



Confederation of Indian Industry

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COMMUNICATION ON ENGAGEMENT

Period covered by this Communication on Engagement

From: 1 January 2016

To: 30 October 2018

Part I. Statement of Continued Support by the Chief Executive or Equivalent

To: Stakeholders

The Confederation of Indian Industry (CII) reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, playing a proactive role in India's development process. Founded in 1895, India's premier business association has around 9,000 members, from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 300,000 enterprises from around 265 national and regional sectoral industry bodies.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, healthcare, education, livelihood, diversity management, skill development, empowerment of women and water, to name a few.

In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Yours sincerely,


Chandrajit Banerjee
Director General, CII

CII was one of the local network partners of Global Compact in India, until UNGC decided to have only one local network. CII since then has been working with Global Compact Network India (GCNI) and also directly promotes UNGC Principles, and sustainable and responsible business practices in general. CII sits on and actively participates in the Governing Council of GCNI through which it continues to advise GCNI on penetrating Indian business.

CII's contribution to UNGC Principles is directly through its own activities on sustainable and responsible business. The most significant is measuring progress of companies in India on the Principles. CII has developed a comprehensive sustainability performance tool with around 300 indicators that map with UNGC Principles. Each year businesses use this tool to measure their performance, identify areas of improvement, and develop roadmaps for improvements. CII also builds capacities of business professionals on sustainability aspects that relate to UNGC Principles.

CII was involved in the development of **India's National Voluntary Guidelines (NVGs)** on Social, Environmental and Economic Responsibilities of Business released by Ministry of Corporate Affairs. CII played an important role with other experts in the group, to ensure that the principles of NVGs were aligned to UNGC Principles. The Securities Exchange Board of India (SEBI) has mandated reporting on NVGs by top 500 companies on stock exchange in the form of Business Responsibility Reporting (BRR).

CII has been promoting Sustainable Development Goals (SDGs) in creating awareness and building capacities of businesses. **A high-level B2G Partnership Conclave** on SDGs, was organised on 8 August 2018 by CII, NITI Aayog and UN. The Conclave facilitated deliberations upon three core areas—water, energy and green industry—identified as fast tracks for the 2030 Agenda.

CII launched the **Business for Human Rights (#Biz4HR)** initiative on the occasion of UN Human Rights Day, 10 December 2016. CII, on behalf of Indian businesses pledged to the UN to take action on human rights. The initiative is an action group of business stakeholders interested in improving their human rights record. Members of the initiative make a public commitment to human rights, conduct risk-based due diligence, set processes to improve record, and improve disclosures on human rights.

CII-NITI Aayog launched '**Cleaner Air Better Life Initiative**' on 17 November 2016 to provide clear understanding of reasons behind air pollution in Delhi-NCR, Haryana, Punjab and Uttar Pradesh and to bring all relevant stakeholders on board for a coordinated action plan to improve the deteriorating air quality.

In response to CII representation on **Plastic Waste Management (PWM) Rules, 2016** and its subsequent engagements with key officials at Ministry of Environment, Forests and Climate Change (MoEFCC), a meeting was called by the joint secretary with all stakeholders to draft guidelines on the implementation of PWM Rules, 2016. MoEFCC also considered an amendment notification to bring certain changes in PWM Rules, 2016.

Addressing ban on the use of multi-layered plastics, within two years of the notification of PWM Rules, 2016, (if found non-recyclable in nature), CII facilitated dialogues between the government and Indian industry on the clause during the last one year. This clause posed a serious challenge to sector-specific businesses. Concept of Extended Producers Responsibility (EPR) is defined in the Indian regulations to manage post-consumer plastic packaging materials and Indian industry is willing to assume responsibilities under EPR. However, there are certain key operational challenges faced by Indian industry while implementing PWM Rules, 2016. To seek further clarification on those challenges, CII facilitated the dialogues between concerned stakeholders. Based on the interactions, a detailed approach paper on effective management of plastic waste was prepared and submitted by CII to MoEFCC, for its consideration.

The Climate Change Council (CCC) of CII constitutes 60 members of industry who collectively work towards the agenda—low carbon India. The council has four working groups that work on pertinent industry issues related to climate change. This is chaired by Jamshyd N. Godrej, Chairman, CII -Godrej GBC and Chairman & Managing Director, Godrej & Boyce Manufacturing Company Ltd and Mr Sumant Sinha, Chairman & Chief Operating Officer, ReNew Power, is co-chair of the CCC. As part of its advisory services CII helps industry develop climate strategy, document their GHG footprints and make international disclosures such as Carbon Disclosure Project.

CII launched a business-led initiative '**India Business and Biodiversity Initiative (IBBI)**' in 2014. It was initiated by MoEFCC, Government of India. This initiative serves as a national platform for businesses to promote sharing and learning, that ultimately leads to mainstreaming sustainable management of biological diversity by business. It guides and mentor business organisations in India on conservation and sustainable use of biodiversity. IBBI is also a part of the Global Partnership for Business and Biodiversity (GPBB) hosted by UN Convention on Biological Diversity (CBD), which is the hub of national and international initiatives on biodiversity and ecosystem services. IBBI is governed by an advisory group which consists of representatives from member companies and other key stakeholders like development organisations, NGOs and academia.

In 2015, CII launched an initiative on business integrity (**Siemens Integrity Initiative**) which relates directly to UNGC Principle on anti-corruption. This initiative is supported by The World Bank and Siemens. The GCNI is also a member of this initiative. Via this initiative, CII is reaching out to large and small businesses to build their capacities on managing integrity issues in their organisations. In this context, CII came out with a comprehensive Code of Business Ethics that was recommended to its members on a voluntary basis.

Part III. Measurement of Outcomes

Each year around 500 business professionals are introduced to **India's NVG principles** that are aligned with the UNGC Principles. CII has helped 10 companies prepare BRR or map NVGs with UNGC Principles and report that in their sustainability reports, in accordance with GRI.

At the **high-level B2G Partnership Conclave**, CII and NITI Aayog entered into a three-year partnership and an MoU was signed. This partnership aims to showcase the efforts of Indian businesses to the Government and the UN, increase awareness amongst businesses, share best practices and build a tracking mechanism for further improvising industry engagement to achieve the 2030 Agenda for Sustainable Development. The partnership focuses on specific activities that seek to develop: 1. Vision and Action Agenda for businesses and industries to contribute to SDGs; 2. Annual Status Reports; 3. Sector-specific Best Practise Documents. The UN Representative in India spoke along with Indian ministers at this conclave and called on CII members to work towards SDGs. Shri Raj Kumar Singh, Hon'ble Minister of State (IC), Power and New & Renewable Energy, Government of India and Shri Amitabh Kant, CEO, NITI Aayog (Indian government's planning and thinking arm) also spoke on the growing importance of the role of businesses in achieving SDGs and how that would add to their competitiveness.

CII launched a report during the event—*Indian Solutions for the World to Achieve SDGs*. The report delves into each of the SDGs, targets and business implications thereof, with respect to a few industry sectors. It discusses how companies incorporate the SDGs framework as a part of their business strategy and go about achieving them with the help of industry-specific case examples. This report promotes cross learning not only amongst similar industry sectors but also other sectors.

Six Indian companies, namely, Wipro Limited, Tata Steel Limited, JSW Group, BOSCH, and TIL Limited have signed up the **Business for Human Rights initiative (#Biz4HR)**. CII has been building the capacities of member companies on United Nations Guiding Principles on Business and Human Rights, and Human Rights Due Diligence. 130 executives have been trained on Business and Human Rights through webinars and training programmes. Member companies are now seeking support from CII on designing Human Rights Due Diligence for their companies. CII is developing guidance documents/tools in consultation with businesses and share good practices from and across Indian businesses.

While working on '**Cleaner Air and Better Life Initiative**', CII reached an important milestone on 26 February 2018 as the Task Force Reports on *Clean Biomass Management*, *Clean Fuel* and *Clean Transportation*, were released by Mr Amitabh Kant, CEO, NITI Aayog in New Delhi. Since then, CII has undertaken extensive multi-stakeholder consultations for airshed management in NCR, while working closely with respective union ministries and Convenors [Additional Secretary, Ministry of Environment Forest and Climate Change (MoEFCC); Joint Secretary, Ministry of Petroleum and Natural Gas (MoPNG); and Joint Secretary, Ministry of Road Transport and Highways (MoRTH)] of these task forces. The three Task Force Reports are an outcome of the consultations and robust policy research by CII that recommended specific action plan to address key sources of air pollution. At the report release ceremony, Mr Kant announced a financial support of Rs 1200 crore under the central government scheme on mitigation of air pollution, specifically addressing the farm stubble burning in Delhi-NCR and its neighbouring regions. The report launch was followed by media briefings on recommendations by the three Task Force Convenors, respectively. All three reports can be accessed at <https://www.sustainabledevelopment.in/knowledge.php?id=2&catid=17&d=9>

In the Indian Union Budget, 2018, a special scheme for supporting sustainable farming practices to control air pollution was announced. This is in line with CII's recommendations in addressing the issue of biomass burning. The key highlights are as follows:

- Under financial support to farmers, incentives to be provided to them through Direct Benefit Transfer: a bonus of INR 134 on paddy Minimum Support Price (2017-18) ~9%.
- The medium to long-term actions required to achieve zero-burning include upscaling of technologies.
- Set up clean air impact fund to support clean technologies and link it with the National Clean Energy Fund.
- Awareness campaigns for farmers.
- Manuals and information tools for in-situ mulching and on-farm management.

These and other recommendations are output of the Task Force on biomass burning, convened by the Ministry of Environment, Forests and Climate Change, within the CII-NITI Aayog 'Cleaner Air Better Life Initiative'.

The **PWM Rules, 2016**, as amended, provides larger contours for undertaking EPR by industry, either individually or collectively. Government of Maharashtra vide its notification Plastic-2018/C.R. No.24/TC-4 dated 23 March 2018 placed ban on single-use plastics and mandated a buy-back mechanism for PET bottles and milk pouches, to be saleable in the state, without any consultation with affected industry. PWM Rules 2016, as amended, needs to be implemented by all concerned stakeholders at the national level. Maharashtra Pollution Control Board met on 20 June 2018, to take inputs from industry on its implementation of plastic ban in the state with 23 June as the deadline. This meeting was attended by industry representatives. It was decided that tangible packaging materials like PET shall be subject to buy-back mechanism, while low value plastics including multi-layered packaging (MLP) need to be collected and recycled through a separate framework.

In line with CII's recommendation, the MoEFCC issued an amendment dated 27 March 2018 to PWM Rules, 2016, allowing industry to utilise waste-to-energy option for disposal of plastic waste as part of its EPR. In addition to this, a central level registration to be administered by Central Pollution Control Board has been mandated.

CII is a signatory to Task Force on Climate-related Financial Disclosures (TCFD) and is persuading industry for its adoption. CII conducted a workshop on TCFD for industry members. In addition to taking international frameworks to industry in India, CII has developed tools to help industry capture their footprint.

In August 2018, the CII newsletter *Policy Watch* covered the theme—climate change. This was circulated to 8,000-member companies, as well as to the ministries and government officials.

Moving Indian industry into climate action, CII's CAP 2.0° is a benchmark programme recognising industry climate mitigation and adaptation initiatives with the purpose of cascading learnings and encouraging quick scale up, thereby contributing to India's climate goals. **CAP 2.0°** is a recognition and capability enhancement programme for businesses to become climate resilient. This is based on a CII climate-maturity model and it uses the principles of business excellence framework. CAP 2.0° helps businesses to contract climate risks and exploit market opportunities. Stressing on the importance of building climate resilient strategy and incorporating climate change risk analysis by decision makers, CAP 2.0° takes a holistic approach to climate change. Details on CAP 2.00 available at <https://www.sustainabledevelopment.in/CAP2.0/>

IBBI participated in the Business and Biodiversity Forum in CBD Conference of the Parties (COP 13) with a delegation of member companies on 2 and 3 December 2016. A publication [*Reimagining Business for Biodiversity Enhancement*](#) was released in a parallel event conducted in collaboration with German counterpart, Biodiversity in Good Company, Business & Biodiversity Initiative (BIGCI) on 5 December 2016. The publication showcases the Indian companies' leadership in mainstreaming biodiversity conservation and sustainable management of resources into their business policies, strategies and their best practices. The publication highlights case studies of how 9 Indian companies have mainstreamed biodiversity into their business operations, policies and strategies.

More than 400 companies have signed the CII Code of Business Ethics. Various case studies, training modules, and training programmes have been developed and conducted under the **Siemens Integrity Initiative**. The initiative is divided into three phases—Create, Educate and Sustain. This project brings together professionals from different backgrounds and works on training modules that cover issues related to ethical businesses, whistle-blower policy, vigil mechanism and transparent procurement. As a result, 400 local trainers were qualified through 16 training sessions (capacity building done for 25 participants in 2 trainings). 100 companies so far have produced their BRRs.