

Background

The corporate sector around the world is struggling with a new role, which is to meet the needs of the present generation without compromising the ability of the next generation. Businesses now have to take responsibility for ways in which their operations impact society and the natural environment. The focus of the corporate sector should be on achieving the 'triple bottom line' – people, planet and profit.

Subsequently, under the aegis of the Ministry of Corporate Affairs, Government of India, the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) was developed and adopted in 2011. These are a set of nine principles which offer an approach for businesses to operate in a sustainable/responsible manner, which would in turn, have a positive impact on their image, enhance their competitive strengths and improve relations with stakeholders etc.

About the Project

Though the NVGs are designed for use by all businesses and sectors, and therefore, touch on the fundamental aspects – the 'spirit' – of an enterprise, however, given the huge size, vast stakeholder groups and involvement of multiple players in some of the leading sectors of the Indian economy the issues vary from sector to sector and thus, the application of NVGs would also be different.

The Indian Institute of Corporate Affairs (IICA)-*Gesellschaft für Internationale Zusammenarbeit* (GIZ) Business Responsibility Initiative has identified pharmaceuticals as one of the sectors

for which guidelines can be developed based on the NVGs. This sector is of significant importance, especially since the public interest element associated with various aspects of the business conduct is very high and has a direct impact on consumer well-being. Good corporate conduct is all the more necessary, given the high private participation in sectors which is likely to remain so, in order to meet the ever burgeoning demand of the increasing Indian populace.

This project has been undertaken by CUTS with support from IICA (under Ministry of Corporate Affairs) and GIZ.

Objectives

- Mainstream NVGs into the pharmaceutical sector in order to help businesses understand, adopt and implement them
- Bring forth specific and most relevant sector issues Aid better implementation and reporting by companies
- This would enable the pharma industry to grow more competent and resilient by maximising benefits, minimising risks and contributing to the national development goals.

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The Nine Principles of the National Voluntary Guidelines

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers/consumers in a responsible manner

Project Activities

Formation of Advisory Group: A sub-group comprised of 8-10 members was formed which played an integral role (advisory) in the formation of guidelines for the pharmaceutical sector. These included members from various pharmaceutical business associations, regulatory bodies, academicians and expert advisors.

Research: The task involved undertaking desk research (literature review) on various facets of pharmaceutical sector for developing the outline for NVGs

Advisory Group Meeting: A meeting of the advisory group was held at New Delhi on October 30, 2014 to share critical areas for the pharmaceutical sector to be vetted by the core group

Preparation of Zero Draft: On the basis of the deliberations with experts and finalisation of key areas, the research team developed the zero draft of guidelines, which focussed on critical areas in the pharmaceutical sector

Stakeholder Consultation: A State level workshop was organised at Bangalore on December 12, 2015 with members from the Karnataka Drugs and Pharmaceuticals Manufacturers Association. The main objective was to take inputs of the state-level actors on draft guidelines

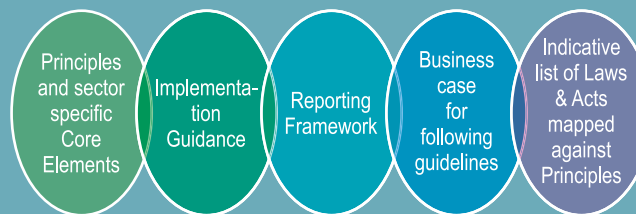
Consolidation and Finalisation of Guidelines: On the basis of comments and feedback received during the state-level consultation and the Advisory Group, guidelines were finalised.

Expected Outcomes

- Identification of critical areas in the pharmaceutical sector from the perspective of responsible business practices
- Designing NVGs suited to the issues of the pharmaceutical sector
- Support of major associations would enhance the scope of adoption



Project Deliverables



CUTS International

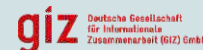
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Business Responsibility Guidelines for the Pharmaceutical Sector in India



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