

General Statement by India

under Agenda Item 4 at the Eighth Session of the Open-Ended Intergovernmental Working Group for the elaboration of an International Legally Binding Instrument on Transnational Corporations and other Business Enterprises with respect to Human Rights

(Geneva, 24th October 2022)

Thank You Chair,

At the outset, India would like to thank the High Commissioner for Human Rights for his opening remarks. We also congratulate you for your election as the Chairperson-Rapporteur to steer the proceedings of this session.

Mr. Chair,

2. We believe that business enterprises play a key role and impact the lives of people with their activities. Considering the global expansion of businesses, the international community has increasingly felt the need to recognise the corporate responsibility of businesses to respect human rights and to address adverse impacts that may result from its operations and business relationships.

Mr. Chair,

3. At international level, deliberations have been now going on for almost five decades on the subject of regulation of the activities of transnational corporations so as to ensure corporate social responsibility and respect for human rights. A significant achievement on this subject was the adoption of the United Nations Guiding Principles on Business and Human Rights by the United Nations Human Rights Council in 2011.

Mr. Chair,

4. India has been developing its business responsibility framework to provide an enabling environment for improved participation of businesses in securing basic rights of the citizens. India has revised and aligned the National Voluntary Guidelines on Social, Economic and Environmental Responsibilities of Business with the UN Guiding Principles on Business and Human Rights and Sustainable Development Goals (SDGs) in 2019. This also led to the development of the National Guidelines on Responsible Business Conduct.

5. Simultaneously, Business Responsibility Reports (BRR) were made mandatory in 2019 enjoining the businesses to report their actions towards adoption of responsible business practices. In 2021, pursuant to the recommendations of the BRR Committee, the Securities and Exchange Board of India (SEBI) prescribed the Business Responsibility and Sustainability Reporting requirement for top 1000 listed entities (by market capitalisation) on voluntary basis for the FY 2021-22, and on mandatory basis from FY 2022-23 onwards.

6. The legislative mandate of Corporate Social Responsibility, established in 2013, has enhanced the contribution of businesses towards securing human rights. During 2018-19, INR 119.61 billion was spent on CSR activities by companies listed on the National Stock Exchange. Approximately 65% of that was spent towards poverty alleviation, nutrition, health care, rural development, education and skilling.

7. We have taken steps in streamlining of gender perspective in its business policies. The Companies Act of 2013 mandates companies to spend at least 2% of their profits on socially beneficial activities including promotion of gender equality, empowerment of women and providing shelter for the needy. Certain companies are also required to appoint at least one-woman director on the board.

8. India has also been working on a National Action Plan on BHR which will articulate our priorities and actions to support the implementation of the UN Guiding Principles on Business and Human Rights (UNGPs).

9. These initiatives at the national level complement the already existing machinery comprising of an independent judiciary, national and state commissions to monitor compliance with human rights, legal and policy measures and an independent media.

Mr. Chair,

10. This Open-ended Inter-Governmental Working Group established pursuant to HRC Res. 26/9 of 2014 has made significant progress since its first session.

11. In this context, we believe that enhanced discussion and further clarity is still required on a number of elements in the third revised text with concrete textual suggestions and of the Chair's proposals. India reiterates its position that this instrument should focus only on business activities of a transnational nature and not to national enterprises as we already have domestic laws to regulate them. Such an instrument needs to maintain a fine balance with the socio-economic developmental concerns of developing countries and LDCs on one hand while also making transnational corporations more responsible in the protection of human rights. We believe, any international legal instrument needs to be flexible and balanced so as to have the widest possible acceptance that will ensure its effectiveness.

Mr. Chair,

12. In conclusion, we are committed to engage in a constructive manner in the discussions over this week.

Thank You.
