



## Investing in a Sustainable Future

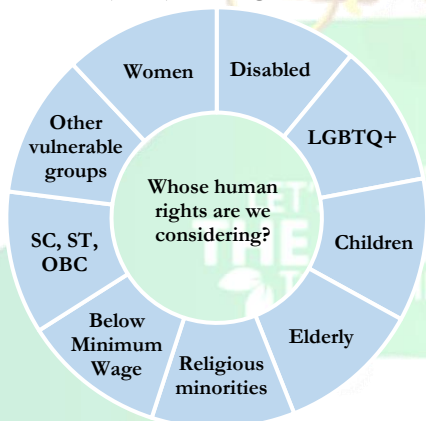
Edition - May 2024

### Editor's Nest

*“Don't delay your decisions. Do the right thing at the right time.” – Kautilya's Arthashastra*

What if corporations weren't just economic giants, but champions for human rights? Principle 5 of the SEBI mandated Business Responsibility and Sustainability Report (BRSR) states that *“Businesses should respect and promote human rights”*. In this edition, we will be focusing on this Principle. Simply put, Principle 5 encourages companies to a.) respect the rights of human beings at workplace irrespective of their gender, age, disability, color, religion, race, and nationality, and ensure that no form of discrimination takes place, b.) codify a Human Rights Policy and have a robust Grievance Redressal Mechanism to resolve all Human Rights issues, and c.) scrutinize supply chains for fair labor practices.

In ancient India, Kautilya's *Arthashastra* addressed social welfare for disadvantaged groups. The text advocated for monetary support for the disabled and care for the elderly, ensuring no one was left destitute. Fast forward centuries, and present-day India echoes these concerns. Apart from fundamental rights enshrined in our Constitution, India has also passed various laws protecting human rights like The Equal Remuneration Act (1976), The Rights of Persons with Disabilities Act (2016), The Transgender Persons (Protection of Rights) of India (2019), among others.



### Expert Speak

**Beyond Bricks and Mortar: Ensuring Worker Rights in India's Construction Industry - Dr. Sunita Purushottam, Head of Sustainability and CSR, Mahindra Lifespace Developers Limited.**

The global construction sector is growing at a fast rate. By 2025, it is expected to be a \$1.4 Tn business in India. It employs 51 million people and its share in GDP is 9%. In order to achieve SDG 9 *“Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation”* and SDG 11 *“Make cities and human settlements inclusive, safe, resilient and sustainable”*, it is vital for the construction sector to be ethical and environmentally responsible. This sector relies on skilled and unskilled labour, and provides informal employment opportunities. In India, almost 93% of workers in the informal sector are employed in non-agricultural labour, with the construction sector being the largest employer. The informal nature of their work exposes them to precarious working and living conditions, including a lack of job security and low awareness about government entitlements and redressal mechanisms. Further the sub contracting mechanisms make it difficult to ensure that the last man in the chain is aware of their rights. In India, laws mandate companies to form statutory committees on specific areas, including grievance redressal under Industrial Relations, OSH code and the Factories Act. Further, The UN Guiding Principles also mandate *“Access to Remedy”* by establishing adequate grievance redressal systems to be provided to all of their employees. Especially with international and domestic norms around labour and supply chains becoming more conscious, a robust internal system can benefit industry players across multiple avenues. Further, each company has the moral responsibility to ensure rights of workers are protected and respected.

It's a simple equation – labourers give their sweat and blood and build the very foundations of our life on this planet. Taking care of their needs and treating them humanely is the only ethical way of conducting business. The benefits are increased productivity, reduced risks and good governance that can attract investors.



## Obstacles faced by Certain Groups

India's economic growth story needs a rewrite to include all its characters. Let us look at how certain groups face human rights abuses.

**Women:** Lower wages and unconscious bias leads to fewer promotions for women. For example, many women face the stereotype that marriage and motherhood make them less resolute, despite their talent and commitment.

**Transgender:** Over 80% of transgender people are unemployed or underemployed, often forced into informal work due to discrimination. They encounter hostility from colleagues or a lack of gender-neutral facilities, making workplaces unwelcoming.

**Disabled:** According to the World Bank, only 1 in 10 Indians with disabilities has a formal job. The lack of accessible workplaces and transportation creates a significant barrier to their participation in the workforce.

There is, hence, a stark demand for business entities to take charge of the situation and rise in action. Companies can bridge this gap by implementing fair pay structures, unconscious bias training, strong equal opportunity policies, flexible work arrangements, zero tolerance policy for harassment, and robust grievance redressal committees. By empowering humans, they empower India's potential!

Principle 5 aligns with the following United Nation's Sustainable Development Goals:



Principle 5 also aligns with the following Integrated Reporting Capitals:



## Disclaimer

This e-publication is published by CNK & Associates, LLP Chartered Accountants, India solely for information purpose. All rights are reserved, and this e-publication is not intended for advertisement and/or for solicitation of work.

Contact us for a detailed presentation on the subject of ESG & BRSR Reporting at [info@cnkindia.com](mailto:info@cnkindia.com) | +91 22 6250 7600

## Best Practices for Principle 5

The following are the major components covered by the SEBI mandated BRSR format, further supported by best industry practices:



Component



Company



Best Practice

Women's Rights	Reliance India Limited	Prevention of Sexual Harassment Policy mandates complaints to be sent in writing, and the Internal Complaints Committee ensures that women employees who are part of investigation are not subject to unfavorable treatment.
Disabled People's Rights	Accenture India Private Limited	Office premises are wheelchair friendly, all videos are subtitled, sign language interpreters in the office and braille stickers in lifts are available for the visually impaired.
Transgender Rights	Tata Steel Limited	Onboarded 14 transgender employees as Heavy Earth Moving Machinery Operator Trainees at company's mines.
Grievance Redressal Mechanism	Mahindra Lifespaces Limited	Complaints to be made via 'Ethic helpline', and Chief ethics officer to look into them.

### Did you know?

**Human Rights Due Diligence** is a process companies undertake to identify, prevent, mitigate, and account for potential human rights impacts throughout their operations. It includes implementing policies to prevent human rights abuses, conducting human rights impact assessment, consulting with local communities, and providing training to employees and workers on the same.