

# Frame of Reference for Responsible Business in South Asia

Version 1-08



**SAFORB**  
SOUTH ASIA FORUM ON RESPONSIBLE BUSINESS

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## About Us



We, a group of civil society organizations (CSOs) in South Asia (comprising of Afghanistan, Bhutan, Bangladesh, India, Pakistan, Maldives, Nepal and Sri Lanka), united by our common vision and goal for Responsible Business, are members of the regional voluntary association South Asian Forum on Responsible Business (SAFoRB). This platform, with strategic support from Red Puentes, MVO Platform and Oxfam (Novib) aims and aspires to collectively and coherently promote responsible practises among businesses operating in the region (as articulated in this frame of reference) and in alignment with the achievement of Millennium Development Goals (MDGs) in South Asia.



## Preamble

We recognize that all stakeholders of a business enterprise have a human identity first. The negative effects - Social, Economic and Environmental - of the operations of a business are largely due to the violations of the human rights of its stakeholders. Thus, SAFoRB believes that respect for human rights of all the stakeholders should be core to Responsible Business Practice.

In our view, a responsible enterprise is one which minimises the negative impact and maximises the positive impact of its operations to protect human rights of stakeholders within its sphere of influence and on the environment

To achieve this, We believe a Responsible Business must integrate the following elements, hereafter referred as 'Basic Principles', in its core business strategy:-

- Compliance with the laws of the country of origin, the country in which it operates, with international conventions and treaties to which those countries are signatories and to basic precepts of good corporate citizenship and behaviour.
- Accountability to all its stakeholders across its sphere of influence.
- Business operations to assist in the achievement of the Millennium Development Goals.
- Institutionalisation and internalisation of responsible management practices.



## *Applicability of Frame of Reference*

We believe an enterprise irrespective of its size, ownership status, geographic area of operation and nature of operation (that is, type of products or services) is accountable to all its stakeholders within its sphere of influence. Hence, our vision of a responsible business in this region encompasses all enterprises, irrespective of country of origin, which have business operations in South Asia (including those of South Asian origin which have business dealings outside the Region).

We also believe that stakeholders of a business enterprise, especially government and civil society organisations, should play the role of enablers in promoting RBP. In this regard, SAFoRB expects that stakeholders of a business enterprise should consciously engage with business enterprises through partnerships and multi-stakeholder initiatives to influence them and to build their capacity to act responsibly.

# Basic Principles of 'Responsible Business Practise'

1

## 1.1 COMPLIANCE

We believe a Responsible Business Enterprise must abide by the law of the land in which it is operating or of its country of origin, whichever is higher in standards. Given that most of the South Asian countries have good legislation but weak enforcement, an enterprise must not take undue advantage of these institutional loopholes but initiate steps to influence and partner with government to strengthen the system.

We take note that apart from national legislations, most countries globally have ratified international treaties / conventions / declarations and have undertaken the obligation to protect their citizens against violations committed by third parties, for example enterprises. These treaties furthermore make it incumbent upon the government to ensure that enterprises based in their jurisdiction do not violate rights of citizens in other countries where they are operating. Therefore, SAForB expects a business enterprise to respect its government's international commitments and at the same time respect the national sovereignty and human rights in host countries.

## 1.2 ACCOUNTABILITY TO ALL STAKEHOLDERS ACROSS ITS SPHERE OF INFLUENCE

The right of a stakeholder is primarily a derivative of human rights. Therefore, SAForB believes that the businesses have a particular obligation to respect, promote and protect the human rights of marginalised and vulnerable groups. These could include: women, children, indigenous people, small producers, minority shareholders, minority and ethnic groups, below-poverty-line persons, differently abled persons, people in conflict /disaster stricken areas and traditionally socially excluded sections of the society.

Businesses interface with people at different stages of their Operations and those who are affected by or who can affect the operations of the business are considered stakeholders. Key stakeholders of a business enterprise could include:

1. Employees
2. Business partners (customers, suppliers and VPs)
3. Shareholders
4. Customers
5. Community, particularly in neighbouring areas
6. Government



The boundaries within which the stakeholders of a business and its influence lies are presented in figure 1.



*Figure 1: Sphere of Influence of Businesses*

A business must be accountable to all its stakeholders within its sphere of operations. In following sections, SAFoRB presents the broad outline, based upon relevant internationally agreed standards, agreements, operating principles and processes (refer Appendix 1), for accountability to stakeholders which can be expected from businesses.

## 1.2A Core Operations

We believe that *“A company must ensure the human rights of its employees and must minimise its negative impact on the environment on which the survival of humankind depends. Further, it must protect the rights of the marginalised and disadvantaged among its business partners, supply/value chain and shareholders”*

### i. Rights of Workers

SAFoRB expects businesses to adopt the ILO Declaration on Fundamental Principles and Rights at Work (1998) as a commitment to uphold basic human values - values that are vital to our social and economic lives. We identify the following areas as critical to ensure rights of workers:-

#### a. Health & Safety

Businesses must recognise the particular health and safety risks that their employees may be exposed to in the workplace which can be detrimental to their immediate and long-term health and safety. They must develop practises and standards to minimise, if not eliminate, such hazards and risks.

#### b. Work / Life balance

- Working hours and overtime must be practised as per the ILO Hours of Work (Industry) Convention (No. 1) of 1919, if national legislations are weak. ILO has introduced a maximum standard working time of 48 hours per week and eight hours per day as an international norm.
- In exceptional cases, if working time exceeds the limits as specified above, daily working time must not be higher than ten hours, and weekly working time must not be higher than 56 hours as per ILO Conventions No. 1 and No. 30. In such cases, the rate of pay for overtime must be not less than one-and-one-quarter times the regular rate.

#### c. Forced or Compulsory Labour

- Companies must be particularly vigilant that they do not force, exploit or coerce their employees, that they do not demand compulsory overtime and that their employees are not forced into working beyond specified hours because of indebtedness.
- Business must not employ underage workers who should otherwise be at school, and/or be complicit in promoting child labour.
- Businesses must not resort to any form of practise that may intimidate its employees (including physical, verbal and emotional abuse and sexual



or other harassment) in the workplace or while engaged in company activities

#### d. **Rights to Freedom of Association Assembly and Collective Bargaining**

Businesses must recognise the right of workers to organise and bargain collectively as mentioned in ILO C98, 1949. In countries where national legislations prohibit such collective actions, businesses may establish internal management systems to recognise the voice of its workers by promoting parallel form of associations.

#### e. **Anti-discrimination Measures in Recruitment, Development and Promotion**

- At any stage of the employment process, businesses must not discriminate on the ground of gender, age, colour, race, religion, caste, political opinion, sexual orientation or disability, or on any other ground , not objectively related to the function of the job.
- Businesses must provide formal contracts to employees, including temporary workers, to safeguard their livelihood security.
- Women workers must be provided maternity benefits. Further, businesses must recognise the special needs of working new mothers and ensure a conducive environment for them by providing benefits such as flexi-timing and day-care facilities.
- Business must ensure equal benefits and rights to all its employees irrespective of their nationality.
- Transnational business must not accord preferential treatment to nationals of the country of origin, particularly in decision-making positions, and neither should there be discrimination in the remuneration package. Where specialised knowledge or skills are lacking in the host country, the business enterprise must invest in capacity building of persons from the region.
- Businesses must not resort to termination of an employee/worker's service without prior notice or adequate compensation.
- Businesses must undertake affirmative actions in their employment process towards traditionally weaker sections and communities/persons. This also includes contemporary forced labour in the form of bonded labour and human trafficking (high in South Asia) among such sections. Companies need to be vigilant in ensuring that their practises do not provide the opportunity or inadvertently creating a demand for these types of abuse.



## f. Privacy of Personal Information and Grievance Re-dressal

Businesses must respect and protect the right to privacy of its workers and their freedom of opinion. Further, a grievance redressal mechanism must be established within the workplace to guarantee a worker's right to be heard with reference to the Universal Declaration of Human Rights (UNDHR)

## g. Fair Remuneration and Social Security Provision

- Wages paid to employees & contract workmen should be at least equivalent to the living wage in their country of residence to ensure coverage of living needs for themselves and their families.
- Social security must be paid to workers especially bottom-end to reduce their economic vulnerability after the termination of employment .
- Employers must provide a decent work environment to their employees to safeguard the right to livelihood with dignity.

## ii. Environment Protection

Businesses must recognise following basic principles, core to environmental protection and integrate these into their business strategy:-

- The principle of preventive action
- The precautionary principle
- Addressing environmental damage at source
- The 'polluter pays' principle
- Access to information about environmental impacts

Below are the non-negotiable in this regard for a business to qualify as environmentally responsible:-

- a. Businesses must ensure that their performance parameters meet the specified local environmental laws, and strive at achieving international environmental standards (such as ISO 14001). Business must get their products endorsed or certified by internationally / nationally accepted eco or social labels, if available.
- b. Businesses must undertake steps to reduce energy use, effluent, emissions and waste (toxic & non toxic) so as to minimise the adverse impact on their employees, community, biodiversity and humankind at large.
- c. Business operations must not undermine the livelihood of communities dependent on forest produce by endangering the fauna and flora of that region. Further, businesses must recognise and contribute towards





preserving traditional knowledge on environmental friendly practises or processes in the region.

- d. Businesses must not take advantage of weak environmental laws of a country to dump hazardous wastes in its water and land.
- e. Businesses must recognise the submergence and seismic vulnerability of certain countries and cities, and must not indulge in activities which may be detrimental to their survival or ecological balance. .
- f. Businesses must regulate their energy use and reduce their contribution to global warming.

### iii. Financial Accountability

- i. Businesses must recognize and respect the rights of investors, especially small shareholders.
- ii. Companies must recognize the right to information of their shareholders and should establish mechanisms to promote transparency and disclosure on business operations.

## 1.2B Business Partners and Suppliers / Vendor Partners

***A business enterprise must ensure fair trade deals with its business partners / suppliers and must influence them to ensure that they do not engage in any human rights abuses or in deliberate damage to the environment.***

- a. Fair trade and ethical sourcing
  - Businesses must ensure fair prices and terms to all their suppliers, paying special attention to the financial, managerial and productivity deficiencies of micro and small enterprises.
  - Businesses must not be complicit in human rights violation ( such as child labour, gender discrimination, environmental pollution etc) by their suppliers in an effort to increase their competitiveness and profitability
  - Businesses must refrain from indulging in practises which will result in non-competitiveness of its suppliers, such as taking undue price advantage by being a monopolistic buyer, threatening termination of trade deals if supplying to competitors, compelling suppliers to resort to unfair means to procure business deals. They must discourage their suppliers from paying bribes (or gifts) as well to procure trade deals
- b. Businesses should adopt a policy of affirmative action for providing business opportunities to socially vulnerable or disadvantaged groups (listed earlier). Further, they should also provide proper information and guidance to them to protect their rights and interests.



- c. Businesses must ensure continuity in trading relations with its suppliers (especially small producers and MSMEs) with multi-year contracts to enable them to sustain and hedge against market risk
- d. Businesses must recognise the vulnerability of small producers and MSMEs. They must positively respond to their endeavour to enhance negotiating position through collective action and must have a grievance redressal mechanism in place.

### 1.2C Value chain (Business Customers)

*“A company must influence its business customers /vendor partners to ensure that they do not engage in any sort of human rights abuses within their core operations (as mentioned in 1.2A), communities (surrounding operations) and market place/ consumers (explained in 1.2 C, D and E) .”*

#### a. User Safety

The businesses must inform its customers of health and safety risks associated with the use of its product / services before formalising trade deals

#### b. Unfair Payments

A business must not use unfair means (such as payments bribe / gifts or political lobbying) to secure trade advantages

#### c. Product / service responsibility

- Where applicable, businesses must guarantee the quality of their products / services for a minimum period after sale
- A customer care mechanism must be in place to respond to complaints / grievances related to products / services purchased by a customer and to guide the user.

### 1.2D Consumers

*“A company must ensure that its products do not harm the health or safety of its consumers, and should take steps to educate consumers about the proper use of their products”*

#### a. Positive / Negative Impacts of Goods and Services including their misuse

Businesses must have a stated product liability policy to ensure that their products are not detrimental to the health and safety of consumers or others.





Customers must also receive guidance on the proper use of a Company's products and the possible harm that the usage or misuse may cause. Businesses in the service sector, especially in financial sector should take special precautions to ensure that they are not knowingly or unwittingly fostering criminal or anti-social activities.

**b. Anti-Competitive Practices**

Businesses must refrain from cartel formation and entering into monopolistic agreements with other companies in the same industry that undermine free trade and competition.

**c. User Guidance**

A customer care mechanism must be in place to respond to complaints / grievances related to products / services purchased by a customer and to guide the user.

**d. Advertising and Publicity**

Businesses must refrain from false and exaggerated advertising, misinformation about its own or competitive products, , causing hurt to cultural or religious sentiments or misrepresentation of marginalised and disadvantage communities.

**1.2E Communities**

*“Ensure that Businesses minimise and mitigate negative impacts on surrounding communities due to their operations and maximise the positive impact on them”*

**a. Health and Social Impacts e.g. water, livelihoods, discrimination**

- Communities have a right to be protected from any adverse impacts to their health and safety resulting from a company's operations – whether from pollution, emissions, explosions or toxic accidents, heavy energy use, transportation, excessive withdrawal of local natural resources or the like. A company must respond to the human rights and concerns that lie behind these issues.
- Businesses must in particular minimise impact due to their operations and projects on the water supplies of their host communities – whether through blocking access, drawing unsustainable quantities of the local supply or polluting the water

## b. Land Acquisition

- The planned location or nature of some business operations or projects often leads to the eviction and resettlement of individuals, groups or whole communities – normally under the authority of national or local government agencies. Where eviction and resettlement are deemed to be unavoidable, a well laid out resettlement and rehabilitation policy which covers livelihood, housing, access to essential services of the displaced persons should be conceptualised and implemented.
- In a few countries, property issues and the concept of ownership are often un-clear, with only a small percentage of land being formally titled. The rights of individuals or groups that have historically used and lived on land without formal legal title is often under threat and other complex and overlapping claims to property complicates the situation. A company therefore must ensure that it does not impose any new legal right of use that may endanger previously held rights and profoundly impact the lives of those affected.
- A business must ensure that the right to education of children of evicted and resettled families is protected and factors contributing to potential child labour (such as relocation and loss of livelihood of parents) are eliminated

c. The **right to freedom of religion** must not be infringed by preventing workers from observing their traditional religious practices / belief system by insensitive work schedules, by obstructing their religious ceremonies or services or by damaging, destroying or impeding access to religious or sacred sites. Businesses must further ensure that their operations do not unreasonably interfere with the efforts of ethnic, religious or linguistic minorities to preserve their cultures,

d. Businesses must not prevent the **right of a community to associate, to act collectively and to have freedom of speech** to protest or demonstrate against a company and its operations.

## e. Rights of indigenous peoples

- Business must assess the social, cultural, spiritual and environmental impacts of its project on any indigenous people. It must consult with the representatives of indigenous peoples in a way that gives them a voice in the design, implementation and evaluation of those aspects of the project that may affect, for example, their traditions, cultural values, needs and access to the project benefits.
- Business operations need to recognise the traditional livelihoods of individuals or communities including their self-sufficiency in food which may be at risk due to loss of access to traditional natural sources and resources, contamination and must undertake preventive actions.





- f. **Business must value and protect traditional knowledge and understanding of indigenous people and communities on agricultural and biological practises, cultural expressions and handicrafts.** Further they must duly acknowledge and fairly reward the community if such knowledge is utilised for business purposes.

### 1.3 Government

“Influence government to develop public policy that promotes and rewards responsible behaviour”

- a. A business must not lobby or influence Government policies to derive business benefits which may adversely affect its stakeholders. Further, their official lobbying position on issues of concern must be placed in the public domain.
- b. Businesses must inculcate a culture of transparency in payments to ensure avoidance of any form of corruption including bribery and extortion
- c. Taxation
  - Companies should not manipulate price at borders with the aim of avoiding taxes and trading tariffs.
  - Transfer pricing between a Company and its subsidiaries should be fair, transparent and not aimed at evading tax

### 1.4 Responsible Business for Achievement of Millennium Development Goals (MDG)

We recognize the potential of a business to contribute towards the achievement of the eight MDGs in South Asia and believe that the businesses must facilitate and partner with Governments and other relevant stakeholders in the region to achieve these goals. It is the responsibility of businesses in the region to ensure that the development of this region is not retarded due to their business operations. For details please refer appendix 2.

# Corporate Governance

2

SAFoRB believes that separation of management from ownership is a necessary characteristic of good corporate governance. It is desirable that the very Articles of Association of firms reflect their vision and commitment to the firm's interdependence with the well being of society.

SAFoRB believes the corporate board of an enterprise must evolve and expand its duties to guide it towards responsible behaviour. We understand that the board can play a critical role in defining a director's priorities in addressing stakeholder concerns and being more responsible and accountable towards them. The corporate board must enhance its knowledge about the full range of RBP issues -- social, environmental and financial -- due to the operations of companies on whose boards they serve, and they must be proactive in how to address them.

A formal mechanism and process must be adopted by businesses to raise RBP issues with their boards for the purpose of incorporating them into business strategies and decision-making. A few such examples are:-

- **Creating dedicated Board Committees:** to address RBP at the board level through committees with specific responsibility for identifying and providing guidance on social and environmental issues. Meeting as a committee helps facilitate meaningful discussion of specific issues that might otherwise be minimised during full-board meetings.
- **Expanding Role of Existing Committees:** An enterprise may expand the charters of existing board committees such as audit committees to include responsibility for RBP issues.
- **The board of directors of a company may own the complete responsibility of integrating RBP into company operations**



## Leadership

### 3

The head of an enterprise must play a transformational role in integrating RBP in the core business strategy and in determining the extent to which their firms will engage in 'Responsible Business Practices'. The leadership lies in interpreting 'RBP' beyond compliance-led box-ticking exercises and translating it into innovative business opportunities to create a competitive edge for the company. There are essentially three leadership tasks which SAFoRB expects from the top leader of an enterprise:-

- Set the direction and the tone of RBP
- Align RBP with rest of the business
- Get a full commitment from the people in the business by leading by example

Since RBP is all about core values and culture of an enterprise, the role of leadership lies in institutionalising its practice by creating an internal structure to ensure its inclusion as an approach to doing business.



# Management and Operational Aspects

4

Institutionalisation of ‘Basic Principles of Responsible Business Practise’ necessitates stated explicit corporate policy for transparency and management systems for accountability.

Enterprises must demonstrate they have an officially written ‘RBP’ policy developed in wide consultation with stakeholders and placed in the public domain (such as, company website/annual report),. An explicit management strategy to translate RBP policy into action is essential. The following steps are imperative:

- Appointment of a senior executive responsible for RBP
- Formulation of an annual social investment plan.
- Allocation of specific resources for RBP activities.
- Formulation of an internal assurance system for credible RBP performance.

A policy on ‘Responsible Business Practice’ can be developed, implemented and integrated in business practices by adopting following steps:-

## a. Impact Assessment

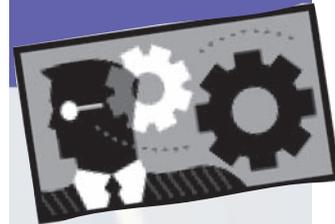
Companies must develop an understanding of the social, environmental and economic conditions in a given country, region and/or sector in which they operate and within this context must analyse the consequences of their business activities among stakeholders especially the supply chain and community.

Further, businesses must ensure that their activities do not encourage corruption in the system, which may negatively affect its stakeholders. In certain conflict areas where it is challenging to operate as business enterprises may find themselves in situations where vested interests make demands – such as demands for bribes – where refusal may place the Company’s existence in jeopardy. Businesses are expected, under such circumstances, to take a strong ethical stance and firmly refuse to capitulate.

## b. Stakeholder Engagement

Stakeholder engagement is essential for the credibility and effectiveness of ‘Responsible Business Practice’. Businesses must involve all their stakeholders in developing an RBP policy and implementing it. To this effect, a business must have a system in place to identify its stakeholders and analyse the issues which concern them and which are overlapping with business operations. Stakeholders must be encouraged to participate in external verification of the implementation of a company’s RBP policies and programmes.

Further, it is important that an enterprise is clear about where each engagement with the stakeholder fits in the business strategy and what will be the nature of the role of each stakeholder, advisory or participatory.





### c. Explicitly stated Commitment to RBP

RBP must be expressed in writing as a value statement of the company policy and must be placed in the public domain. The elements of RBP for policy and practice must be identified in consultation with stakeholders. Further, to reinforce its commitment to RBP, a company must have an action plan developed in coherence with the written RBP policy. The plan must attempt to integrate RBP in all the stages of its business operations and must clearly define the roles and responsibilities for its implementation within the company. A company may translate its action plan into a code of conduct for effective compliance. It may also endorse sector-specific code of conducts to promote RBP within the sector.



### d. Implementation : Internal Monitoring and Management Systems

Companies need to monitor their internal practices in alignment with their stated RBP policies, goals and implementation plans. The RBP management system must consist of explicitly defined corporate policy and processes for complying with internally defined standards. It must also include self-monitoring processes to ensure that companies themselves can demonstrate whether and/or to what extent they are acting in line with the standards introduced, and what corrective measures they must take in order to eliminate any non-compliance. To this effect, capacity building of the management on RBP issues must be integrated in the company's operational system.

Companies must recognise employees demonstrating RBP integration in their core activities by establishing an internal reward system. Further, it must protect the right to freedom of expression of employees on RBP issues internally and externally.



### e. Multi-stakeholder Initiatives and Partnership Approach

To demonstrate greater accountability to its stakeholders, businesses must promote and engage in multi-stakeholder initiatives (MSIs). The initiative will provide businesses with performance benchmarks that will help them to manage risk and operate responsibly by resolving conflicts with its stakeholders. MSIs will help the company to:-

- Identify the common challenges and also differences in perspective
- Identify good practice that might serve to strengthen such initiatives
- Understand the different perspectives of stakeholders associated with these initiatives

A company may explore cross-sector partnership in situations where it has limited capacity to conduct business responsibly against its set standards/ performance benchmarks.

## **f. Independent Verification**

Independent verification processes are critical for the effectiveness and strengthening of RBP policy and programmes. Though independent verification may involve technical experts, a company must also involve its stakeholders to verify the extent to which a company's RBP policy is being implemented and enforced. A company may provide access to full or part of such verification reports in the public domain.

## **g. Transparency and Reporting**

Companies must be transparent about their policy and practices related to RBP and hence must regularly place reports on RBP performance in the public domain. Annual reports of a company must provide details of its RBP policy and activities. SAForB believes the following must be the parameter for transparency and reporting by a company:

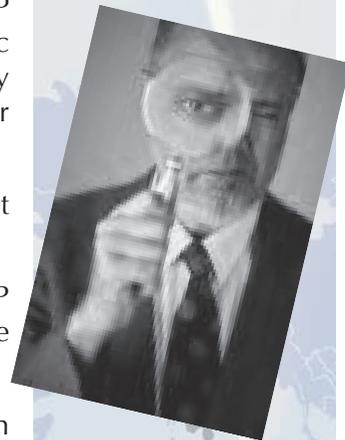
- Reports must be relevant, analytical, and accurate and include a statement on internal lessons learnt by the organisation.
- Reports must be timely and comparable. Companies may prepare their RBP reports as per Global Reporting Initiative (GRI) guidelines to facilitate comparability.
- Report must be accessible to all the stakeholders and must be available in the public domain

## **h. Information Disclosure**

Businesses must respond on time to stakeholders to their queries on RBP. It is essential for a company to disclose its source of information while reporting RBP to stakeholders and provide a complete account of processes involved for stakeholder consultation.

## **i. Response Mechanisms to Stakeholder Concerns**

Businesses must have a proper grievance/complaints redressal channel to for addressing concerns and reporting of violations of company's RBP standards by stakeholders such as employees suppliers and customers. Further, the system must encourage stakeholders to provide suggestions to the company for improvement. It is the responsibility of a business to ensure that individuals registering complaints or providing suggestions are not subjected to undue harassment or discrimination.



## List of Acronyms

CSR	Corporate Social Responsibility
GRI	Global Reporting Initiative
MDG	Millennium Development Goals
MSMEs	Micro, Small and Medium Enterprises
RBP	Responsible Business Practise

## Glossary of Terms

Accountability	Accountability is the obligation to demonstrate and take responsibility for performance
Auditing	Refers to an official examination of an organisation or institution's accounts, to make sure money has been spent correctly, i.e. according to rules, regulations and norms. Audit institutions like national and regional Auditor Generals, Audit Offices, State Comptrollers, Ombudsmen, etc. make a vital contribution to good governance by detecting poor management and inappropriate use of public money. Auditing institutions can be considered the taxpayers' independent and professional watchdogs. When an organisation is privately owned, auditing of its affairs is conducted by an independent, certified Chartered Accountant and optionally, by internal auditors.
Bribery	Bribery is the act of offering someone money, services, favours or other valuables, in order to persuade him or her to do something in return. Bribery is corruption by definition. Bribes are also called kickbacks, baksheesh, payola, hush money, sweetener, protection money, boodle, gratuity etc.
Business	An enterprise operated with the objective of making a profit from the production and sale of goods or services
Enterprise	An entity constituted, established or organized under applicable laws, whether or not for profit and whether privately-owned or governmentally-owned, with the objective to conduct a defined activity
Environment	It means the components of the Earth and includes, but is not limited to: a. land, water and air, including all layers of the atmosphere; b. organic and inorganic matter and living organisms; and c. the interacting natural systems that include components referred to in points (a) and (b).
Governance	The set of authorities, processes, and procedures guiding strategic and key operational decisions made for the enterprise. It clarifies

	relationships and responsibilities among the entities making up the enterprise
Partnership	Type of arrangement between two or more parties to maximise their goals at optimum cost.
Stakeholders	A group of people negatively or positively impacted due to the operations of a business enterprise
Suppliers or Vendors	Individuals, companies or other organisations which provide goods or services to a recognisable customer or consumer
Transparency	Transparency is the quality of being clear, honest and open. As a principle, transparency implies that civil servants, managers and trustees have a duty to act visibly, predictably and understandably. Sufficient information must be available so that other agencies and the general public can assess whether the relevant procedures are followed, consonant with the given mandate. Transparency is therefore considered an essential element of accountable governance, leading to improved resource allocation, enhanced efficiency, and better prospects for economic growth in general.

# Appendix : 1

## A

### UN Norms / Treaties / Conventions on Rights of People

1. Universal Declaration of Human Rights
2. International Covenant on Economic, Social and Cultural Rights
3. International Covenant on Civil and Political Rights
4. International Convention on the Elimination of All Forms of Racial Discrimination
5. United Nations Declaration on the Rights of Indigenous Peoples
6. Convention on the Rights of Persons with Disabilities
7. ILO C 169 : Indigenous and Tribal Peoples Convention
8. UN Convention on Biological Diversity (UNCBD) Guidelines
9. ILO Declaration on Fundamental Principles and Rights at Work
10. Convention on the Elimination of All Forms of Discrimination against Women
11. Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.
12. Absence of all forms of forced and compulsory labour and other forms of exploited labour including absence of compulsory overtime work plus compulsorily working because of indebtedness (ILO Convention 29 & 105)
13. Compliance with the maximum number of working hours (ILO Convention 1)
14. Minimum Age ILO Convention 138
15. ILO Convention No. 182: Worst Forms of Child Labour Convention,
16. Rights of employees & contract workmen to form unions/association and effective right to collective bargaining : ILO Convention 87 and 98)
17. Discrimination (Employment and Occupation) Convention,1958 (No. 111)
18. Equal Remuneration Convention, 1951 (No. 100)
19. UN Guidelines for Consumer Protection which was revised in 1999
20. UN Declaration against Corruption & Bribery in International Transactions 1996
21. ILO Convention No. 102 on Social Security (Minimum Standards)
22. ILO Conventions No. 26 and 131 on Minimum Wage Fixing
23. ILO Convention No. 95 on Protection of Wages

### UN Norms / Treaties / Conventions on Environment

1. Convention on Wetlands of International Importance
2. Vienna Convention for the protection of the ozone layer
3. Montreal Protocol on Substances
4. UN Convention on Biological Diversity
5. UN Framework Convention on Climate Change
6. UN Convention to Combat Desertification
7. Kyoto Protocol
8. Basel Convention on Trans Boundary Movement of Hazardous Substances
9. Stockholm Convention on Persistent Organic Pollutants
10. Rotterdam Convention
11. Ramsar Convention

## Appendix : 2

### Doing Business in MDG Framework

MDG No.	Description	Sphere of Influence of Business		
		Core Business Activities	Social Investment and Philanthropic Activities	Policy Advocacy
1	Eradicate Extreme Poverty and Hunger	<ul style="list-style-type: none"> <li>• Provide affordable products and services</li> <li>• Build local business linkages and employment opportunities by finding new ways to open up its distribution, procurement and recruitment channels to the excluded groups</li> </ul>	<ul style="list-style-type: none"> <li>• Invest in social entrepreneurs and support NGOs or community leaders who are targeting some of the key causes of poverty</li> <li>• Build local capacity instead of one-off donations for sustainability, skills and resilience of local NGOs and community groups over a longer period of time</li> </ul>	<ul style="list-style-type: none"> <li>• Support public policy efforts to build the domestic private sector and attract foreign investment</li> <li>• Western companies can lobby with their governments to address the issues of agricultural and other subsidies that result in unfair market access to OECD countries</li> </ul>
2	Achieve Universal Primary Education	<ul style="list-style-type: none"> <li>• Companies can play an increasing role in tackling child labour along its supply chains</li> </ul>	<ul style="list-style-type: none"> <li>• Companies that are major investors in South Asian countries can support the education of their employees' families at different levels, from supporting on-site or local community schools to providing scholarships for tertiary education</li> </ul>	<ul style="list-style-type: none"> <li>• Individual business leaders, can be important advocates for increased public spending on education at the national level and internationally</li> </ul>

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		<ul style="list-style-type: none"> <li>• Information, communication and education-based companies can play a role in developing culturally relevant education materials and innovative learning methodologies and in supporting the use of information and communications technologies in schools</li> </ul>	<ul style="list-style-type: none"> <li>• Invest in local schools or support the work of NGOs working on education through donations i.e. financial contributions and product donations, such as books, technology and equipment, either directly to schools or to NGOs and other intermediaries active in the education field. They can also support employee engagement in schools, for example mentoring students, teaching young people about the world of work and sharing management skills with school administrators.</li> </ul>	
3	Promote Gender Equality and Empower Women	<ul style="list-style-type: none"> <li>• By employing more women and supporting workplace diversity programmes, or developing business linkages or credit programmes with women entrepreneurs, companies can help them to hone their technical and marketing skills, strengthen their negotiation and bargaining tactics, foster their access to and influence over new technologies, build networks and business associations and identify new market opportunities, both locally and globally.</li> </ul>	<ul style="list-style-type: none"> <li>• Support women's issues either directly or through NGOs that focus on these issues</li> </ul>	<ul style="list-style-type: none"> <li>• Raise public awareness of women's issues and promote women's voices. The media has an especially important role, but most companies that undertake advertising and other public communications activities can support efforts to ensure that women's voices and/or women's issues receive more of a public profile.</li> </ul>

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		<ul style="list-style-type: none"> <li>• Companies that employ large numbers of women, either directly or along their global supply chain, have a role in tackling sexual harassment and other forms of workplace violence or mistreatment of female workers. Tourism and entertainment companies have a role in addressing sexual exploitation and trafficking of women particularly in Nepal and India</li> </ul>	<ul style="list-style-type: none"> <li>• Invest in women's leadership development beyond the company's own operations and support women's capacity building and networking programmes; awards and recognition initiatives; and targeted efforts to place women in specific leadership positions for example on government task forces and delegations, company boards, peace negotiation teams and in senior roles in international organisations.</li> </ul>	<ul style="list-style-type: none"> <li>• Advocate for equal access to education and economic assets</li> </ul>
4	Reduce Child Mortality	<ul style="list-style-type: none"> <li>• Provide affordable products and services and increase access of poorer families to basic medicines, nutritionally good food, clean water and consumer products that help to increase household hygiene</li> </ul>	<ul style="list-style-type: none"> <li>• Support children's NGOs and awareness raising projects to promote basic hygiene and sanitation, improve nutrition, and ensure access to basic medicines to minimise the core causes of childhood mortality.</li> <li>• Support programmes for AIDS Orphans and prevention of female infanticide common in the region</li> </ul>	<ul style="list-style-type: none"> <li>• Advocate with governments to support the Rights of the Child and to support children's issues</li> </ul>

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5	Improve Maternal Health	<ul style="list-style-type: none"> <li>• Pharmaceutical and other healthcare companies, or those with large numbers of female employees, have a particularly important role to play in the provision, either commercially or on a donation basis, of providing reproductive health services and products at affordable rates</li> <li>• Improve working conditions and occupational health for women</li> </ul>	<ul style="list-style-type: none"> <li>• Support women's NGOs and community health services</li> <li>• Combat stigmatisation because in South Asia there are a range of cultural and religious factors which hinder open discussion and proactive action on reproductive health issues.</li> </ul> <p>Companies can take the aid of external networks and civil society organisations which offer support to female workers on these issues.</p>	<ul style="list-style-type: none"> <li>• Employers organisations, large individual employers of women, pharmaceutical companies and their trade associations can also raise the importance of women's occupational health and reproductive health issues in relevant public policy forums.</li> </ul>
6	Combat HIV/AIDS, Malaria and Other Diseases	<ul style="list-style-type: none"> <li>• Promoting health and preventing disease are of particular relevance and responsibility for the pharmaceutical and healthcare sector. Some of the core business issues to be addressed include pricing strategies for HIV/AIDS drugs and other essential medicines in poor countries, product development and research priorities, patent protection and intellectual property rights, and patient rights.</li> <li>• Implement workplace HIV/AIDS programmes-focused on education, prevention, treatment and care.</li> </ul>	<ul style="list-style-type: none"> <li>• Donate products through corporate foundations, emergency relief and other social investment programmes.</li> <li>• Support HIV/AIDS and other medical funds, NGOs or research institutes and AIDS orphans projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish national business coalitions to advocate for healthcare reform and business engagement in HIV/AIDS issues.</li> <li>• Participate in global public policy networks focused on increasing awareness and investment in these health issues.</li> </ul>

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7	Ensure Environmental Sustainability	<ul style="list-style-type: none"> <li>• Comply with regulations and voluntary industry standards where they exist.</li> <li>• Ensure that company environmental policies at the local level are aligned with national targets and international standards.</li> <li>• Carry out environmental impact and risk assessments.</li> <li>– Make investments in eco-efficiency, cleaner production processes, pollution prevention, product life cycle analysis and so on – i.e. risk, cost and process management strategies.</li> <li>• Share environmental management systems and transfer environmentally sound technologies along supply chains and with business partners.</li> <li>• Develop new products and services or transform business models to create new markets and business opportunities while addressing environmental issues</li> </ul>	<ul style="list-style-type: none"> <li>• Support international environmental NGOs and campaigns</li> <li>• Mobilise core corporate competencies to support community-level environmental initiatives</li> <li>• Companies can support school-level environmental curriculum development, endow university chairs, fund courses and research projects, and invest in executive education programmes on the environment.</li> <li>• Support environmental awards and media campaigns</li> </ul>	<ul style="list-style-type: none"> <li>• Negotiate international rules and develop voluntary standards</li> <li>• Cooperate to build appropriate policy frameworks and new institutional structures to address environmental issues on a sector, thematic or geography specific basis.</li> <li>• Change market frameworks by developing new economic instruments such as environmental taxes, charges and refund schemes, or market-based mechanisms, such as tradable permit systems and eco-labelling.</li> <li>• Companies and business associations can be more proactive in publicly addressing the issue of unsustainable consumption patterns and be part of the necessary shift in consumer values that must underpin the transition to more sustainable consumption.</li> </ul>
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		<ul style="list-style-type: none"> <li>• ‘Green the financial markets’ – ranging from environmental risk management in the banking and insurance sector, to positive environmental screening in fund management and project finance, to creation of environmental venture capital and private equity funds, to stock market indices etc.</li> </ul>		
8	Develop a Global Partnership for Development	<ul style="list-style-type: none"> <li>• Providing low-cost technology to rural areas on a commercial-basis</li> </ul>	<ul style="list-style-type: none"> <li>• Support NGO or community led projects through donating resources, expertise and technology to effectively manage humanitarian crises</li> </ul>	<ul style="list-style-type: none"> <li>• Support the UN Global Compact</li> <li>• Work with specialised UN agencies in setting international economic norms and standards for global commerce.</li> <li>• Advocate with OECD governments for increased market access, official development assistance and debt relief</li> <li>• Advocate for and support better public policy on ICT issues to improve access, participation and governance</li> </ul>

Source : Adopted from ‘Business and the Millennium Development Goals : A Framework for Action’, IBLF and UNDP, 2003

### GRI Reporting

The Global Reporting Initiative (GRI) is a unique, multi-stakeholder organization founded on the conviction that consistent, regular and comparable reporting provides transparency and can be a powerful catalyst to improve a company's performance. The GRI has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. This framework sets out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance.

The third version of the Guidelines – known as the G3 Guidelines - was published in 2006, and is a free public good. Other components of the framework include Sector Supplements (unique indicators for industry sectors) and Protocols (detailed reporting guidance) and National Annexes (unique country-level information).

Sustainability reports based on the GRI framework can be used to benchmark organizational performance with respect to laws, norms, codes, performance standards and voluntary initiatives; demonstrate organizational commitment to sustainable development; and compare organizational performance over time.

*For details : [www.globalreporting.org](http://www.globalreporting.org)*

## Appendix : 4

### UN Global Compact

UN Global Compact is a framework for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, the environment and anti-corruption . As the world's largest, global corporate citizenship initiative, the Global Compact is first and foremost concerned with exhibiting and building the social legitimacy of business and markets.

The Global Compact's ten principles enjoy universal consensus and are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption:

#### Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

#### Labour Standards

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

#### Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies

#### Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

***For details visit: [www.unglobalcompact.org](http://www.unglobalcompact.org)***

## Appendix : 5

**SAARC Social Charter**  
**TWELFTH SAARC SUMMIT**  
**ISLAMABAD**  
**4-6 JANUARY 2004**  
**SOCIAL CHARTER**

Re-affirming that the principal goal of SAARC is to promote the welfare of the peoples of South Asia, to improve their quality of life, to accelerate economic growth, social progress and cultural development and to provide all individuals the opportunity to live in dignity and to realize their full potential.

Recognising that the countries of South Asia have been linked by age-old cultural, social and historical traditions and that these have enriched the interaction of ideas, values, cultures and philosophies among the people and the States and that these commonalities constitute solid foundations for regional cooperation for addressing more effectively the economic and social needs of people.

Recalling that all Member States attach high importance to the imperative of social development and economic growth and that their national legislative, executive and administrative frameworks provide, in varying degrees, for the progressive realization of social and economic goals, with specific provisions, where appropriate, for the principles of equity, affirmative action and public interest.

Observing that regional cooperation in the social sector has received the focused attention of the Member States and that specific areas such as health, nutrition, food security, safe drinking water and sanitation, population activities, and child development and rights along with gender equality, participation of women in development, welfare of the elderly people, youth mobilization and human resources development continue to remain on the agenda of regional cooperation.

Noting that high level meetings convened since the inception of SAARC on the subjects of children, women, human resettlements. Sustainable developments, agriculture and food, poverty alleviation etc. have contributed immensely to the enrichment of the social agenda in the region and that several directives of the Heads of State or Government of SAARC Countries at their Summit meetings have imparted dynamism and urgency to adopting regional programmes to fully and effectively realize social goals.

Reiterating that the SAARC Charter and the, SAARC Conventions, respectively on Narcotic Drugs and Psychotropic Substances, Preventing and Combating Trafficking in Women and Children for Prostitution, Regional Arrangements for the Promotion of Child Welfare in South Asia and the SAARC Agreement on Food Security Reserve provide regional frameworks for addressing specific social issues, which require concerted and coordinated actions and strategies for the effective realization of their objectives.

Realizing that the health of the population of the countries of the region is closely interlinked and can be sustained only by putting in place coordinated surveillance mechanisms and prevention and management strategies.

Noting, in particular, that Heads of State or Government of SAARC Countries, at their Tenth Summit in Colombo in July 1998, re-affirmed the need to develop, beyond national plans of

action, a regional dimension of cooperation in the social sector and that the Eleventh SAARC Summit in Kathmandu in January 2002 directed that a SAARC Social Charter be concluded as early as possible.

Convinced that it was timely to develop a regional instrument which consolidated the multifarious commitments of SAARC Member States in the social sector and provided a practical platform for concerted, coherent and complementary action in determining social priorities, improving the structure and content of social policies and programmes, ensuring greater efficiency in the utilization of national, regional and external resources and in enhancing the equity and sustainability of social programmes and the quality of living conditions of their beneficiaries.

**The Member States of the South Asian Association for Regional Cooperation hereby agree to adopt this Charter:**

#### **Article I : General Provisions**

1. States Parties shall maintain a social policy and strategy in order to ensure an overall and balanced social development of their peoples. The salient features of individual social policy and programme shall be determined, taking into account the broader national development goals and specific historic and political contexts of each State Party.
2. States Parties agree that the obligations under the Social Charter shall be respected, protected and fulfilled without reservation and that the enforcement thereof at the national level shall be continuously reviewed through agreed regional arrangements and mechanisms.
3. States Parties shall establish a people-centered framework for social development to guide their work and in the future, to build a culture of cooperation and partnership and to respond to the immediate needs of those who are most affected by human distress. States Parties are determined to meet this challenge and promote social development throughout the region.

#### **Article II : Principles, Goals and Objectives**

1. The provisions made herein shall complement the national processes of policymaking, policy implementation and policy-evaluation, while providing broad parameters and principles for addressing common social issues and developing and implementing result-oriented programmes in specific social areas.
2. In the light of the commitments made in this Charter, States Parties agree to:
  - i. Place people at the center of development and direct their economies to meet human needs more effectively;
  - ii. Fulfill the responsibility towards present and future generations by ensuring equity among generations, and protecting the integrity and sustainable use of the environment;

- iii. Recognize that, while social development is a national responsibility, its successful achievement requires the collective commitment and cooperation of the international community;
- iv. Integrate economic, cultural and social policies so that they become mutually supportive, and acknowledge the interdependence of public and private spheres of activity;
- v. Recognize that the achievement of sustained social development requires sound, equitable and broad-based economic policies;
- vi. Promote participatory governance, human dignity, social justice and solidarity at the national, regional and international levels;
- vii. Ensure tolerance, non-violence, pluralism and non-discrimination in respect of diversity within and among societies;
- viii. Promote the equitable distribution of income and greater access to resources through equity and equality of opportunity for all;
- ix. Recognize the family as the basic unit of society, and acknowledge that it plays a key role in social development and as such should be strengthened, with attention to the rights, capabilities and responsibilities of its members including children, youth and the elderly;
- x. Affirm that while State, society, community and family have obligations towards children, these must be viewed in the context of inculcating in children intrinsic and attendant sense of duty and set of values directed towards preserving and strengthening the family, community, society and nation;
- xi. Ensure that disadvantaged, marginalized and vulnerable persons and groups are included in social development, and that society acknowledges and responds to the consequences of disability by securing the legal rights of the individual and by making the physical and social environment accessible;
- xii. Promote universal respect for and observance and protection of human rights and fundamental freedoms for all, in particular the right to development; promote the effective exercise of rights and the discharge of responsibilities in a balanced manner at all levels of society; promote gender equity; promote the welfare and interest of children and youth; promote social integration and strengthen civil society;
- xiii. Recognize the promotion of health as a regional objective and strive to enhance it by responding to urgent health issues and outbreak of any communicable disease in the region through sharing information with each other, imparting public health and curative skills to professionals in the region; and adopting a coordinated approach to health related issues in international fora;
- xiv. Support progress and protect people and communities whereby every member of society is enabled to satisfy basic human needs and to realize his or her personal dignity, safety and creativity;

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- xv. Recognize and support people with diverse cultures, beliefs and traditions in their pursuit of economic and social development with full respect for their identity, traditions, forms of social organization and cultural values;
  - xvi. Underline the importance of transparent and accountable conduct of administration in public and private, national and international institutions;
  - xvii. Recognize that empowering people, particularly women, to strengthen their own capacities is an important objective of development and its principal resource. Empowerment requires the full participation of people in the formulation, implementation and evaluation of decisions and sharing the results equitably;
  - xviii. Accept the universality of social development, and outline an effective approach to it, with a renewed call for international cooperation and partnership;
  - xix. Ensure that the elderly persons lead meaningful and fulfilling lives while enjoying all rights without discrimination and facilitate the creation of an environment in which they continue to utilize their knowledge, experience and skills;
  - xx. Recognize that information communication technology can help in fulfilling social development goals and emphasize the need to facilitate easy access to this technology;
  - xxi. Strengthen policies and programmes that improve, broaden and ensure the participation of women in all spheres of political, economic, social and cultural life, as equal partners, and improve their access to all resources needed for the full enjoyment of their fundamental freedoms and other entitlements.

### **Article III : Poverty Alleviation**

1. States Parties affirm that highest priority shall be accorded to the alleviation of poverty in all South Asian Countries. Recognising that South Asia's poor could constitute a huge and potential resource, provided their basic needs are met and they are mobilized to create economic growth, States Parties reaffirm that the poor should be empowered and irreversibly linked to the mainstream of development. They also agree to take appropriate measures to create income-generating activities for the poor.
2. Noting that a large number of the people remain below the poverty line, States Parties re-affirm their commitment to implement an assured nutritional standards approach towards the satisfaction of basic needs of the South Asian poor.
3. Noting the vital importance of biotechnology for the long-term food security of developing countries as well as for medicinal purposes, States Parties resolve that cooperation should be extended to the exchange of expertise in genetic conservation and maintenance of germplasm banks. They stress the importance of the role of training facilities in this area and agree that cooperation in the cataloguing of genetic resources in different SAARC countries would be mutually beneficial.
4. States Parties agree that access to basic education, adequate housing, safe drinking water and sanitation, and primary health care should be guaranteed in legislation,

executive and administrative provisions, in addition to ensuring of adequate standard of living, including adequate shelter, food and clothing.

5. States Parties underline the imperative for providing a better habitat to the people of South Asia as part of addressing the problems of the homeless. They agree that each country share the experiences gained in their efforts to provide shelter, and exchange expertise for effectively alleviating the problem.

#### **Article IV : Health**

1. States Parties re-affirm that they will strive to protect and promote the health of the population in the region. Recognizing that it is not possible to achieve good health in any country without addressing the problems of primary health issues and communicable diseases in the region, the States Parties agree to share information regarding the outbreak of any communicable disease among their populations.
2. Conscious that considerable expertise has been built up within the SAARC countries on disease prevention, management and treatment, States Parties affirm their willingness to share knowledge and expertise with other countries in the region.
3. Noting that the capacity for manufacture of drugs and other chemicals exists in different countries, States Parties agree to share such capacity and products when sought by any other State Party.
4. Realizing that health issues are related to livelihood and trade issues which are influenced by international agreements and conventions, the States Parties agree to hold prior consultation on such issues and to make an effort to arrive at a coordinated stand on issues that relate to the health of their population.
5. States Parties also agree to strive at adopting regional standards on drugs and pharmaceutical products.

#### **Article V : Education, Human Resource Development and Youth Mobilization**

1. Deeply conscious that education is the cutting edge in the struggle against poverty and the promotion of development, States Parties re-affirm the importance of attaining the target of providing free education to all children between the ages of 6 - 14 years. They agree to share their respective experiences and technical expertise to achieve this goal.
2. States Parties agree that broad-based growth should create productive employment opportunities for all groups of people, including young people.
3. States Parties agree to provide enhanced job opportunities for young people through increased investment in education and vocational training.
4. States Parties agree to provide adequate employment opportunities and leisure time activities for youth to make them economically and socially productive.
5. States Parties shall find ways and means to provide youth with access to education, create awareness on family planning, HIV/AIDS and other sexually-transmitted diseases, and risks of consumption of tobacco, alcohol and drugs.

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6. States Parties stress the idealism of youth must be harnessed for regional cooperative programmes. They further stress the imperative of the resurgence of South Asian consciousness in the youth of each country through participation in the development programmes and through greater understanding and appreciation of each other's country. The Organized Volunteers Programme under which volunteers from one country would be able to work in other countries in the social fields shall be revitalized.
  7. States Parties recognize that it is essential to promote increased cross-fertilization of ideas through greater interaction among students, scholars and academics in the SAARC countries. They express the resolve that a concerted programme of exchange of scholars among Member States should be strengthened.

#### **Article VI : Promotion of the status of women**

1. States Parties reaffirm their belief that discrimination against women is incompatible with human rights and dignity and with the welfare of the family and society; that it prevents women realizing their social and economic potential and their participation on equal terms with men, in the political, social, economic and cultural life of the country, and is a serious obstacle to the full development of their personality and in their contribution to the social and economic development of their countries.
2. States Parties agree that all appropriate measures shall be taken to educate public opinion and to direct national aspirations towards the eradication of prejudice and the abolition of customary and all other practices, which are based on discrimination against women. States Parties further declare that all forms of discrimination and violence against women are offences against human rights and dignity and that such offences must be prohibited through legislative, administrative and judicial actions.
3. States Parties shall take all appropriate measures to ensure to women on equal terms with men, an enabling environment for their effective participation in the local, regional and national development processes and for the enjoyment of their fundamental freedoms and legitimate entitlements.
4. States Parties also affirm the need to empower women through literacy and education recognizing the fact that such empowerment paves the way for faster economic and social development. They particularly stress the need to reduce, and eventually eliminate, the gender gap in literacy that currently exists in the SAARC nations, within a time-bound period.
5. States Parties re-affirm their commitment to effectively implement the SAARC Convention on Combating the Trafficking of Women and Children for Prostitution and to combat and suppress all forms of traffic in women and exploitation of women, including through the cooperation of appropriate sections of the civil society.
6. States Parties are of the firm view that at the regional level, mechanisms and institutions, to promote the advancement of women as an integral part of mainstream political, economic, social and cultural development be established.

### **Article VII : Promotion of the Rights and Well-being of the Child**

1. States Parties are convinced that the child, by reason of his or her physical and mental dependence, needs special safeguards and care, including appropriate legal protection, before as well as after birth.
2. The child, for the full and harmonious development of his or her personality, should grow up in a family environment, in an atmosphere of happiness, love and understanding.
3. States Parties shall protect the child against all forms of abuse and exploitation prejudicial to any aspects of the child's well-being.
4. States Parties shall take necessary actions to implement effectively the SAARC Convention on Regional Arrangements for the Promotion of Child Welfare and to combat and suppress all offences against the person, dignity and the life of the child.
5. States Parties are resolved that the child shall enjoy special protection, and shall be given opportunities and facilities, by law and by other means, to enable him or her to develop its full potential physically, mentally, emotionally, morally, spiritually, socially and culturally in a healthy and normal manner and in conditions of freedom and dignity. The best interests and welfare of the child shall be the paramount consideration and the guiding principle in all matters involving his or her life.
6. States Parties agree to extend to the child all possible support from government, society and the community. The child shall be entitled to grow and develop in health with due protection. To this end, special services shall be provided for the child and its mother, including pre-natal, natal (especially delivery by trained birth attendant) and post-natal care, immunization, early childhood care, timely and appropriate nutrition, education and recreation. States Parties shall undertake specific steps to reduce low birth weight, malnutrition, anemia amongst women and children, infant, child and maternal morbidity and mortality rates, through the intergenerational life cycle approach, increase education, literacy, and skill development amongst adolescents and youth, especially of girls and elimination of child/early marriage.
7. States Parties shall take effective measures for the rehabilitation and re-integration of children in conflict with the law.
8. State Parties shall take appropriate measures for the re-habilitation of street children, orphaned, displaced and abandoned children, and children affected by armed conflict.
9. States Parties pledge that a physically, mentally, emotionally or socially disadvantaged child shall be given the special treatment, education and care required by his or her particular condition.
10. States Parties shall ensure that a child of tender years shall not, save in exceptional circumstances, be separated from his or her mother and that society and the public authorities shall be required to extend particular care to children without a family and

to those without adequate means of support, including where desirable, provision of State and other assistance towards his or her maintenance.

11. States Parties shall take all appropriate measures, including legislative, administrative, social and educational measures, to protect children from the illicit use of narcotic drugs and psychotropic substances as defined in the relevant international treaties, and to prevent the use of children in the illicit production and trafficking of such substances. In this respect, States Parties shall expedite the implementation of the SAARC Convention on Narcotic Drugs and Psychotropic Substances at the national and regional levels.

#### **Article VIII : Population Stabilisation**

1. States Parties underscore the vital importance of enhanced cooperation in the social development and well-being of the people of South Asia. They agree that national programmes evolved through stakeholder partnership, with enhancement of allocation of requisite resources and well-coordinated regional programmes will contribute to a positive atmosphere for the development of a socially content, healthy and sustainable population in the region.
2. States Parties are of the view that population policies should provide for human-centered approach to population and development and aim towards human survival and wellbeing. In this regard, they affirm that national, local or provincial policies and strategies should aim to bring stabilization in the growth of population in each country, through voluntary sustainable family planning and contraceptive methods, which do not affect the health of women.
3. States Parties shall endeavour to inculcate a culture of self-contentment and regulation where unsustainable consumption and production patterns would have no place in the society and unsustainable population changes, internal migration resulting in excessive population concentration, homelessness, increasing poverty, unemployment, growing insecurity and violence, environmental degradation and increased vulnerability to disasters would be carefully, diligently and effectively managed.
4. States Parties shall take action to ensure reproductive health, reduction of maternal and infant mortality rates as also provision of adequate facilities to enable an infant to enjoy the warmth of love and support of his/her parents.
5. States Parties also agree to set up a SAARC Network of Focal Institutions on population activities for facilitating the sharing of information, experiences and resources within the region.

#### **Article IX : Drug de-addiction, Rehabilitation and Reintegration**

1. States Parties agree that regional cooperation should be enhanced through exchange of information, sharing of national experiences and common programmes in the specific areas, which should receive the priority consideration of the appropriate mechanisms both at the national and regional levels.

2. States Parties identify for intensive cooperation, the strengthening of legal systems to enhance collaboration in terms of financial investigation; asset forfeiture; money laundering; countering criminal conspiracies and organized crime; mutual legal assistance; controlled deliveries; extradition; the updating of laws and other relevant structures to meet the obligations of the SAARC Convention and other related international obligations, and developing of measures to counter drug trafficking through exchange of information; intercountry cooperation; controlled deliveries; strengthened SDOMD; regional training; frequent meetings at both policy and operational levels; strengthening the enforcement capabilities in the SAARC countries; enhanced control of production and use of licit drugs, and precursors and their essential chemicals.
3. Keeping in view the complementarities between demand reduction activities and supply control programmes, States Parties agree that all aspects of demand reduction, supply control, de-addiction and rehabilitation should be addressed by regional mechanisms.

#### **Article X : Implementation**

1. The implementation of the Social Charter shall be facilitated by a National Coordination Committee or any appropriate national mechanism as may be decided in each country. Information on such mechanism will be exchanged between States Parties through the SAARC Secretariat. Appropriate SAARC bodies shall review the implementation of the Social Charter at the regional level.
2. Member States shall formulate a national plan of action or modify the existing one, if any, in order to operationalise the provisions of the Social Charter. This shall be done through a transparent and broad-based participatory process. Stakeholder approach shall also be followed in respect of implementation and evaluation of the programmes under National Plans of Action.

#### **Article XI : Entry into force**

The Social Charter shall come into force upon the signature thereof by all States Parties.

#### **Article XII : Amendment**

The Social Charter may be amended through agreement among all States Parties.

*Contd...*

IN FAITH WHEREOF We Have Set Our Hands And Seals Hereunto.

DONE In ISLAMABAD, PAKISTAN, On This The Fourth Day Of January Of The Year Two Thousand Four, In Nine Originals, In The English Language, All Texts Being Equally Authentic.

Begum Khaleda Zia

PRIME MINISTER OF THE PEOPLE'S REPUBLIC OF BANGLADESH

Maumoon Abdul Gayoom

PRESIDENT OF THE REPUBLIC OF MALDIVES

Jigmi Yoezer Thinley

PRIME MINISTER OF THE KINGDOM OF BHUTAN

Surya Bahadur Thapa

PRIME MINISTER OF THE HIS MAJESTY'S GOVERNMENT OF NEPAL

Atal Behari Vajpayee

PRIME MINISTER OF THE REPUBLIC OF INDIA

Mir Zafarullah Khan Jamali

PRIME MINISTER OF THE ISLAMIC REPUBLIC OF PAKISTAN

Chandrika Bandaranaike Kumaratunga

PRESIDENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA