

# RESPONSIBLE BUSINESS

## QUARTERLY NEWSLETTER



**CRB AND UNGPS  
TURN TEN: THE ROAD  
AHEAD**

**SHREYA MAJUMDAR**

**REDESIGNING  
BUSINESSES AND GLOBAL  
SUPPLY CHAINS IN THE  
POST PANDEMIC ERA**

**PADMAJA GOSWAMI**

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# From the CEO'S Desk

In India, we are currently experiencing a devastating second wave of the COVID19 pandemic. Things were much better a couple of months ago, when we felt we had seen the back of the deadly virus. We thought we could go back to old times, do things like before. We thought we could forget the lessons from 2020 - and the virus struck back.

I know we shall overcome these difficult times. But if anything, we should now be convinced – it cannot be business as usual, either at the individual or at the institutional levels. Lessons for sustainability that COVID19 taught us are not to be forgotten. We have to be careful with managing our resources – human and natural; and it cannot be business as usual. The impacts would be as far-reaching and catastrophic.

Our advancement so far on pursuing the Sustainable Development Goals (SDGs) and those set to combat Climate Change, have been at best sluggish. COVID19 and its impacts have further decelerated the progress. We need effective pathways to deal with two main challenges we are confronted with, and need them now:

- Firstly, to make rapid progress towards achieving these Goals
- Secondly, to ensure that our actions lead to measurable positive impacts on the ground, especially post COVID19

2021 is an important year and presents great opportunity with a number of global events like the COPs on climate, biodiversity and desertification; Global Food Systems Summit; 10th anniversary of the UNGPs; Generation Equality Forum and soon.

Over the year, at CRB we will be involved in making sense of what these global developments signify for India's aspiration to meet the SDGs, especially post COVID19. Some of the key questions we would explore are: How can we move forward rapidly to effectively achieve positive impacts on peoples' lives and livelihoods and on nature? What would the transformative pathways for helping us achieve these positive impacts entail? How can we demonstrate resolve and balance across social - economic - environmental priorities for our country?

We hope you would join us in this quest, and help us truly build forward better.

We can't afford to go back to old times, and do things like before.

*Rijit Sengupta*  
CEO, CENTRE FOR  
RESPONSIBLE BUSINESS



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# COVER STORY

## CRB AND UNGPS TURN TEN: THE ROAD AHEAD

SHREYA MAJUMDAR



The year 2021 will mark the tenth anniversary of the Centre for Responsible Business (CRB) and the United Nations Guiding Principles on Business and Human Rights (UNGPs). Unanimously endorsed by the UN Human Rights Commission in 2011, the UNGPs are the universal standard guiding businesses on how to engage with sustainable development. The UN Working Group on Business and Human Rights (UNWG), as part of its mandate to promote the UNGPs, launched its UNGPs ten+/Next Decade BHR project to chart a course for a 'decade of action'. This effort, informed by wide-ranging stakeholder consultations, will take stock of achievements to date, and assess existing gaps and challenges. While human rights are at the core of the 2030 Agenda for Sustainable Development, Responsible Business Conduct (RBC) is a key part of the solution as emphasized in the 17 Sustainable Development Goals (SDGs). As such, the SDGs and UNGPs are interwoven, mutually reinforcing and complementary.

In a globalized economy where the production and consumption networks traverse geographic boundaries, the impact points are ubiquitous. In such a scenario business remain a key change agent, leading transformation towards sustainable action and impact. There is a growing expectation from

businesses to actively partake in the deliverance of the SDGs today. Internationally, laws and policies are being tabled and widely mooted to bring greater accountability and transparency throughout the value chains. For instance, EU Commission is currently negotiating a law at the EU level that mandates Human Rights and Environmental Due Diligence. Cross-sectoral regulation involving discussions among several European countries, including France, the Netherlands, Switzerland, Finland, Sweden and Germany are underway. Countries such as Germany have recently passed a law that obliges German companies to undertake human rights and environmental due diligence in supply chains globally. However, having said that there is still much left to be desired. In a survey conducted by the Corporate Human Rights Benchmark in 2020, it was found that 46.2% of the corporate giants in the world, could not corroborate sufficient evidence of identifying or mitigating human rights issues in their supply chains. The COVID-19 crisis has served to highlight the vulnerabilities in value chains and precarity of global business operations. It has exposed the inadequacy of business action in addressing these issues thus far. The devastating consequences of the pandemic are felt by millions of workers and communities around the world.

The pandemic has acutely exposed the inequalities impacting the informal economy workers.

According to a recent report by Mckinsey, female job losses are 1.8 times higher than male job losses globally. Women in the informal sector have been considered as the most vulnerable by the International Labour Organisation (ILO). A World Bank Report suggested that 49 million people will be pushed to abject poverty because of the pandemic, out of this more than 12 million people will be pushed to poverty in India. However, there are signs this could change. The importance of Business and Human Rights (B&HR) has never been felt more with a world that is reeling under the impact of the COVID19 pandemic and the subsequent lockdown.

While India has already endorsed the UNGPs, it has been progressively concretizing its commitment towards the responsible business agenda for over a decade now. Since 2011, India has had some significant legislative reforms and policy initiatives in place to mainstream business responsibility. These include the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs, 2011), subsequently revised to National Guidelines on Responsible Business Conduct (NGRBCs) in 2019. Corresponding to the NGRBC is the Business Responsibility and Sustainability Reporting framework (BRS) mandated by the Securities and Exchange Board of India (SEBI) for top 1000 listed companies. The new Companies Act, 2013 also brought in a slew of reforms including the CSR, Women representation at the Board level etc. In 2018, the Indian government initiated the process of developing a National Action Plan (NAP) by releasing a zero draft. Having undergone rounds of consultations, the final draft is expected to release soon and will provide action points for central government ministries based on the three pillars of UNGPs, SDGs 2030 and NGRBCs.

In alignment with the principles of 'building back better', B&HR continues to be an important pillar of work at CRB. Being an all-encompassing thematic area, it cuts across various other interventions of

the organization and spreads across all four operational verticals, including policy work, capacity development, multi-stakeholder dialogues and advisory. As CRB steps into its tenth year, keeping in spirit with the 'decade of action and impacts', our long-term endeavour is to further the understanding and application of B&HR by enterprises. This will be achieved through a collaborative and multi-pronged approach, which will entail leveraging the work undertaken thus far, raising awareness through the creation of multi-stakeholder platforms, designing frameworks, tools, trainings that enable adoption of B&HR by businesses and, undertaking policy research and advocacy to advance the discourse on B&HR. CRB is committed to building this momentum through fostering people-centric solutions, wider dialogues and perspectives and facilitating spaces that the B&HR agenda can offer towards creation of sustainable pathways.



**TRENDING TOPIC****REDESIGNING BUSINESSES AND GLOBAL SUPPLY CHAINS IN THE POST PANDEMIC ERA****PADMAJA GOSWAMI**

COVID-19 has changed our ways and methods of work. It has led to an extensive re-examining of the tools and technology at our disposal, and also, our understanding of work-life balance. This reimagining of the new world has significant implications on human rights and will continue to be a focus in the years coming by.

COVID-19 has reiterated that even in the middle of a global health crisis, essential workers remain the most essential: these workers still need to produce the health and safety materials we utilise the still need to grow the food we eat, load trucks and distribute the groceries, nurses and doctors still need to treat the sick and the injured; cities still need to be cleaned; etc. On the other hand, the vulnerabilities of the global supply chains to the pandemic were vivid. From fashion and retail to tourism, transportation, electronics, entertainment and hospitality, – buyers and suppliers seemed unprepared for the catastrophic disruption of businesses, locked down economies, and the pause on global trade due to COVID-19.

Such economic impacts came with a significant human cost. For example, the approximated 450 million people engaged in supply chains are most often in precarious situations [1]. They are the most prone to non-payment of minimum wages, unsafe working conditions, little to no social safety nets coupled with other cross-cutting externalities such as being women, primary caregivers, or migrant workers – thereby making them even more vulnerable.

As buyers were postponing and cancelling orders in

2020, or demanding price reductions from suppliers, it was the workers who bore the brunt. Countless reports arose of jobs lost en masse, non-existent state-supported severance and furlough schemes, stranded migrant workers, unpaid overdue wages, and COVID-19 being used as a disguise to hamper union activity.

Even prior to the pandemic, many businesses were already reconfiguring their supply chain especially owing to the ongoing trade dispute between United States and China. We are increasingly witnessing businesses diversifying their suppliers, onshoring or reshoring manufacturing and production processes, and a shift to digitalisation to enhance the visibility of supply chains. So it can be ascertained that coupled with the pandemic and its impact on these ongoing shifts and developments, there will be a systemic transformation in global supply chains. Resilience will gain key attention, with an increasing focus on adapting to market changes through effective and responsive distribution network and cash flow cultures, together-with enhanced end-to-end visibility and forecasting. At the same time, resilience ultimately should extend to include workers' safety, wellbeing, stability and security and accommodate them at the core of such transformed and resilient supply chains.

This therefore has called for a radical redesigning of workplaces and prioritizing the rights and wellbeing of employees and workers across sectors and industries. Businesses today will have to offer safe

spaces for workers, especially the female workers and provide them access to on-site facilities such as day-care, creche, breastfeeding rooms etc. and respect their right to family life while setting production targets to be achieved. 2020 has indeed taught us that if supply chain workers are at risk, the entire supply chain is at risk. It is therefore necessary to outline a social contract which reflects the modern world of work, complete with labour protection floors for all workers aiming to safeguard their fundamental rights, minimum wage, working hours, and health and safety. Furthermore, given ongoing criticisms about business violation of human rights issues across global supply chains, national governments is setting a movement to compulsorily mandate it. Mandatory due diligence is therefore the next key step which goes beyond human rights transparency laws, such as the California Supply Chain Transparency Act, or the UK or Australian Modern Slavery acts. Mandatory due diligence laws require businesses take a step further from their existing reporting processes: it is expected that they should also undertake supply chain assessments to identify existing and potential risk factors, establish effective measures to mitigate risks and negative impacts, and also report their approaches in the public domain.

Human rights due diligence laws have already been adopted in Netherlands and France. An EU-wide conflict minerals regulation, requiring due diligence for importers of tin, tungsten, tantalum and gold, went into effect in January 2021. Switzerland too is poised for a mandatory due diligence pertaining to child labor and conflict minerals. There are ongoing efforts in Norway, Germany, and Finland to enact such mandatory due diligence laws, together-with Denmark, Austria, Denmark, and other European countries. The EU is anticipated to introduce a transformative directive making it mandatory for businesses based or conducting business in EU to undertake due diligence processes and report on their efforts at ensuring human rights, environment and climate change, and issues pertaining to governance such as anti-corruption, illegal campaign contributions, undue political influence, etc.

Thus, it is the time for CEOs, CFOs and the board to understand the drivers of change that affect their businesses. There is an urgent need to ensure that organizations are flexibly structured to be agile and quickly adapt to catastrophic socio-economic events. Resilience has to be architected permanently into business supply networks to ensure that these collaborative networks can respond as a team, especially during those disruptions and events that impact human life. The goal today should be to redesign for the future by ensuring greater agility, responsibility, responsiveness, and most importantly, resilience throughout the supply chain. It is important to acknowledge that supply chains are critical not just for business, but they are the key lifelines of human societies.



# CRB ACTIVITIES

## REPRESENTATIONS

### CRB'S ENGAGEMENTS WITH THE REFASHION HUB

**January - March 2021**

CRB participated in a **twitter chat** on 13th January 2021, organized by the Refashion Hub, 'on the impact of fast fashion on water wastage'.

**Fireside Chats:** CRB along with The Refashion Hub, organized three fireside chats (28th January 2021, 19th February 2021 and 5th March 2021 ) with some eminent speakers and the discussions were streamed live on CRB's social accounts. The topics of the fireside chat were:

- Wastewater reuse: harnessing a valuable resource
- Common techniques for wastewater treatment & reuse for the textile industry
- Managing wastewater in the textile sector: using the right chemicals.

View the conversations [here](#)

### RETAIL LEADERSHIP SUMMIT 2021

**24th February 2021**

CRB and the Roundtable on Sustainable Palm Oil (RSPO) were the silver partners for Retailers Association of India's Retail Leadership Summit 2021. Rijit Sengupta, represented CRB as a panelist for the discussion on, 'Leadership in Sustainable Sourcing - How to transition to certified Sustainable Palm Oil in India.'



### CONSUMER ASSISTO INTERNATIONAL CONFERENCE

**15th March 2021**

On the occasion of World Consumer Rights Day, Rijit Sengupta represented CRB as a panelist at the Consumer Assisto International Conference, and

shared his views on the present & future of consumerism & role of sustainable living.



## CONVENINGS

### PROMOTING A SUSTAINABLE AGRICULTURE & FOOD SECTOR

**9th & 11th February 2021**

CRB & the Capitals Coalition co-hosted a virtual roundtable discussion to review and discuss the Agri-food Operational Guideline that has been developed by Capitals Coalition under the aegis of The Economics of Ecosystem and Biodiversity for Agriculture and Food (TEEB AgriFood). The guidelines were presented to a wide range of stakeholders, and participants were given the opportunity to learn, provide comments and input into the development process.

## FEATURED REPORT

### CATALYSING SCIENCE-BASED POLICY ACTION ON SUSTAINABLE CONSUMPTION AND PRODUCTION: THE VALUE-CHAIN APPROACH & ITS APPLICATION TO FOOD, CONSTRUCTION AND TEXTILES

**19th February 2021**

The One Planet Network – 10YFP and the International Resource Panel (IRP) have released a new report on the Value Chain Approach to action on sustainable consumption and production SCP. The purpose is to identify key points of intervention within economic systems to reduce natural resource use and environmental impacts caused by production and consumption to define a common agenda for action. The report shares findings from its application to three critical sectors: food, construction and textiles. Read the report [here](#) and learn more about this action-oriented approach. Read the report [here](#)

# FROM THE PUBLISHER'S DESK



**I-SPOC**

**I-SPOC MEMBERS CONVENE WITH AMBITIOUS 2021 PLANS**

SHARING RESPONSIBILITY AND A COMMON VISION- SUSTAINABLE PALM OIL COALITION FOR INDIA'S BIENNIAL REPORT (2018 - 2020)



**CARGILL COLLABORATES WITH UNWFP TO LAUNCH NUTRITION PROGRAM IN RAJASTHAN**



**CATALYSING SCIENCE-BASED POLICY ACTION ON SUSTAINABLE CONSUMPTION AND PRODUCTION**



**TRANSFORMING PRIVATE SECTOR CONTRIBUTIONS TO THE DECADE OF ACTION: EVOLVING NORTH-SOUTH PARTNERSHIPS**



**ALTERNATIVE RAW MATERIALS TO MAKE TEXTILE MANUFACTURING SUSTAINABLE**



**ENABLING RURAL WOMEN TO ENTER THE FORMAL WORKFORCE THROUGH SEWING SKILLS TRAINING**



**SUSTAINABLE MANUFACTURING OF DENIMS - A FOCUS ON RAW MATERIALS AND WATER**



**WATER TREATMENT AND REUSE - COMMON INFRASTRUCTURE AND ZERO LIQUID DISCHARGE**



**GENDER RESPONSIVENESS IN TODAY'S BUSINESS AND HUMAN RIGHTS LANDSCAPE**



**WASTEWATER REUSE - STRATEGY FOR SUSTAINING THE RICH TRADITION OF TEXTILES IN INDIA**



**CLIMATE-CONSCIOUS MOBILITY - SOME KEY ASPECTS**

# RESPONSIBLE BUSINESS NEWS ROUND UP

BY NITYA CHIBBER



## PRIVATE SECTOR & SDGS

### UNICEF CALLS FOR PRIVATE SECTOR PLAY TO PUSH SDGS

A top official of the UNICEF has said that India and other countries would do better to ensure private sector involvement and systemic quality improvement in order to minimize maternal and infant mortality as well as achieve health-related targets under the UN's Sustainable Development Goals (SDGs).

Read more [here](#)



## BUSINESS & HUMAN RIGHTS

### FACEBOOK ANNOUNCES NEW CORPORATE HUMAN RIGHTS POLICY COVERING ALL SOCIAL NETWORK

Facebook, often criticised for its role in human rights abuses? online, has introduced a new corporate human rights policy, covering all of the social network and a fund to support human rights defenders. The new policy sets out the human rights standards Facebook will strive to respect as defined in international law including the United Nations Guiding Principles on Business and Human Rights (UNGPs). Facebook will also release a public report annually on how it is addressing human rights concerns stemming from its products, policies or business practices. Facebook said that it is also creating a fund that will give offline assistance to human rights defenders facing critical threats and support new digital security efforts, beginning in Asia later this year. View the article [here](#)

## CIRCULAR ECONOMY

### A CIRCULAR ECONOMY APPROACH IS CENTRAL TO ACHIEVING THE VISION OF CLEAN INDIA



Finance Minister Nirmala Sitharaman highlighted the importance of "faecal sludge management and wastewater treatment through source segregation of garbage and reduction in single-use plastic". The immediate impact of this announcement on the three most heavily traded waste-management stocks on the Indian stock exchanges and the implications for the circular economy of waste management in future are analysed [here](#).

In the backdrop of prevailing inefficiencies and projected rise of waste generation, lies the rationale for higher private-sector participation to lend expertise and technological competence by engaging in the circular economy of waste management. Read the full article [here](#).

## SMES & SUSTAINABILITY

### UNDP SUPPORTS THE REVIVE ALLIANCE TO RESTORE LIVELIHOODS ACROSS INDIA

United Nations Development Programme (UNDP), in partnership with Samhita-Collective Good Foundation's (CGF) REVIVE Alliance, has committed to supporting and restoring the livelihoods of informal workers, nano and micro-entrepreneurs, artisans and women collectives who have been severely impacted by the COVID-19 pandemic. REVIVE is a recently launched \$6.85 million multi-stakeholder blended finance facility, also supported by USAID, Omidyar Network India, and Michael & Susan Dell Foundation. It leverages corporate and philanthropic funds to provide accessible and affordable capital in the form of grants, returnable grants and credit, to previously employed or self-employed workers and at-risk small enterprises. These grants and credit help them to restart and sustain their work or find alternative business and livelihood opportunities. Read more [here](#).



Image Source: Financial Express

## BUSINESS AND HUMAN RIGHTS

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS: ESG COMPLIANCE NEEDS CLEAR RULES

A 2020 OECD study on global ESG practices noted enhancement in data availability and analysis but said further strengthening of ESG practices was needed. Currently, ESG scores depend only on non-standard, limited data making this difficult to analyse. ESG scores across geographies need to be consistent, comparable and of the same quality. Some elements of this study, like common core metrics for E, S, and G being consistent across industries and size as well as sector specific metric, were echoed by industry leaders in a January 15, 2021 conference held at SEBI. Read more [here](#).

## CIRCULAR ECONOMY

### RECYKAL FIRST INDIAN STARTUP TO BECOME WEF 'THE CIRCULARS ACCELERATOR' PROGRAMME MEMBER

Recykal, an end-to-end digital 'waste-commerce' solutions provider headquartered in Hyderabad, on Friday said it has been selected as the first member from India for 'The Circulars Accelerator Program 2021'. The programme will connect industry leaders with 17 circular economy entrepreneurs to scale up their innovation at a rapid pace. Read more [here](#).

## SMES & SUSTAINABILITY

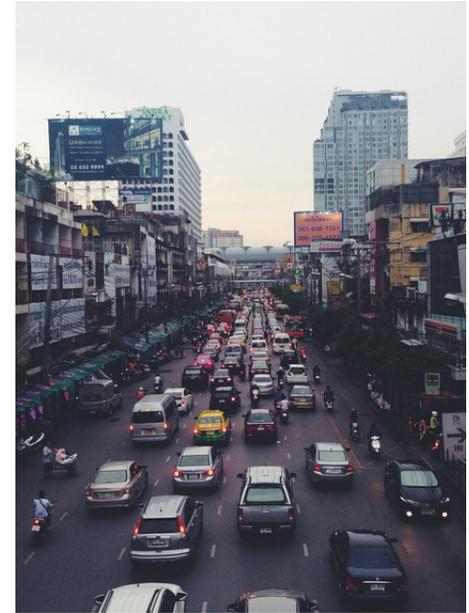
### GREATER PARTICIPATION OF WOMEN IN THE WORKFORCE CAN MAKE INDIAN MSMEs AATMANIRBHAR

With a 29% contribution to India's GDP, MSMEs are our economy's growth engines. However, India's MSMEs are yet to recover from the pandemic and are in dire need of a growth booster. One untapped potential awaits to be leveraged by our MSMEs; a talented pool of woman entrepreneurs and workers. Currently, only 14% of India's MSMEs are woman-led, and women account for only 24% of the MSME workforce. Read more [here](#).

## VOLUNTARY SUSTAINABILITY STANDARDS

### INDIA AUTO INC WELCOMES VEHICLE SCRAPPAGE POLICY

Various stakeholders of the Indian automotive industry have welcomed the official announcement of the Vehicle Scrappage Policy. Nitin Gadkari, the Minister for Road Transport & Highways (MoRTH) today provided the details and incentives of the Vehicle Scrappage Policy as the government looks to encourage users to trade their old polluting vehicle for new cleaner and efficient vehicles. Vinkesh Gulati, president, Federation of Automobile



Dealers Associations (FADA) pointed out that, "Indian automobile industry has already upgraded to one of the most advanced emission standards. While new vehicles will be least polluting, vehicles which are old creates enormous pollution with least safety standards will now be eligible for scrappage thus making roads safer and air cleaner." Read more [here](#).



## PRIVATE SECTOR & SDGS

### INDIA IS MOVING FORWARD TOWARDS A GREEN TRANSITION SAYS THE UK'S TOP BOSS FOR THE UN CLIMATE TALKS

"India is a key country. It is going to be vital in terms of ensuring that we have success on the route to COP26," said Alok Sharma, UK minister and chair of the 2021 round of UN-sponsored climate talks. With the easing of some of the travel restrictions imposed due to the pandemic, Sharma began his in-person meetings as part of the UK's outreach of November meet in Glasgow. India was the first stop in Asia. "I have, as part of the discussions, delivered the same message that I have delivered to every government I have met both virtually and of course now physically in terms of what we are trying to achieve from COP," Sharma told ET. Four issues make to the COP26 president's priority list—ambition, adaptation, finance and the completion of the Paris rulebook. Read more [here](#).

# ABOUT CRB

Centre for Responsible Business (CRB) was established in 2011 as think-tank to pursue its vision, 'businesses integrate sustainability into their core business practices'. Given that sustainability is a multi-dimensional problem especially in the context of India and other emerging economies, CRB has adopted a model of engaging multiple stakeholders to develop action plans for promoting sustainable/responsible business, across various sectors in India.

CRB has consolidated its programmatic activities into the following thematic areas:

- Circular Economy
- Business & Human Rights
- Private Sector & SDGs
- Voluntary Sustainability Standards
- SMEs & Sustainability

## Editorial Team

SIYA BATRA & SONALI PAIKARAY



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He is addicted to food and Netflix!