

National Guidelines for Responsible Business Conduct An Overview

TERI CBS CSO Forum

Mumbai

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Status

- Released by MCA in March 2019
- Carries messages from the PM, FM/Minister of Corporate Affairs
- Finalised after extensive consultation of the draft released for public comment in July 2018
- Next version of the BRR under construction

Context of NGRBC

- MCA believes that the global business philosophy has changed
- SDGs and Business & Human Rights getting centre stage
- Indian businesses must lead
- Need for an India-specific guideline that meets global best practice and Indian realities

Changes since NVGs 2011

Several years since NVGs were released in 2011

Changes in Indian and international regulatory landscape and introduction of new / revised guidelines necessitates relooking at the NVGs and BRR

INDIAN ...

Companies Act (2013)

Land Acquisition, Rehabilitation & Resettlement Act (2014)

INDC submissions from India (COP 21) (2015)

Child Labour (Prohibition & Regulation) Act (2016)

GLOBAL ...

UN Guiding Principles on Business and Human Rights (2011)

OECD Guidelines for Multinational Enterprises (2011)

Integrated Reporting (IIRC) Guidelines (2013)

Sendai Framework for Disaster Risk Reduction (2015)

UN Sustainable Development Goals (2015) [](#)*

Paris Agreement on Climate Change (2015)

GRI Reporting Standards (2016)

Overall structure – NVG and NGRBC

Index	NVG 2011	NGRBC
Introduction to the Guidelines	✓	Updated
Principles and Core Elements	✓	Revised principles
Guidance on Adoption of Principles And Core Elements	✓	Updated
Guidance for MSMEs	✓	Updated
Business Responsibility Reporting Framework	✓	Revised framework
SDGs mapped against Principles	-	New addition
The Business Case Matrix	✓	Updated
Guidance on use of BRRF as a self-assessment tool	-	New addition
Description and Explanation of Terms	✓	Updated
Indian Laws and Principles (indicative)	✓	Updated
Resources	✓	Updated

NGRBC Principles (1/3) ...

- 1 Businesses should conduct and govern themselves **with integrity** in a manner that is Ethical, Transparent and Accountable
- 2 Businesses should provide goods and services in a manner that **is sustainable and safe**
- 3 Businesses should **respect and** promote the well-being of all employees, **including those in their value chains**

NGRBC Principles (2/3) ...

- 4 Businesses should respect the interests of and be responsive to all its stakeholders
- 5 Businesses should respect and promote human rights
- 6 Businesses should respect and make efforts to protect and restore the environment

NGRBC Principles (3/3) ...

7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible **and transparent**

8 Businesses should **promote** inclusive growth and equitable development

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

Overview of some changes of note ...

- **Governance structure's role clarified** to include specific aspects across principles, and also defined to cover companies, partnerships and sole proprietorships.
- **Business's responsibility for the whole "value chain"** and not just its own operations recognised in several principles.
- **Linkages with SDGs, UNGC and India's NDCs** called out against various principles relating to core business.
- **Emerging and urgent ideas** such as circularity, resource-efficiency, low-carbon technologies etc. emphasised
- Recognition that a **grievance redressal as key to human rights** emphasised under various principles.

SDGs mapped to NGRBC Principles



P3, P4, P8



P2, P6, P7
P8, P9



P3, P6, P8



P3, P8, P9



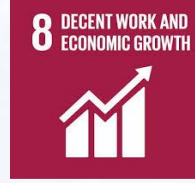
P3, P4,
P5, P8



P2, P6, P8



P2, P6, P7



P2, P3,
P5, P8



P3, P4, P8



P2, P6, P7



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P2, P6, P9



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P7, P8



P2, P6, P7
P8, P9



P2, P6, P7,
P8, P9



P1, P3, P4,
P5, P8



P1, P7, P8



The NGRBCs lay out a detailed BRR Framework with 3 sections ...

Section A

About the business.

General Disclosures, covering operational, financial and ownership related information of businesses.

Section B

Management & Process

Management and Process Disclosures covering structures, policies and processes to integrate the Guidelines.

Helps businesses demonstrate the structures, policies and processes put in place towards adopting the Principles and Core Elements.

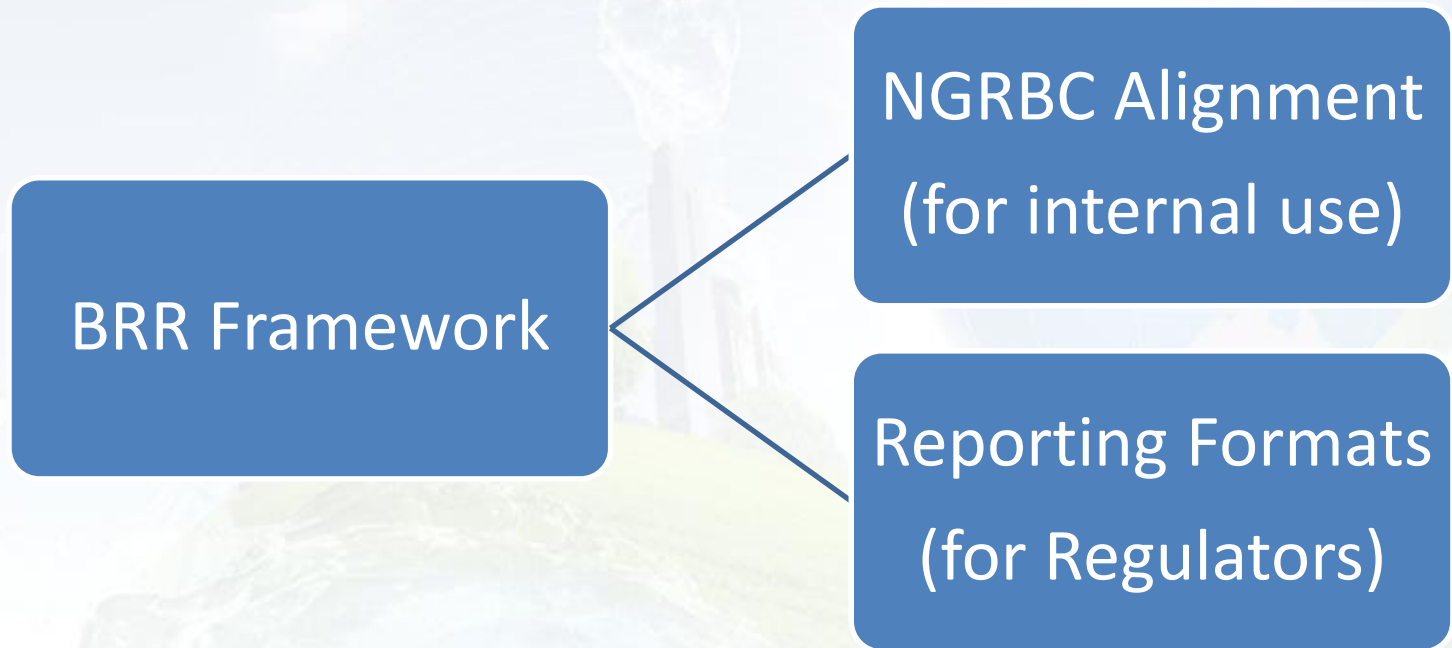
Section C

Practice

Principle wise Performance Disclosures covering how well businesses are doing in pursuit of these Guidelines.

For each principle, identifies (a) “Essential” indicators which are expected from every business that has adopted these Guidelines and “Leadership” indicators which are expected of businesses which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible

The BRR Framework serves 2 purposes



BRRF Repurposed

- BRRF positioned principally as an internal self-assessment tool for companies to determine status of their alignment with the NGRBCs
- Focus is on “Completion” rather than “Ambition” – the latter will take longer to evolve
- Guidance provided in new Annexure 3 on how businesses can use the BRRF with a suggested scoring system provided

The background is a composite image. On the right, a large, semi-transparent globe shows the continents. To its left, a city skyline with several tall buildings is visible. In the foreground, there's a green, rolling landscape with a body of water that has a wavy, rippling surface. The overall color palette is light and airy, with a blue sky and green grass.

Thank you