

## **Minutes of National Conference on Business and Human Rights held on 12 January 2018 at Bengaluru**

The National Human Rights Commission organised the National Conference on Business and Human Rights in collaboration with Bharat Heavy Electricals Limited (BHEL) at BHEL, Electronic Division, Bengaluru on 12 January 2018. The Conference was inaugurated by Justice Shri H.L. Dattu, Hon'ble Chairperson, NHRC in presence of Justice Shri P.C. Ghose, Hon'ble Member, Shri Ambuj Sharma, Secretary General, NHRC, Dr. Devi Prasad Shetty, Chairman, Narayana Group of Hospitals, Dr. Ranjit Singh, Joint Secretary (P&A), NHRC, Shri N. Santhanam, General Manager (Finance), BHEL and Shri K. Adishesu, General Manager(HR), BHEL.

2. The Conference was attended by the senior officers from the Government of India as well as from the State Governments, State Human Rights Commissions, CEOs and other representatives of various business enterprises/industries/federations, PSUs, Trade Unions, academia and Civil Society Organisations working in the area of business and human rights.

### **▪ Inaugural Session**

3. **Dr. Ranjit Singh, Joint Secretary (P&A), NHRC** in his welcome address stated that 21<sup>st</sup> Century is a century of human rights and the aspirations of common man fulcrum around the human dignity. He stated that owing to increase in overall awareness, the violations of human rights are being widely reported. He stated that the objective of the National Conference is to create awareness among all the stakeholders on the issue of Business and Human Rights and to provide an ideal platform for sharing of the best practices.

4. **Shri Ambuj Sharma, Secretary General, NHRC** stated that the role of the government in delivery of services has substantially reduced with the advent of economic reforms that pushed for globalization. Today, the government ensures the provisioning of most of its services through the private sector. He further stated that in support of the Business and Human Rights Agenda, the Indian Government has taken some important initiatives, one of them is passing of resolution by Security & Exchange Board of India (SEBI) wherein it has mandated 100 top listed companies (now increased to 500) to report on their Social, Environmental and Economic Responsibility through Business Responsibility Report (BRR) as part of their annual report/filing. He emphasised on the need to increase the existing sphere so that more companies could be brought under the purview of mandatory business responsibility reporting. He stressed upon the need for companies to internalize the human rights approach in their operation as this could bring overall increase in the productivity of the business operations. He further stressed upon the need for embedding human rights in the business operations of Micro, Small, Medium Enterprises (MSME) also.

5. **Dr. Devi Shetty, Chairman, Narayana Group of Hospital** in his address highlighted that India is an agrarian economy which is heavily dependent on monsoon rains and in case of unfavourable monsoon, the farmers get badly affected. He mentioned that there is a need to generate alternate employment/ work opportunities for farmers' wife and children to improve the livelihood of the rural people. He laid focus on the health care sector in his inaugural address. He apprised the participants that India has been ranked below Bangladesh in terms of employability in the sector which could be attributed to the adoption of wrong policy framework. He further stated that India could make significant gains by increasing employability in the health sector by promoting employment of its health professionals abroad. He cited the example of Cuba which earns revenue of around \$ 8 billion from the professional services carried out by its doctors and nurses abroad.

6. **Justice Shri H.L Dattu, Hon'ble Chairperson, NHRC** in his inaugural address stated that there is a growing recognition that activities of the corporate sector can impact a large number of people in both, positive and negative ways, which can profoundly affect their fundamental human rights, dignity, equality and well-being. He stressed upon the fact that business responsibilities for human rights extend across the full range of internationally-recognised human rights including civil, political, economic, social, and cultural rights. He however stated that there can be no doubt that the business sector has contributed in significant ways to economic growth, employment generation and an overall rise in incomes but there are also clear signs of an acute strain on the environment, damage to the planet's ecological support systems and widening gaps between the rich and poor.

7. He highlighted that NHRC has taken cognizance of several such issues arising from the violations of human rights by the business sector and issued detailed recommendations related to concerns of bonded labour, child labour, deaths of workers due to silicosis, mine workers, and other environmental and health issues. He further stated that there are many instances wherein the Commission has conducted spot enquiries and surprise visits to bonded labour-prone areas, with the assistance of social action groups, and has helped in release of thousands of men, women, and children from the scourge of bonded labour.

8. He concluded his address by stating that the business must act in compliance of human rights. The successful businesses have been those which have demonstrated through their own example of their belief in the fact that business and human rights are complementary and co-exist in symbiotic relationship. Moreover, business sector, which has proudly demonstrated the principle of 'responsible business', has earned the goodwill of not only their employees and partners, but society at large.

**Session I - Panel Discussion - State Duty to Protect Human Rights and Corporate Responsibility to Respect Human Rights with a focus on Access to Remedy –Recent Global Developments**

9. **Shri Ahmad Nadeem, Commissioner of Industries, Government of Telangana** highlighted the third pillar of the United Nations Guiding Principles, which provides for the effective access to remedy for the victims of human rights violation. He stated that there is a need for lowering barriers to access remedy which would help the victims of business-related human rights violations. In this regard, there is a need to establish a redressal mechanism through which remedy can be provided in cases of violation of HRs by businesses.

10. **Shri Sailesh Shetty, Vice President, Human Resource and Services, Toyota Kirloskar Motors** stated that human right is a way of life in Toyota Motors as it considers human rights to be of utmost importance in every activity process. He mentioned that two important pillar in his organisation are i) continuous improvement and ii) respect for people as the company provides its workers, opportunities for personal growth and foster realization of their abilities. He also apprised the participants that equal opportunities are being provided to each and every employee in his/her carrier advancement.

11. **Prof. Vasanthi Srinivasan, Organisational Behaviour & Human Resource Management, IIM Bangalore** stated that a decade back, the issue of CSR was dominant but today there are opportunities for human rights. Now in business & human rights we are holding the corporations accountable for social cost. The responsibility to respect human rights entails that the company should avoid causing adverse human rights impact through their business operations and must further seek to mitigate the adverse human rights impact that are directly linked to their operations. She also stated that on examining of BRR filing of top 100 companies, it has been observed that the responsibility to respect human rights by businesses has not been adequately addressed by these companies. Still there is no reporting on human rights in their Annual Reports. Today the issue is how we could embed human rights in the strategic thinking of business organisations. She suggested that a research study could be undertaken on this issue by NHRC. **Shri Ambuj Sharma, Secretary General NHRC** stated that NHRC may consider establishing a Chair at IIM, Bengaluru on Business and Human Rights.

12. **Shri Manoj Chakravarty, COO, Centre for Corporate Governance and Citizenship, IIM, Bangalore** stated that there is a need to have a National Action Plan on Business and Human Rights as part of the States responsibility to protect against adverse human rights impacts by business enterprises in conformity with the United Nation Guiding Principles. He also mentioned that there is need to have a responsible business which do not cause harm to individual's rights through their business operations. He also mentioned that an access to remedy in cases where human rights have been impacted by businesses is critical, but more importantly, there is a need to ensure speedy

trial and justice in cases where victims of abuse involves companies. He further suggested that there is a need to raise awareness among the potential victims of corporate abuse about the same. Consumers have to be trained, persuaded and sensitized about the human rights.

13. He also highlighted that although the top 500 listed companies have been mandated to submit their Business Responsibility Report as part of their annual filings, these reports are being prepared in a routine way without involvement of the dedicated team of board members. He suggested that there is a need to develop simplified and action oriented reporting framework which can be used as a lever to improve upon overall business performance from the perspective of human rights.

14. **Shri Suman Katragadda, Co-founder and CEO, K-Arogia Advisory Services Pvt. Ltd.**, highlighted that people as a whole no longer view healthcare system as trustworthy or credible. Unfortunately, they are currently being hurt by adverse practices in healthcare system which involves usage/prescription of drugs already banned in other countries, performing by bypass surgeries even if they are required etc., among other practices. He stated that in order to regain the trust of the people, it is important that there should be development of self regulatory guidelines/measures for hospitals and doctors to ensure high standard of quality and conduct. The issue is that can we design a model without compromising quality.

15. **Shri Gopinath Parakuni, General Secretary, Cividep**, an NGO stated that human rights violations are appalling in the apparel sector. He stated that the employers have come hard on the attempts by workers to form labour unions and as such there is no freedom of expression existing in the garment industry. He further stated that many workers are facing human rights abuse in one form or the other especially women who make up for the majority of the workforce in the garment industry. He further apprised that the cases of sexual harassment of women are rampant in the industry. He also mentioned that there is a need to have blend of both, guiding principles, which are voluntary and a Transnational Convention which is mandatory, in the area of business & human rights. He suggested that the word 'voluntary' may be removed from the NVGs.

16. **Shri Sushanta Kumar Sen, Principal Adviser, Special Projects, CII** apprised the participants about the initiatives taken by the CII in the area of business and human rights. He apprised about the model code of conduct developed by CII. He stated that the above said model contains basic principles of doing business ethically and covers issues of environment, non-discrimination and promote diversity in employment.

17. He further stated that CII believes that Person with Disabilities (PwDs) can make meaningful contribution to the country's economic growth and has taken several initiatives to facilitate this. He added that the companies are making efforts to make their workplace more inclusive which is evident

from the fact that the rate of employability of persons with disabilities in companies has increased over the years. He mentioned that very few companies have a separate human rights policies and CII is willing to provide experts to build their capacities in this regard.

18. **Shri K.V. Subramaniam, Deputy Chief Labour Commissioner, Government of India**, apprised about the important provisions for protection of rights of the workers. He stated that the Industrial Dispute Act, 1947 has been amended to set up one or more grievance redressal committees to resolve grievances of individual workmen and must reach a decision on any complaint within 45 days. He also mentioned that the central government plans to reduce 44 labour laws to just five which would deal with wages, social security, industrial safety and welfare, and industrial relations.

## **Session II - Exploring Solutions in Business and Human Rights**

19. **Prof. Vasanthi Srinivasan, Organization Behaviour and Human Resource Management, IIM Bangalore** expressed her views on the subject of embedding of human rights in business operations. She stated that business is dominated towards maximization of profit for the shareholders. She mentioned that the UN 'Protect, Respect and Remedy framework' calls for businesses to pay back to the society by ensuring respect for human rights in their business operations and also provide access to effective remedy to victims of human rights violation. She suggested that the business associations can play a very important role in developing a self regulatory mechanism for industries to ensure adherence to standards and code of conduct mentioned therein.

20. **Dr. Viraf Mehta, Advisor, Partners in Change** provided an overview of the recent developments in the area of business and human rights. He explained the importance of incorporating human rights approach in business practices as human rights system holds historical relevance including legitimacy and credibility. He stated that the National Voluntary Guidelines released by the Ministry of Corporate Affairs are essentially a set of nine principles that offer businesses an Indian understanding and approach for inculcating responsible business conduct. He apprised that in the National Voluntary Guidelines for Responsible Business, Principle 5 (from among the set of 9) guides businesses to "respect and promote human rights" and makes explicit reference to the work of Professor Ruggie and the UN "Protect, Respect, Remedy" Framework.

21. He further stated that the said framework suggests human rights 'due-diligence' process to be conducted by the companies to identify, prevent, mitigate and account for how they address their impacts on human rights, which most of the companies in India have not yet adopted. He stated that most of the companies report non-violation of human rights in their business

operations but they also need to ensure that the entire supply chain is respectful of human rights in their operations.

22. He stated that the new regulation SEBI-Listing Obligations & Disclosure Requirements which came into force from April, 2016 mandating top 500 listed companies to submit Business Responsibility Report must be extended to all companies. He further stated that presently, only Tier-I of companies are monitored for violation of human rights. However, there is a need to examine the entire value chain. He further linked the concept of Sustainable Development Goals with Business and human rights, by stating that the said goals could not be achieved if there is no rights based approach in business. He concluded by stating that companies can contribute to human development by advancing respect for the human rights of workers and communities touched by their value chains.

### **Session III – Develop National Action Plan (NAP) and NVGs relating to Business and Human Rights**

23. **Dr. C.K. Mathew, Senior Fellow, Public Affairs Centre** stated that there is need to have a monitoring mechanism in the area of business & human rights. NHRC & State Human Rights Commissions (SHRCs) could be an affective mechanism but the businesses are not state actors as such they are not covered under their mandate. He mentioned that their centre is preparing the human right index for NHRC which would cover 8 broad areas of intervention including police atrocities, crime against vulnerable sections of society, evil social practices, etc., among others. He also suggested that NHRC could constitute a Committee to develop a format for effective monitoring. Dr. Mathew was informed that the development of a Self Assessment Tool has been facilitated by the Commission with the help of Industry Federations/Organizations and the same has been presented to all the participants for use on voluntary basis.

24. **Shri Gyaneshwar Kumar Singh, Joint Secretary, Ministry of Corporate Affairs** stated that National Voluntary Guidelines is a unique framework which offers a principle based approach for companies to create a positive impact on people and planet while staying competitive and profitable. He stated that the said Guidelines are also reflected in the Companies Act 2013 and are beneficial for the corporate to achieve sustainable development goals. He further stated that it is essential for the enterprises to lay special focus on the rights and needs of groups who are particularly vulnerable to human rights abuses linked to business practices. This must include mapping of vulnerable groups exist in the supply chain in order to understand how the business is impacting these people. He concluded by stating that first version of the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business (NVGs) were released by the Ministry of Corporate Affairs in 2011. Since then, there have been significant international and national developments in the business responsibility landscapes that require to be integrated into the NVG framework in a manner that supports their

uptake by business. Therefore, the Ministry would at first instance will update NVGs and then proceed towards the process of preparation of National Action Plan on business and human rights.

**25. After intensive deliberations the following recommendations emerged:**

- A.** To develop a **National Action Plan on Business and Human Rights** as part of States responsibility, to protect against adverse impacts on human rights by business enterprises, in conformity with the UN Guiding Principles, by including all concerned Ministries and stakeholders on Business and Human Rights.
- B.** Businesses to develop a **self regulating mechanism** in order to ensure protection of human rights of all the workers who are directly linked to their operations, products and services or indirectly linked to them through their business relationships with other parties i.e., workers in their supply chains.
- C.** NHRC may undertake a short term research study/project in collaboration with Indian Institute of Management Ahmedabad/Bengaluru. NHRC may also consider establishing a Chair /Working Group at IIM, Bengaluru on Business and Human Rights for taking up this subject on a sustainable basis in the long term.
- D.** Develop an **accreditation/rating mechanism** for all the Public Sector Undertakings to accredit them according to the degree that they meet the effectiveness criteria for ensuring protection and promotion of human rights.
- E.** To remove the word 'Voluntary' from the 'National Voluntary Guidelines' of the Ministry of Corporate Affairs, Government of India.
- F.** The Companies need to adopt/use **Self Assessment Tool** that has been developed by a team of representatives from the Industry Federations/organizations and facilitated by National Human Rights Commission, to self evaluate their commitment to human rights, and identify the need gaps for further improvement.

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