</li> <li>- Whether and how expertise and experience relating to economic, environmental and social topics are considered</li> <li>- Whether and how stakeholders (including shareholders) are involved</li> </ul>	Covered elsewhere	Not covered in BRR	<p>The shareholders of the Company on recommendation of the NRC, elect the Board Members by voting. Further, the Board appoints members for various committees of the Board such as Audit Committee, NRC, Stakeholder Relationship Committee, CSR committee etc.</p> <p>Companies Act has not laid down any specific criteria such as minimum educational requirement for appointing a director.</p> <p>However, Companies Act, 2013 has laid down certain criteria for membership of Audit Committee.</p> <p>Companies Act further mandates for each committee a minimum Independence criteria. So each committee has to appoint certain number of Independent Directors as members.</p> <p>Further, Companies Act, 2013 mandates that at least 1 woman director must be on Board of a listed Company.</p>

	GRI - G4 Standard	Coverage	Content covered in		
			BRR- SEBI	Other Sections of Annual Report	Content not covered
G4-41	<p>a. Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum:</p> <ul style="list-style-type: none"> <li>- C r o s s - b o a r d membership</li> <li>- Cross-shareholding with suppliers and other stakeholders</li> <li>- Existence of controlling shareholder</li> <li>- Related party disclosures</li> </ul>	covered elsewhere partially	Not covered in BRR	Disclosure on Related party transactions and Shareholding of promoter/ controlling shareholder is disclosed.	Process to ensure conflict of interest are avoided and managed is not covered. No disclosure on cross board membership and cross shareholding with suppliers and other stakeholders.
G4-42	<p>a. Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.</p>	not covered	Not covered in BRR		
G4-43	<p>a. Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.</p>	not covered	Not covered in BRR		

		Content covered in		
	GRI - G4 Standard	Coverage	BRR- SEBI	Other Sections of Annual Report
G4-44	<p>a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.</p> <p>b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.</p>	covered elsewhere partially		<p>Companies Act, 2013 Section 134: Financial statement, Board's report, etc (p) in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors;</p> <p>Board evaluation disclosure forms part of board's report, however it is not w.r.t. gov, eco, env and social topics. Further, report of actions taken is also not disclosed therein.</p>
G4-45	<p>a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes.</p> <p>b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.</p>	not covered	Not covered in BRR	

Content covered in				
	GRI - G4 Standard	Coverage	BRR- SEBI	Other Sections of Annual Report
G4-46	a. Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Partially covered elsewhere		SEBI (LODR) Regulation 2015 Schedule V: Annual Report The annual report shall contain the following additional disclosures <i>B. Management Discussion and Analysis</i> <i>1. This section shall include discussion on the following matters within the limits set by the listed entity's competitive position:</i> <i>e) Risks and concerns</i> Management Discussion and Analysis which is disclosed in Annual Report as part of Board's Report covers discussion on Risks and Concerns of the organisation. However, the regulation does not mandate to disclose the highest governance body's role in reviewing the effectiveness of the organization's risk management processes.
G4-47	a. Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Partially covered elsewhere		SEBI (LODR) Regulation 2015 Schedule V: Annual Report The annual report shall contain the following additional disclosures <i>B. Management Discussion and Analysis</i> <i>1. This section shall include discussion on the following matters within the limits set by the listed entity's competitive position:</i> <i>e) Risks and concerns</i> The regulation mandates the Company should disclose risks and concerns discussion as part of MD& A. However, the frequency at which board reviews risk and opportunities is not required to be disclosed.
G4-48	a. Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	covered	Section D (1) <i>(a) Details of the Director/Director responsible for implementation of the BR policy/policies</i> <i>(b) Details of the BR head</i>	

		Content covered in		
	GRI - G4 Standard	Coverage	BRR- SEBI	Other Sections of Annual Report
G4-49	Report the process for communicating critical concerns to the highest governance body.	not covered	Not covered in BRR	
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	not covered	Not covered in BRR	
G4-51	a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	covered elsewhere partially		Covered under SEBI (LODR) Regulation 2015, Schedule V: Annual Report, C. Corporate Governance Report (5) <i>Remuneration of Director</i>  How performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives is not covered
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	covered elsewhere partially		Covered under SEBI (LODR) Regulation 2015, Schedule V: Annual Report, C. Corporate Governance Report (5) <i>Remuneration of Director</i>  Process for determining remuneration forms part of CG report, however, if consultants are involved and if they are independent are not part of the disclosure.

	GRI - G4 Standard	Coverage	Content covered in	
			BRR- SEBI	Other Sections of Annual Report
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	Covered elsewhere partially	Not covered in BRR	The shareholders vote on the appointment of Executive Director(s). Companies are required to disclose details of proposed remuneration in the Resolution for appointment of Executive Director(s). Also the shareholders approve any change in remuneration of Executive Director. Therefore, Shareholders approve the remuneration of Executive Directors. Further, shareholders also approve commission to be paid to Non-Executive Director(s). The voting results are disclosed on the Company's website as well informed to the concerned Stock Exchange (s).
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	covered elsewhere partially		Ratio of executive director's remuneration to median remuneration of all employees is covered. But ratio of compensation of highest paid individual in each country to median remuneration of employees is not covered.
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	covered elsewhere partially		MGT 9 discloses increase in compensation of executive directors and increase in total employee compensation. It does not include highest paid individual in each country and also does not include increase in median compensation of employees.



	Content covered in			
	GRI - G4 Standard	Coverage	BRR- SEBI	Other Sections of Annual Report
G4-56	Describe the organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	covered elsewhere partially		SEBI (LODR) Regulation, 2015, Regulation 46. Website (2) <i>The listed entity shall disseminate the following information on its website (d) code of conduct of board of directors and senior management personnel;</i>  code of conduct for directors and employees is usually disclosed. It's not mandatory to disclose values, principles, norm of behaviour or code of ethics.
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organizational integrity, such as helplines or advice lines.	not covered	Not covered in BRR	
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	covered elsewhere partially		Partially covered under Whistle Blower Policy, Insider Trading Policy and Code of Conduct. These policies are supposed to be disclosed by all listed companies.  unethical behaviour can be reported by whistle blower mechanism, insider trading policy and few provisions of code of conduct

## ANNEXURE 3

### SEBI SUGGESTED FORMAT FOR BUSINESS RESPONSIBILITY REPORT

#### Section A ‘GENERAL INFORMATION OF THE COMPANY’

1. Corporate Identity Number (CIN) of the Company
2. Name of the Company
3. Registered address
4. Website
5. E-mail id
6. Financial Year reported
7. Sector(s) that the Company is engaged in (industrial activity code-wise)
8. List three key products/services that the Company manufactures/provides (as in balance sheet)
9. Total number of locations where business activity is undertaken by the Company
  - (a) Number of International Locations (Provide details of major 5)
  - (b) Number of National Locations
10. Markets served by the Company – Local/State/National/International

#### Section B: Financial Details of the Company

1. Paid up Capital (INR):
2. Total Turnover (INR):
3. Total profit after taxes (INR):
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):
5. List of activities in which expenditure in 4 above has been incurred: -

#### Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

#### Section D: BR Information

1. Details of Director/Directors responsible for BR
  - a) Details of the Director/Director responsible for implementation of the BR policy/policies
    - DIN Number
    - Name
    - Designation

S. No.	Particulars	Details
1	DIN Number (If applicable)	
2	Name	
3	Designation	
4	Telephone Number	
5	E-mail Id	

b) Details of the BR head.

**Comments:** This Section enquires about the Directors responsible for the BR policies and the BR head which does not necessitate any Comparison. Therefore, no specific proforma is provided for this.

## 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

(a) Details of compliance (Reply in Y/N)

	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy(ies) for principle									
2	Has the policy been formulated in consultation with the relevant stakeholders?									
3	Does the policy conform to any national / international standards? If yes, specify (50 words).									
4	Has the policy been approved by the Board? If yes, has it been signed by the MD / owner / CEO / appropriate Board Director?									
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?									
6	Indicate the link for the policy to be viewed online									
7	Has the policy been formally communicated to all relevant internal and external stakeholders?									
8	Does the Company have an in-house structure to implement the policy / policies?									
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?									
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?									

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

**3. Governance related to BR**

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1**

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

**Principle 2**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
  - (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
  - (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
3. Does the company have procedures in place for sustainable sourcing (including transportation)?
  - (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
  - (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

**Principle 3**

1. Please indicate the Total number of employees.
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.
3. Please indicate the Number of permanent women employees.
4. Please indicate the Number of permanent employees with disabilities
5. Do you have an employee association that is recognized by management.
6. What percentage of your permanent employees is members of this recognized employee association?
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S . No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour		
2.	Sexual harassment		
3.	Discriminatory employment		

8. What percentage of your under-mentioned employees were given safety & skill up-gradation training in the last year?
- Permanent Employees
  - Permanent Women Employees
  - Casual/Temporary/Contractual Employees
  - Employees with Disabilities

**Principle 4**

1. Has the company mapped its internal and external stakeholders? Yes/No.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

**Principle 5**

- 1 Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
- 2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

**Principle 6**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
3. Does the company identify and assess potential environmental risks? Y/N
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

**Principle 7**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
  - a.
  - b.
  - c.
  - d.
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

**Principle 8**

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?
3. Have you done any impact assessment of your initiative?
4. What is your company's direct contribution to community development projects Amount in INR and the details of the projects undertaken.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

**Principle 9**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

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Stakeholders Empowerment Services is a Corporate Governance research and advisory firm. It is the first Company to register as Proxy Advisor under SEBI (Research Analysts) Regulations, 2014 with registration number INH000000016. SES believes that active participation of stakeholders in the Corporate Governance is a prerequisite for the Company's long-term sustainable growth. Therefore, SES works with investors to help them analyze governance practices prevalent at listed companies, educate them on matters that pertain to Corporate Governance and empower them through governance tools that facilitate meaningful participation in Corporate Governance.

## NOTES



## NOTES



*May prosperity always bloom*



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