



**Dhir  
& Dhir**  
Advocates & Solicitors

**25**  
YEARS



# **ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)**

A Handbook on Applicable  
Laws & Regulations

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# The Firm

Dhir & Dhir Associates is a full-service law firm founded in 1993 to serve as a single-window service provider in a dynamic commercial environment. The firm pursues a philosophy of symbiotic relationships with clients and works as an integral part of the client's team. It partners with lawyers across India to provide legal advisory and expertise across diverse practice areas and industry verticals in the country. It maintains offices in New Delhi, Hyderabad, Mumbai and a representative office in Japan.

Over and above its vast transactional, regulatory & litigation related legacy, the firm is now geared up to provide its clients niche services to put a robust ESG (Environment, Social & Governance) framework for sustained growth in the coming decades. The need to give clients sustainable development over the coming decade is being asserted at all global business forums, including the World Economic Forum. In India, the firm is the first to launch this ESG practice led by their Partner & Global Leader-Markets & Strategy - Sonal Verma.

# Understanding ESG

Environmental, Social and Governance (ESG) are three critical components that help measure the sustainability, societal and compliance related risks and opportunities pertaining to the business operations of a company. With a dedicated assessment structure in place, we can assist companies in adopting a holistic approach, thereby measuring business impacts from an overall ESG lens i.e. with respect to CSR, Diversity, Equality & Inclusion, labour welfare, etc. and further create a refined ESG framework that;

- Assists the company to tap “Impact Investing Funds” in India & Globally
- Enhances reputation (beneficial for long term investments)
- Provides pre-emptive controls
- Facilitates global compatibility in the supply chain network
- Creates robust policies adhering to local jurisdictional laws
- Provides Competitive advantage
- Ensures profitability

## Components of ESG Practice

Clients can use services across all components or only specific components & their parts;





# SUSTAINABLE FINANCE

## Overview

With data from over 294 of the world's leading impact investors, most impact investors consider the impact investing industry to be 'growing steadily'. Realizing the global impact of climate change, which is likely to have an adverse effect on all sectors, the Indian market has agreed and is determined to enhance sustainable investments and follow a low carbon path for progress. At the UN Conference in Paris, 2015, India under the Intended Nationally Determined Contribution (INDC) has pledged to improve its GDP's emissions intensity by 33 to 35 percent by 2030 to reach below 2005 levels. It is time we undertake climate change as a real and urgent threat especially to investors and asset holders, thereby creating an urgent need to identify and quantify portfolio risks, redesign processes and reallocate portfolios. Investors need the right set of tools to respond to these risks and further adopt a harmonized approach that carries sustainable investment into the next decade in a coordinated manner.

Maintaining good and ethical business conduct is essential to keep up the ever changing business industry. We help you access and evaluate strategies to keep up with the growing demand for more responsible corporate behaviour. Our risk assessment process is conducted keeping a focus not only on statutes such as the Environment Protection Act, 1986, the Air (Prevention and Control of Pollution) Act, 1981, the Water (Prevention and Control of Pollution) Act, 1974, etc., but it also includes the legal framework pertaining to the Biological Diversity Act, 2002, the Ozone Depleting Substance (Regulation and Control) Rules, 2000, National Action Plan on Climate Change (NAPCC) and its subsidiary missions and so on. Our purpose is to;

- Provide annual reports showcasing the system of governance and management practices, thereby embedding a social aspect throughout the company.
- Establish in-house environmental policies and programs.
- Assist with the process of adapting to sustainable initiatives such as creating policies in line with best industry practices, constitution of committees, staff training and awareness, etc.
- Provide guidelines pertaining to sustainable purchasing and development.

<sup>1</sup><https://thegiin.org/assets/GIIN%20Annual%20Impact%20Investor%20Survey%202020.pdf>

- Create sustainability-oriented risk management policies and procedures.

The Sustainable Finance component of ESG Practice would be focusing on the following:

## (I) KYC & AML Checks of Customers and Third Parties in India & Global

### Overview

In layman's language, KYC (Know Your Customer) is a process of compliance which forms the baseline of the border AML (Anti-Money Laundering) framework. The KYC mechanism is essentially used to detect fraud in addition to customer verification. With the aim to standardize the process of reporting, restrict money laundering and prevent terrorist financing, the RBI issued KYC guidelines.

### Here's What We Can Do;

In case of any violation or contravention of the RBI issued KYC norms by any bank, it would be subject to penalty under the Bank Regulation Act, 1949. In January 2020, the regulatory authority imposed a penalty of

Rs. 1 crore on HDFC Bank for non-compliance with its KYC norms. When conducting an audit or due diligence assessment, we take into consideration the RBI KYC Directions, 2016 along with the Prevention of Money-Laundering Act, 2002 and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005. Our services' crux revolves around the key elements of KYC Norms i.e. Customer Acceptance; Customer Identification; Monitoring Transactions; and Efficient Risk Management. We provide services that help;

- (i) Identify and access risks involved in a third-party transaction;
- (ii) Assist in simplifying and accelerating the process of due-diligence;
- (iii) Provide a mechanism for screening data and monitoring information with the use of accurate, comprehensive, and interconnected data sources;
- (iv) Assist with detecting risks within the supply chain;
- (v) Proofreading and verification of legal

documents;

(vi) Provide data analytics identifying potential risks, thereby helping out in making informed decisions;

(vii) Provide enhanced customer experience using latest technologies.

## (II) Green/Sustainable Finance from FIs: (Green Bond and Its Issuance)

### Overview

A recent trend in the global scenario is investments with the intention of creating a positive impact, one that is measurable on the social and environmental front alongside providing substantial financial return. Such investments assist in providing capital to address the world's most pressing challenges pertaining to sectors such as sustainable agriculture, renewable energy, and accessible basic facilities including housing, healthcare, and education. With the vision and objective of creating a positive impact on the environment, SBI raised \$100 million dollars via green bonds despite the depressed global financial markets<sup>1</sup>. Green bonds are securities of debt, which are issued by financial, non-financial or public entities, whereby the proceeds are used for funding 100 percent green projects and assets. Reports suggest that our nation today is the second-largest emerging green bond market.

### Here's What We Can Do;

The public issue of debt securities and listing of debt securities issued through public issue or on private placement basis is governed by the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (hereinafter "ILDS Regulations").

(i) We take into consideration the existing framework and recognize challenges at various levels and further, compare those with other countries that are on a journey similar to ours.

(ii) Ensure adherence to the SEBI notification issued vide Board meeting held on 25th March, 2021, which introduced Business Responsibility and Sustainability Reporting (BRSR) and its voluntary applicability on the top 1000 listed entities (by market capitalization) for FY 2021-22, and mandatory compliance of such reporting by

<sup>1</sup><https://www.financialexpress.com/industry/banking-finance/sbi-raises-100-million-via-green-bonds/1912362/>

<sup>2</sup><https://investmentnews.co.nz/wp-content/uploads/MESG.pdf>

these companies from FY 2022-23.

(iii) Evaluate and curate non-financial reports that help ascertain an entity's corporate performance basis their CSR initiatives. Such reports help evaluate the risks created.

(iv) Conduct an ESG analysis/assessment - in order to understand the relevance of such an assessment, one may take into consideration the Global Sustainable Fund Flows which reported that Indian funds experienced record inflows of USD 507 billion in first-quarter 2020, supported by Axis ESG Equity, which received USD 239 million<sup>2</sup>.

## (III) Investment Portfolio - Legal Risk Assessment

### Overview

Risk management involves all phases of the investment process and the required reporting and compliances between post-trade measurement and asset allocation is crucial. Some of the legal statutes we take into consideration pertaining to investment portfolios include the SEBI (Portfolio Managers) Regulations, 2020, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI Stewardship Code relevant to all Mutual Funds and all categories of Alternative Investment Funds in relation to their investment in listed equities amongst other regulations.

### Here's What We Can Do;

The objective is to provide the risk assessment to help;

(i) Identify health and safety hazards and further evaluate the risks presented within the workplace;

(ii) Evaluate the effectiveness and suitability of existing control measures;

(iii) Ensure additional management and measures of controls are duly integrated wherever the remaining risk is considered to be anything other than low;

(iv) Prioritize further resources if needed to ensure the above.

With reference to ISO 31000 standard, the

process of examination includes a wide variety of factors such as;

- (i) Tangible and intangible sources of risk
- (ii) Threats and opportunities
- (iii) Causes and events
- (iv) Consequences and their impact on objectives
- (v) Limitations of knowledge and reliability of the information
- (vi) Vulnerabilities and capabilities
- (vii) Changes in the external and internal context
- (viii) Indicators of emerging risks
- (ix) Time-related factors
- (x) Biases, assumptions and beliefs of those involved

## (IV) Tax Advisory on Green Financing

### Overview

Whether large or growing businesses, today are greatly affected by the rapid advancements in the tax and regulatory regime. The ability to rise to the occasion and meet the proposed challenges has a significant impact on businesses' bottom line. With growth in business, comes the responsibility of maintaining the complex tax requirements. In order to achieve targets set under India's Nationally Determined Contributions

(NDCs), major investment pools are being driven towards the installation of sustainable energy projects.

### Here's What We Can Do;

The infamous Satyam scam created an urgent need to evaluate global industry best practices such as Sarbanes Oxley Regulations, Turnbull Guidance, etc.; which altogether helped in the incorporation of the provisions for Internal Financial Controls under the Companies Act, 2013 (which is further explained under the component of Governance). Keeping in mind, the guidance note on Audit of IFCs<sup>1</sup>, we help with;

- (i) Advisory on the most appropriate financial instrument for financing which matches the scale and is a low risk requirement for the investors;
- (ii) Attract capital at scale with a relatively low-carbon investment;
- (iii) Provide awareness around the opportunities with regards to the renewable energy market;
- (iv) Assist in acquiring maximum green tax benefits such as preferential rate of interest;
- (v) Introduce tax saving platforms, which can facilitate automated and error free tax management.

<sup>1</sup><https://kb.icai.org/pdfs/PDFFile5b276a4c148d73.52290639.pdf>



# CORPORATE RESPONSIBILITY

## Overview

This Component would focus on the organization's corporate responsibility and would help companies become more responsible global players.

### (I) Statutory & Regulatory Mapping of Compliance

Compliance refers to a set of rules and procedures such as specifications, policies or law which ensures an organization is following the standards set for the industry or institution by the respective authority. Statutory compliance pertains to the Government's legal framework, whereas regulatory compliance refers to the rules constituted by a regulatory body.

The compliance mapping mechanism is a two-fold process i.e. pre implementation and post implementation. The system helps monitor data to meet the ever changing compliance requirements, thus safeguarding the client from fines, penalties and other defaults.

Depending on the nature of the industry, a company can be exposed to nearly 10,000 compliance tasks to adhere with the laws applicable to the company having pan India operations. With reference to BFSI (Banking, Financial Services and Insurance) companies, the task count may further increase based on the updates and circulars issued by regulators on a frequent basis.

Our comprehensive audit assessment includes provisions from some of the following statutes;

- (i) Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015
- (ii) Commodities Transaction Tax [Chapter VII of Finance Act, 2013]
- (iii) Direct Tax Vivad se Vishwas Act, 2020
- (iv) Equalisation Levy [Finance Act, 2016 (amended in 2020)]
- (v) Expenditure Tax Act, 1987
- (vi) Income Tax Act, 1961

(vii) Prohibition of Benami Property Transactions Act, 1988

With reference to indirect taxation, we facilitate a system of compliance audit which in addition to state-wise regulations, also covers legal statues such as;

- (i) Central Goods and Services Tax Act, 2017
- (ii) Integrated Goods and Services Tax (IGST) Act, 2017
- (iii) Central Sales Tax Act, 1956
- (iv) Customs Act 1962
- (v) Customs Act 1962 and anti-dumping duty
- (vi) Countervailing duty
- (vii) Entertainment Tax Act
- (viii) Luxury Tax Act 1982

### (II) As per the Country's Legal Framework

Our framework for CSR audit is centered on the following elements;

- (i) Environmental Control; (ii) Risk Assessment (focused on ESG principles); (iii) Initiatives for Controlled Activities; (iv) Effective Communication and Reporting Mechanism; and (v) Structured Framework for Monitoring and Evaluating CSR initiatives.

With respect to the concept of ESG, a major portion of compliance falls under the ambit of Environment Clearance (EC) which includes the Environment Impact Report, Environment Assessment Report, occupation certificate for residential projects and so on.

With reference to Section 135 of the Companies Act, 2013, we help;

- (i) Formulate the most appropriate CSR policies and initiatives;
- (ii) Assess the utilization of the Company's average net profit spent in pursuance of its CSR policy;

(iii) Advise on industry best practices basis global standards.

### (III) GRI, SDG & NVG (2019) Assessment & Advisory

Global Reporting Initiative (GRI), Sustainable Development Goals and National Voluntary Guidelines are all focused on providing a framework for the Social, Environmental and Economic Responsibilities of Businesses.

The purpose of our assessment and other audit services is to quantify the volume of environmental impact/ concerns, which can help an organization understand its negative impacts and thereby conduct business in an economically, socially and environmentally sustainable manner while balancing the demands of shareholders and other interest groups.

### (IV) Mapping of Compliance & Compliance Audit

A major differentiator in today's business scenario is having a good compliance practice. Such practices are crucial for businesses to gain competitive advantage over rival companies, while producing more efficient outputs, maintaining the company's goodwill and integrity thereby reducing compliance related risks.

A compliance audit is a formal independent assessment carried out to ascertain whether the company is at par with the designated compliance regime, thereby adhering to the applicable norms and policies. The audit is focused on the company's functioning/ operations, which compliance professionals carry out on the basis of a compliance checklist. The audit can help identify and manage program priorities, learn potential weaknesses and develop a consistent process. It provides year to year data for comparison - this will help the company become aware about the errors or mismanagement, thus providing an opportunity to improve and excel with respect to regulatory compliances (refer to Annexure 3 for sample compliance assessment/audit).

### Here's What We Can Do;

An efficient compliance audit not only ensures compliance with the applicable laws but in the long run provides for a structured framework for the business to;

(i) Avoid legal problems and penalties.

(ii) Efficient and timely risk management.

(iii) Improved business opportunities.

(iv) Quality enhancements.

### In addition to the above, we also help

(i) Assist in curating industry specific mechanisms to promote obligations being complied with in a timely and accurate manner;

(ii) Assist with creating awareness and training professionals about applicable legal provisions and regulatory & statutory compliance requirements;

(iii) Help set up a system to ensure that the applicable compliance tasks are performed by the respective business functions;

(iv) Improvise company policies in line with the industry best practices;

(v) Create proper reporting channels for reporting compliance issues;

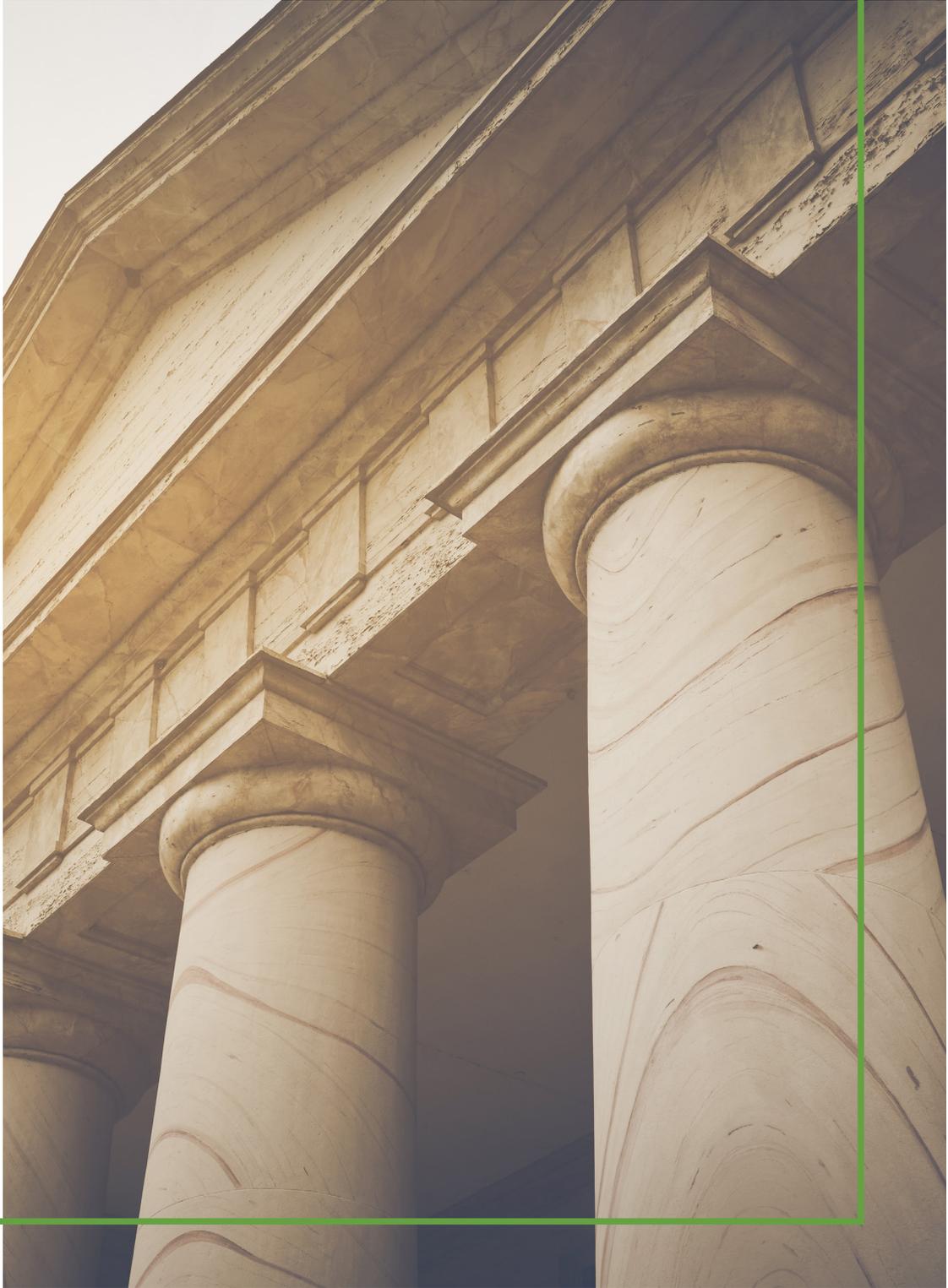
(vi) Assist with designing and implementing an annual work plan that rightly reflects the organization's mission and vision.

(vii) Conduct statutory audit as mandated under the Companies Act, 2013

(viii) Assessment regarding fulfilling the required legal compliances;

(ix) Recording of accounts and financial statements in accordance with the relevant legal provisions;

(x) Reporting of obtained disclosures and information as observed under the financial transactions report.



# GOVERNANCE

Governance becomes an important tenet of ESG. The support on following would aid an organization further to benchmark its governance activities at par with global standards.

## (I) Internal Financial Controls Assessment

### Overview

In order to enhance accountability and responsibility of corporate governance and financial reporting standards with global best practices, it is beneficial to have an adequate and effective mechanism for such control.

### Here's What We Can Do;

To emphasize the importance of a robust internal controls environment, the Companies Act, 2013 introduced 'Internal Financial Controls' (IFCs), thereby casting specific responsibilities on the Board, Audit committee, Management, and the Auditors. Our services include

- (i) Advisory on the most appropriate financial instrument for financing which matches the scale and is a low risk requirement for the investors;
- (ii) Attract capital at scale with a relatively low-carbon investment;
- (iii) Provide awareness around the opportunities with regards to the renewable energy market;
- (iv) Assist in acquiring maximum green tax benefits such as preferential rate of interest;
- (v) Introduce tax saving platforms, which can facilitate automated and error free tax management.

### Our assessments are aimed at;

- (i) Improved controls over financial reporting process;
- (ii) Promote and encourage a culture of openness and transparency;
- (iii) Structured monitoring and assessment to improve the operations and functioning practices of the Board, Audit Committee and senior management engagement in financial reporting and financial controls;
- (iv) Help identify potential operating process opportunities.

## (II) Governance, Compliance & Risk Frameworks

### Overview

Legal compliance is the most crucial aspect of corporate governance, failure of which may incur high costs and loss of investor's confidence. Companies need a thorough system to ascertain efficient Governance.

The Securities and Exchange Board of India on 25th March, 2021 announced for the voluntary applicability of BRSR on the top 1000 listed entities (by market capitalization) for FY 2021-22, and thereon, as a mandatory reporting mechanism from FY 2022-23. Thereafter, on 10th May 2021, SEBI released the format for Business Responsibility & Sustainability Reporting (BRSR).

### Here's What We Can Do;

- (i) Constitute an Environment & Social process consisting of an adequate, accurate, and objective evaluation and presentation, prepared by competent professionals.
- (ii) Furthermore, have external experts assist in the risks and impacts identification process for projects with significant adverse impacts or that are technically complex.
- (iii) Provide a clear cut and comprehensive internal communication policy;
- (iv) Assist with integrating a policy management mechanism and updation of policies as per regulatory or internal changes.

## (III) Audits (Compliance/Contract/Litigation/IP)

### Overview

There is an interface between individual and corporate compliances, whereby individual compliances have an impact on corporate compliances. An effective audit can help manage operations costs and expenses and also support in mitigation of risks. A successfully implemented audit also facilitates transparency and accountability by encouraging compliance to contractual obligations, third party disclosures and so on.

## Here's What We Can Do;

In accordance with the provisions of the Income Tax Act, 1989 and the Companies Act, 2013, we help;

- (i) Ensure all requisite compliances including but not limited to rules, regulations, procedures, disclosures, etc. are duly complied with;
- (ii) Understand and design solutions to ensure that the requisite compliance and other obligations are being fulfilled.
- (iii) Prescribe a structure for identification, evaluation and accountability for litigation and other related claims;
- (iv) Examine and review contracts, agreement and other similar documents;

## (IV) Policy Hub Management & Alignment with Changes in Law

### Overview

Policy Hub Management is a system put in place to simplify and reduce the complexities of managing and communicating internal policies and procedures. We provide a centralized repository to enable accessibility to policies and help employees understand and comply with the prescribed provisions set therein.

## Here's What We Can Do;

- (i) Facilitate the best in class automated technology for a robust policy management system;
- (ii) Maintain an annual update of policies and further strengthen them in line with the latest regulatory framework;
- (iii) Provide information on best management practices and technologies for reduction and prevention of pollution;
- (iv) Help simplify management and communication policies within an organization.

## (V) Review of Code Of Conduct as per ESG Practices

### Overview

With respect to the functioning and operations, Code of Conduct serves as the foundation

stone of a company. Having a clear, precise and definite set of policies and procedures can help create a strong cultural base for the company. It is imperative for companies to update their CoC and other policies as per the ever changing compliance norms and practices.

## Here's What We Can Do;

- (i) Guidance on the importance and relevance of the document and how it can help set the tone of an organization;
- (ii) Help incorporate various policies within the CoC such as Social Media Policy, Whistle Blower Policy, Anti-Bribery & Anti-Corruption Policy, etc;
- (iii) Reviewing and modifying existing policies in line with the latest regulatory requirements;
- (iv) Assist in setting up an appropriate CoC to ensure that the core values of the organization are positively communicated and to further promote an ethical and compliance based work environment.

## (VI) Anti-Bribery & Anti-Corruption Assessments

### Overview

Corruption is a global issue and it causes hindrance in the economic growth by diverting public resources from priorities such as health, education, and infrastructure. The law on 'Prevention of Corruption (Amendment) Act, 2018' has definitely created a buzz in the Corporate world and the regulatory changes have compelled organisations to revisit their existing procedures and take proactive steps. Having a powerful, robust and effective compliance mechanism has now become the need of the hour.

## Here's What We Can Do;

- (i) Monitor compliance with domestic and international ABAC regulations;
- (ii) Assist with streamlining the management of third party bribery and corruption risk;
- (iii) Enable automated continuous assessments, thereby minimizing/ avoiding manual errors;
- (iv) Help align policies and processes to recognized standards and help develop a global ABAC policy;

(v) Conduct awareness workshop for employees;

(vi) Assist with sensitization of senior management on what steps could be taken to strengthen the internal control mechanism and create an ethical organization.

## (VII) Whistle Blowing Support Service

### Overview

Reporting malpractices can be an intimidating process, especially with the party under default or non-compliance by someone within the organization. An ideal whistleblower policy is constituted with the primary objective to preserve the anonymity and reporting mechanism and create an internal environment of speak up culture within the organization.

### Here's What We Can Do;

The Indian framework safeguards the interests of the whistle blower under the provisions of the Whistle Blowers Protection Act, 2014, keeping which in mind, we help;

(i) Ascertain statutory mandates in India and abroad and help establish the prompt need for an efficient whistle blower mechanism;

(ii) Outline the types of concerns that can be reported through an internal whistleblowing mechanism;

(iii) Lay out the framework with reference to the parties to whom the internal whistleblowing mechanism may be extended;

(iv) Ascertain aspects such as anonymity of complaints; reporting mechanism; types of complaints to be administered, grievance mechanism and dealing with false complaints.

## (VIII) Advisory for Non-Executive Directors & their Fiduciary Liability

### Overview

Any form of non-compliance with statutory obligations under the Companies Act, 2013 is likely to put the company in a precarious position, in addition to reputational damage and criminal liability.

### Here's What We Can Do;

(i) Ensure responsible business conduct;

(ii) Appropriate appointment of Directors;

(iii) Risk advisory on decisions with a detailed understanding of the environmental implications.

## (IX) Conflicts of Interest, Disclosure and Management

### Overview

The underlying principle of conflict of interest disclosures and management is accountability and transparency i.e. all reporting and disclosure must be made in a fair, honest, impartial and transparent manner. In order to benchmark disclosures in line with global standards, our assessment framework is formulated in line with best practices as suggested under the Task Force on Climate-Related Financial Disclosures, International Financial Corporation and so on.

### Here's What We Can Do;

(i) Analysing physical risks i.e. the effects on insurance liabilities and the valuation of financial assets arising from the adverse effects of climate and weather-related events, such as floods and storms that damage property or disrupt trade;

(ii) Evaluation of liability risks i.e. the loss or damages suffered on account of effects of climate change and thereby, seek compensation from those held liable;

(iii) Assessing risks of transition i.e. the financial risks that could be a result of the process of adjustment towards a lower-carbon economy;

(iv) Assist with preparing a conflict of interest disclosure statement;

(v) Upon identification of conflict of interest or improper reporting/ disclosures, we extend our support in developing an efficient action plan to ensure proper management of the conflict;

(vi) Conduct periodic assessment of management plans and disclosure mechanisms adopted by the organization;

(vii) Review existing initiatives and provide recommendations on way-forward, which is put

together keeping in mind global principles on financial reporting and disclosures.

## (X) Third Party Compliance Management

### Overview

The impact of third-party risks on overall business performance and brand image is expanding beyond traditional surveys and assessments. In current times, companies are seen to indulge in more comprehensive steps to not only ensure third parties compliance with relevant regulations, but also protect intellectual property, avoid unethical practices, keep up a safe and healthy working environment and so on. The Indian Contract Act, 1872 is relevant while ascertaining risks and impacts pertaining to third party involvement.

### Here's What We Can Do;

- (i) Consider risks and impacts resulting from third party involvement (where the client can reasonably exercise control);
- (ii) Consider risk and impacts associated with primary supply chains;
- (iii) Take cognizance of the findings and conclusions of related plans, studies or assessments that are directly related to the project and its area of influence and the outcome of engagement with Affected Communities;
- (iv) Establish Environment & Social action plans and strategies defining the desired outcomes as measurable events with performance indicators, targets and acceptable criteria that can be tracked over defined periods, with estimates of resources and responsibilities for implementation. It is pertinent to note that the plans must recognize the role of third parties and must be responsive to changes in circumstances, unforeseen events and results of monitoring and review;
- (v) Help strengthen supply chain security, assist with handling disruptions effectively and sustain high quality performance levels.

## (XI) Board Of Directors – Evaluation & Assessment

### Overview

Recently, India moved from a voluntary Board evaluation to a mandatory Board Evaluation under provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). Moreover, the Narayan Murthy Committee Report deems it necessary to have a robust process in place for Board evaluation and also ensure continuity of top leadership, including CEO succession planning. The central objective is to provide a three-fold objective i.e. Search, Sensitization and Evaluation.

### Here's What We Can Do;

- (i) Provide benchmark solutions for board evaluations;
- (ii) Access Board effectiveness in strategic decision making and further helping enhance the performance and commitment of the Board towards organizational goals.
- (iii) Awareness and training sessions on board sensitization and other legal nuances pertaining to the functioning of the Board;
- (iv) Recommending industry best practices in terms of contractual obligations, legal mandates, compliance requirements and other legal components that form an integral part of internal policies and mechanisms.

## (XII) Data Privacy Audit & Advisory

### Overview

In today's times of rapid growth and expansion, data is more valuable than ever. With the ever changing technologies and its advancement, it is crucial to address the issue of data protection and incorporate privacy laws at the earliest.

### Here's What We Can Do;

Taking into account the Information Technology Act (2000), the Information Technology (Reasonable Security Practices and Procedures

and Sensitive Personal Data or Information) Rules, 2011, we assist with;

(i) Advisory on data protection strategies in line with the latest domestic and international laws and regulations;

(ii) Review and formulation of internal policies and procedures;

(iii) Advisory and preparation of reports regarding the Compliance operations undertaken by the company and also advise the Board on such other additional compliance initiatives, policies and procedure which may be required to be considered by the company;

(iv) Formation of an efficient and effective internal control system thereby enabling the auditor to rely on the facts and finding of the internal auditor.

### (XIII) Disclosures Advisory to SEBI/RBI/Stock Exchanges/Regulatory Bodies

#### Overview

SEBI has made it mandatory for all listed companies to make public disclosures on loans defaults, which is aimed at helping stakeholders stay better informed on the financial health of a company. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 layout provisions for disclosure requirements to be made within stipulated timelines for different securities, listed on a recognized stock exchanges. Similarly, our services help with advisory and mapping of the relevant laws, compliance and obligations; and thereafter, create a robust structure to ensure all the disclosure requirements are duly complied.

#### Here's What We Can Do;

(i) Evaluation of key data points on potential risks and opportunities of a specific project;

(ii) Strategy for mitigation of risk;

(iii) Conducting a system's audit including a comprehensive data and quality check of the management system;

(iv) Statutory audit assessment and monitoring of tax liabilities under direct and indirect taxes.

### (XIV) White Collar Investigation & Litigation

White collar crimes are non-compliances, frauds or defaults committed at a corporate level in the business industry. Some of the legal statutes that address this issue include-

- a. Prevention of Corruption Act, 1988
- b. Benami Transactions (Prohibition) Act, 1988
- c. Indian Penal Code, 1860
- d. Money Laundering Act, 2002
- e. Income-tax Act, 1961
- f. Mobile Device Equipment Identification Number, Rules, 2017
- g. Information Technology Act, 2000
- h. Legal Metrology Act, 2009
- i. The Central Vigilance Commission Act, 2003
- j. Competition Act, 2002
- k. Insolvency and Bankruptcy Code and all other relevant laws.

With a thorough compliance assessment structure in place, businesses can ensure proper and timely compliance with the required laws and procedures. Further, adhering to relevant laws and obligations also ensures goodwill to the business and better credit rating in the market.



# ENVIRONMENTAL LIABILITY

Every company is looking to abide by environment laws. We intend to work with the clients on the following aspects to de-risk environmental liability.

## (I) Extended Producer Responsibility

### Overview

The responsibility undertaken for collection and channelization of e-waste generated from the 'end-of-life' of products is referred to as producer responsibility. It is carried out to ensure environmentally sound management of e-waste.

### Here's What We Can Do;

Following are some of the legal provisions that we take into consideration when formulating strategic policies and structured framework for responsible business conduct;

(i) E-Waste (Management and Handling) Rules, 2011;

(ii) Biological Diversity Act, 2002 and the Biological Diversity Rules, 2004;

(iii) National Action Plan on Climate Change (NAPCC) and its subsidiary Missions;

(iv) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;

(v) Energy Conservation Act, 2001 and so on.

The Extended Producer Responsibility (EPR) is established to facilitate a reverse collection mechanism and recycling of end of life, post-consumer waste. The objective is to circle it back into the system to recover resources embedded in the waste.

## (II) Pollution Assessments as per Federal & State Laws:

### Overview

Various health risk assessments are to be carried out to ascertain a fair estimate of the health impact and potential environmental impacts of various business activities. The purpose is to take relevant measures to protect and improve the environment, and to prevent, control and abate environmental pollution.

### Here's What We Can Do;

The legal framework taken into consideration includes;

(i) The National Green Tribunal Act, 2010

(ii) The Air (Prevention and Control of Pollution) Act, 1981

(iii) The Water (Prevention and Control of Pollution) Act, 1974

(iv) The Environment Protection Act, 1986

(v) Coastal Regulation Zone Notification, 2011

(vi) The Biological Diversity Act, 2002

(vii) The Forest Conservation Act, 1980

(viii) Public Liability Insurance Act, 1991

(ix) The Factories Act, 1948

(x) The Companies Act, 2013

(xi) The Ozone Depleting Substance (Regulation and Control) Rules, 2000

(xii) The Atomic Energy Act, 1982

(xiii) The National Water Policy, 2002

(xiv) Biological Diversity Act, 2002 and the Biological Diversity Rules, 2004

The above is a primary (not exhaustive) list of provisions taken into account while carrying out an effective assessment audit, which helps;

(i) Conduct periodic checks to ensure that all licenses and registrations are valid and have not expired

(ii) To ensure that compliance policies are up to date and if required renewed from time to time

(iii) Assist with maintaining a track record of all information/records including regulatory emails should be maintained for a period of at least 8 years from the date of communication or from the date of completion of the transaction, whichever is earlier

(iv) Help improve existing pollution monitoring and assessment

(v) Guidelines for reducing pollution from solid wastes, marine litter, plastics, etc. (refer to Annexure 4 for types of assessments)

### (III) Underground Water Issues

While there is currently no Central law on groundwater regulation. However, the Indian Easement Act, 1882 is considered when it comes to underground water issues, which gives landowners the right to “collect and dispose” of all water under the land within their own limits.

#### Here’s What We Can Do;

When conducting a ground water assessment, we also take into consideration the guidelines laid down by the Central Ground Water Board which undertakes activities such as macro/micro-level ground water management studies, exploratory drilling programme, monitoring of groundwater levels and water quality through a network of groundwater observation wells comprising both large diameter open wells and purpose-built bore/tube wells (piezometers), implementation of demonstrative schemes for artificial recharge and rainwater harvesting for recharge augmentation.

Some of the elements taken into consideration during a groundwater assessment unit are further subdivided into the following - a) Hilly Area b) Poor ground water quality area c) Command Area d) Non-command Area. Further, we also consider standard/sample methods for estimating the ground water extraction; evaluating parameters for potential risks.

### (IV) Expert Legal Reports On Existing Litigations:

Our expert services in terms of providing information highlighting the establishment of new precedents, aid in supporting other cases with similar facts. We provide an extensive legal database on existing litigations.

#### Here’s What We Can Do;

Help conduct a gap analysis of the compliance policies and procedures of the company and effectively prepare and implement an action plan to redress such gap or deviation from the expected standards.

### (V) Alternative Dispute Resolution (ADR)

Alternative Dispute Resolution mechanism is a means to provide a speedier and more cost effective resolution mechanism which is not as technical as the standard litigation process for a common man. We assist with drafting, filing and representation before various Courts, Tribunals and Forums in investment arbitration, commercial disputes and so on.

#### Here’s What We Can Do;

- (i) Formulating a dispute resolution policy;
- (ii) Help incorporate ADR clauses in contracts;
- (iii) Litigation management pertaining to Arbitration;
- (iv) Assisting with out of court settlement i.e. via mediation; and so on.

### (VI) National Green Tribunal & litigations

The Tribunal ensures speedy redressal of cases with reference to environmental concerns.

#### Here’s What We Can Do;

- (i) Representing clients before the Tribunal;
- (ii) Initiate proceedings against the project in contravention to the laws pertaining to the environment;
- (iii) Conduct quarterly or annual audits to ensure compliance with basic requirements pertaining to ESG principles.



# CLIMATE CHANGE & CARBON EMISSIONS

## Overview

The earth's expanding human population and industrial growth are infamous causes of serious environmental crisis. Due to the massive population pressure, India pushes ahead with aggressive industrial development, which further leads to thousands of industrial clusters nationwide producing enormous amounts of untreated toxic waste that often end up in rivers, lakes, forests, and landfills. Even though India has its own set of environmental laws in place, weak enforcement and the lack of funds and manpower are more often than not, the stumbling blocks for the pollution control boards. In our society today, awareness is the key. Ensuring that the corporates and the public at large are well-aware of environmental laws in society, plays a vital role in prevention and control of pollution. Moreover, awareness is undertaken as essential in order to take appropriate action. With Global temperatures soaring and India's commitment to Paris Agreement 2015 on climate change, companies in India are seeking support to abide by the nation's commitment towards the same.

### Here's What We Can Do;

#### (I) Environmental Impact Assessments & Clearance from Government Authorities

- (i) Facilitate an Environment, Social, Health and Safety review and audit
- (ii) Provide an in-depth analysis and assessment of Environment Performance; Health & Safety Performance; and Environment, Health & Safety Management
- (iii) Formulate a framework to ensure compliance requirements adhered in a structured manner
- (iv) Encapsulate via an electronic source the capturing, assessment, monitoring, controlling and communication of project risk
- (v) Reviewing social performance and stakeholder engagement
- (vi) Assess the business practices to be consistent with the principles of the Performance Standards
- (vii) Analyse risks and impacts in the context with the project's area of influence encompassing the area(s) likely to be affected

#### (Ii) Supporting Organizations With Advisory On Global Conventions:

Establish and maintain a process for identifying project-related Environment & Social risks and impacts, in accordance with good international industry practice.

#### (III) Smes To Help With Advisory On Reducing Carbon Emissions As Per Global Conventions:

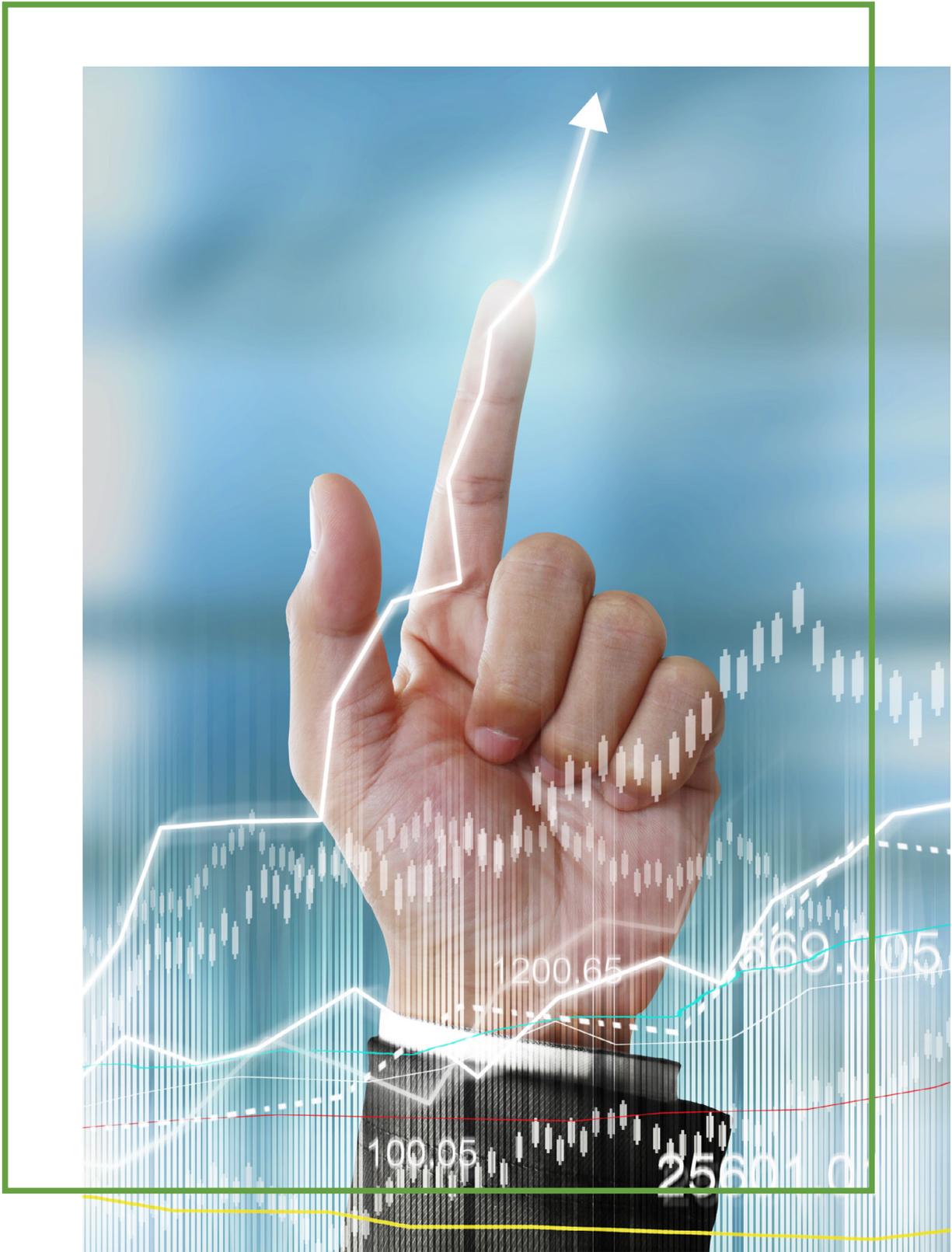
With the world increasingly aware of the need to tackle the threat of climate change. The next fifty years is likely to limit the concentration of carbon emissions in the atmosphere, thus, providing a substantial opportunity for both small and large businesses to sell goods and services that reduce greenhouse gas emissions. SMEs are more likely to be able to seize the opportunity in a multiplicity of ways. They are ideally envisioned to create radically new innovations that open up entirely new markets or revolutionise them. In order to be a part of an emerging concept and global reform, taking into account the MSME Development Act, 2006; the most appropriate structure can be put into place for business growth and development in line with sustainability.

#### (IV) Contract Reviews for Climate Change Controls

- (i) Reviewing existing contracts in line with the latest developments in line with environmental provisions
- (ii) Developing policies and procedures which highlight efficient working mechanism which are also beneficial in terms of the ESG aspects
- (iii) Assist with entering into contracts with international organizations working towards the sustainability goals
- (iv) Ensuring the contracts and policies adhere with the requisite SDG framework, IFC Guidelines, etc.

#### (V) ADR & Litigation Support

We provide our advisory services on subjects of labour laws, structuring of stock option plans, employment of expatriates and employment termination contracts and severances. We also offer representation under the ADR mechanism for speedier and less technical resolution mechanisms.



# ESG - CAPITAL MARKETS

## Overview

Capital markets play a crucial link between suppliers and those in need of capital investments and facilitate a common ground for investment. The most common capital markets are the stock and bonds markets. In fact, capital markets are increasingly getting attuned to impact investing. Investors across the globe are drawn towards making more conscious and impactful investments in order to generate productive and measurable environmental and societal impacts alongside maintaining financial gain. Capital markets are a source of immobilising savings and rightly channelling the same into positive investments. On March 10th a significant change happened in the EU financial markets with the introduction of SFDR (Sustainable Financial Disclosure Regulation). The investment into the capital market by individuals and financial intermediaries are absorbed by commerce, industry and government, which further facilitates the movement of capital to be used more productively and profitability to thereby contribute to an increase in the national income. With the primary objective of encouraging impact investments including green bonds (the regulatory authority of India, SEBI has already begun its alignment to green bonds), our service offerings include;

### (I) Advisory on Disclosures to SEBI & RBI on Impact Investing Activities

India's Intended Nationally Determined Contribution (INDC) sets out the targets stipulated for India's contribution towards climate-change issues and follow a low carbon path to progress. Moreover, there are specific

global pools of capital, earmarked towards investment in Green Ventures, focusing on ESG related aspects. Our compliance services in terms of disclosure are essential to increase transparency in the corporations' operations and management, which in turn helps making it easier for investors to undertake informed decisions. It also cuts down on the possibility of manipulation or misuse of investors' funds.

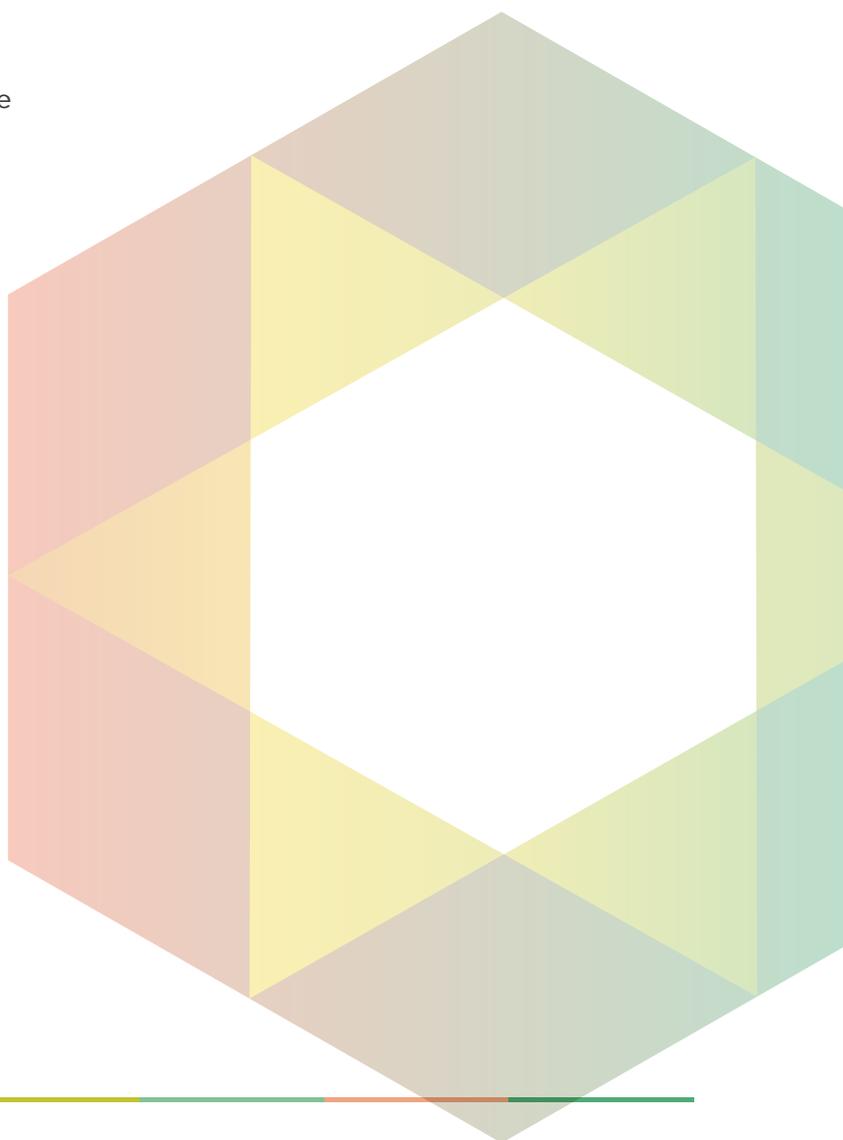
### (II) Fund Raising

(i) Advising clients on the structure of the funds, keeping in mind the ESG aspect;

(ii) Help negotiate and assist in fund raising by preparing the required documentation;

(iii) Advising on document management along with reviewing and drafting contracts;

(iv) Advising on matters pertaining to finance, taxation and competition law and demonstrating the ability to solve hindrances in transactions.





# BUSINESS & HUMAN RIGHTS

## Overview

The position of human rights has significantly elevated over the years and is now in the mainstream with reformed perceptions of individual legal rights and duties. As a matter of fact, it is an obligation for nations to extend protection against human rights violation, including by business enterprises. It is more of an unsaid obligation for businesses to respect human rights across its operations and shall avoid any form of abuse or infringement of the same. Lately in June 2021, Germany came up with a legislation on the same. Though there has been a delay in roll out of EU Directive on Human Due Diligence, however, in the coming future this area would pick up momentum. In order to create harmony between business and human rights, inclusive workplace and ethical business conduct must be imbibed within organizational structures. It must also be ensured that the relevant policies and procedures are in sync with protection of human rights while carrying our business operations. It is imperative that business account for appropriate risk mitigation strategizes and promptly address any direct or potential effects of business activities on human rights.

- (i) Immoral Traffic (Prevention) Act, 1956
- (ii) Contract Labour (Regulation and Abolition) Act, 1970
- (iii) Bonded Labour System (Abolition) Act, 1976
- (iv) The Factories act, 1948; The Mines Act, 1952;
- (v) The Plantation Labour Act, 1951
- (vi) The Maternity Benefit Act, 1961
- (vii) The Consumer Protection Act, 1986
- (viii) The Criminal Procedure Code,
- (ix) The Drugs and Cosmetics Act, 1940
- (x) The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
- (xi) The Narcotic Drugs and Psychotropic Substances Act, 1985
- (xii) The Epidemic Diseases Act, 1897

(xiii) The Transplantation of Human Organs Act, 1994

(xiv) The Mental Health Act, 1987

## (I) POSH Advisory & Assessments

The most important aspect with regards to PoSH is its training. While corporates are aware about the same, it is essential that they are further made aware and are educated about the relevance of the law. As part of the PoSH advisory and assessment, companies can be guided to;

- (i) Create awareness training modules
- (ii) Assist with managing the PoSH policy at workplace
- (iii) Help with the constitution of the Committee
- (iv) Conduct annual assessments and ensure timely statutory filings
- (v) Create comprehensive modules for better understanding of the law; and
- (vi) Provide a critical session to update and make the Committee learn about the important compliance aspects of PoSH.

## (II) Employment Advisory & Transaction Support

- (i) Due Diligence
- (ii) Document preparation and management
- (iii) Provide knowledge based training keeping in mind the industry dynamics, culture and understanding of the employees
- (iv) Assistance throughout the transaction process from assessment to identifying concerns, from documentation to filing
- (v) Evaluate contingent liabilities

## (III) Diversity, Equality & Inclusion Framework as per Existing Laws

“Diversity is being invited to a dinner party. While inclusion is being asked to dance.” The sense of belongingness is inculcated by demonstrating a genuine attitude, which is interesting, present and

focused with people and the use of collaboration; giving people the opportunity and respect to “own” initiatives thereby paving way for original thinking and diverse perspectives.

A January 2020 study reported in the Harvard Business Review highlights scenarios in favor of diversity and inclusion. The report found that workplace teams that reflect the diversity of their customers are more than twice as likely to boost innovation. A global cross industry survey by PwC in 2020 concluded that 33% of the companies globally agree that diversity is a barrier to progression at an organization.

The following helps ensure an effective DE&I practice within organizations;

- (i) DE&I Analysis of the Organization;
- (ii) Putting together a formal DE&I policy in line with the latest trends;
- (iii) Role of management layers including role models and thought leaders;
- (iv) Strategize to enhance engagement at all levels.

#### (IV) Rights of Indigenous People if affected by Company Operations

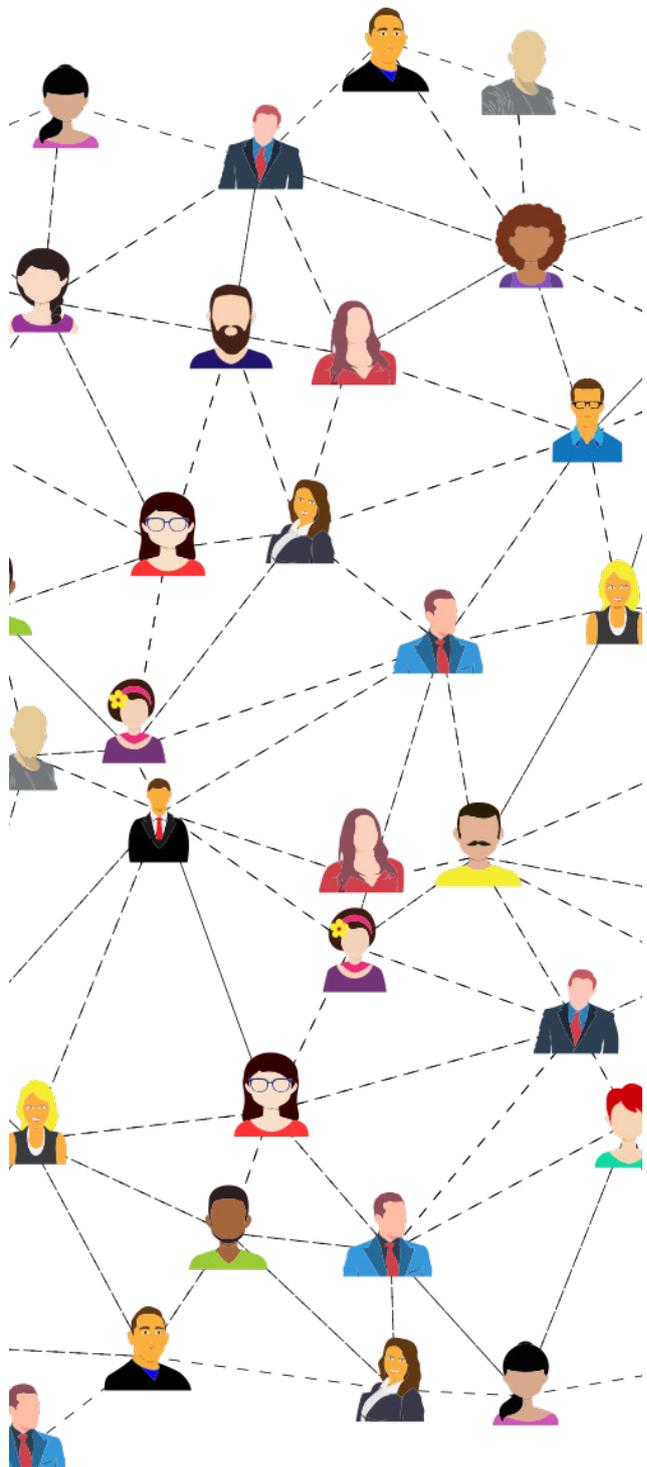
The population of the indigenous community constitutes to the second largest tribal population in the world, which over the years has seen major displacement issues in India due to reasons of land encroachment, etc. The massive and continuous loss of forest cover and mining among other activities remains a direct threat to the security of these people. However, it is now time to work hand in hand and formulate a mechanism to undertake projects that are environmentally viable and at the same time do not have any adverse impact on the lives of these indigenous people. In case of rights being violated, the community can be guided on the way forward regarding their rights and create a system that is beneficial for all parties involved.

Some of the legal provisions taken into account while administering the rights of indigenous people include;

(i) Scheduled Tribes and other Forest Dwellers (Recognition of Forest Rights) Act (2006)

(ii) The United Nations Declaration on the Rights of Indigenous People;

(iii) The Scheduled Tribes Bonded Labour Abolition Act, 1976;





# SUSTAINABLE WORKFORCE & LABOUR ISSUES

## Overview

As per the Council on Energy, Environment and Water (CEEW), India's renewable energy workforce has grown five-fold in the past five years. Moreso, achieving India's renewable energy target of 175 GW by 2022, has the potential to create employment for over 330,000 workers in the wind and solar sectors – at least 230,000 additional workers between now and 2022.

In order to maintain a sustainable workforce, having a strong work culture promoting and encouraging work life balance is crucial. The crux of a sustainable workforce is equity and justice. A healthy work life balance practice enhances employee retention, talent management and control over employee attrition. A strong and efficient workforce sustainability demonstrates equality at the workplace and minimizes the gap between the employee and the employer. Furthermore, to promote a culture of sustainability, it is imperative to include clauses in contracts that make the parties entering into an agreement, aware of environmental and social performance requirements expected from them.

### Here's What We Can Do;

#### (I) Screening with Third-party Agencies:

Provide a rigorous screening process with the help of established third party agencies;

#### (II) Insider Trading Controls:

Enable a mechanism to detect trading activities, monitoring and controlling the same, especially during events such as announcements, acquisitions, and other events material to a company's value that may move their stock prices significantly;

#### (III) Employee Contracts & Negotiations:

Assist with incorporating environmental and social clauses to contracts and negotiations, thereby avoiding or mitigating adverse impacts. Provide and help incorporate technical standards and specifications that will be compliant with environmental, health and safety standards;

#### (IV) Help Develop Strong Internal

#### Policies Pertaining To Disclosures, Complaints And Whistleblowing (Refer To Annexure 1 For Details).

#### (V) Policies for FTEs, Retainers & Agency Workers:

Internal policies form an important component of an organization, which layout the accepted behavioural requirements and the compliances to be adhered with by the employees. Assist with formulating policies that outline the constraints of a job without using a 'trial and error' approach, as key points are visible in well-written policies. We can also assist with regular review and update of policies in line with the industry best practices.

#### (VI) Employment Related ADR:

With the rise in employment claims and compensations, opting for an Alternate Dispute Resolution mechanism is a speedier and more efficient choice than litigation. Some of the common forms of ADR include mediation, conciliation or arbitration.

#### (VII) Immigration Compliance in India & Globally

Immigration enforcement is seen to be a challenge to the employers, who experience multiple risks ranging from audits to legal proceedings etc. Thus, making it essential for businesses to prepare for such activity by conducting reviews of policies, procedures, audits, and training their employees. Our practice encompasses the entire range of immigration compliances at both India and Global levels.

There is a growing trend in the scrutiny imposed by the Government and related agencies; the balance between immigration compliance and business productivity remains an ongoing challenge which is uniquely addressed by offering specialized compliance services. We help navigate agency demands for documents and provide targeted guidance for site visits. In addition, we have the expertise in negotiating with government agencies regarding liability and fine mitigation and in settling or litigating government charges. We help facilitate the full spectrum of business transactions and events that implicate immigration compliance.

## (VIII) Employment related Litigation

We provide end to end employment related compliance solutions as well as litigation services pertaining to the various labour laws in the country.

## (IX) Trade Union Negotiations

Commonly known as Welfare Legislations, these are those statutes which envisage the welfare of workers. Some of the most prominent and relevant laws include - The Factories Act, 1948, The Industrial Disputes Act, 1947, The Minimum Wages Act, 1948, The Payment of Wages Act, 1965, The Workmen's Compensation Act, 1923, The Employees Provident Funds Act, 1952, The Maternity Benefit Act, 1961 and so on. With years of expertise and knowledge on welfare negotiations, our advisory and consulting practices are aimed at promoting and safeguarding the interest of the workers, while ensuring stability and adherence to the ESG principles.

## (X) HR Grievance Investigation

(i) Conduct a comprehensive investigation under labour, employment and industrial laws;

(ii) Conduct sensitization training on different kinds of actual work that is required to be performed;

(iii) Formulate robust policies to navigate the maze of overlapping central and state laws and notifications.

## (XI) POSH Investigation & Representation on Committee

As per provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, we can assist with;

(i) Constitution of a PoSH committee;

(ii) Filing of annual reports and disclosures;

(iii) Appointment of committee members;

(iv) Developing and implementing an efficient PoSH policy; and other relevant provisions pertaining to the Act.

(v) Training on applicable labour laws to help strengthen skills set and create development programs that bring all employee to a higher level of understanding of policies, acceptance of procedures and effective adherence to compliance requirements.

## (Xii) Third Party Audits On Labour Laws

With the technology at an all new high, it is essential for third party assessments to be technologically driven to automate processes, report generation, analyse data that the third party assessment activities generate and track overall improvements. Constituting an automated assessment platform shall help increase efficiency along with productivity, reduce overall cost of and enable efficient monitoring of ongoing activities, including third-party risks and compliance through a centralized platform. This process is also beneficial in providing a consistent client user experience and reduces human errors.

## (XIII) Advisory & Training and Certification on Diversity, Equality & Inclusivity

DE&I (POSH Included): Earlier, labour laws primarily affected the manufacturing sector and even enforcement was often lax. However, with the major development and expansion of the service sector, including the IT industry, are heavily impacted with laws such as the anti-sexual harassment law, maternity benefits amendment, whistleblower law, anti-bribery law, data protection law, etc.

Just as understanding policies, procedure, compliances, contracts, etc are critical aspects of a corporate work environment. It is equally essential to be well aware of the labour laws in place that are required to be complied with by both the employer and the employee. As a matter of fact, there are several labour laws prescribing imprisonment of senior-level managers and directors for violation. Similarly, improperly conducting termination proceedings can lead to expensive legal damages, compensation and even

adverse reputational consequences. Therefore, having a robust training and awareness program is important. Moreover, there must be a well-structured framework that outlines the law, the purpose and procedure behind the same and the consequences that follow with non-compliance of the same.

## (XIV) Assessment of Contractor related Compliance

(i) It is important to establish procedures to enable efficient monitoring and measuring effectiveness of the management programme and assess the compliance with legal/contractual obligations and regulatory requirements. In order to carry out this function with ease, you need to retain qualified experts to help assist in verifying the monitoring information.

(ii) Conduct inspections and audits to verify compliances and progress towards the desired outcomes.

## (XV) Procurement of Registrations & Licenses as per Labour Laws

For any industry or business, it is imperative to follow the requisite procedures, policies and laws governing the working conditions of the same. The registrations and licenses as prescribed under various laws are required to be obtained in a timely fashion in order to carry out the business in a fully compliant and legal manner. We assist with the following:

(i) Procure the relevant factory license under the Factories Act, 1948;

(ii) Obtain registration number of principal Employer under Shops & Establishment Act;

(iii) Obtain the E.S.I. code number under Employees State Insurance Act, 1948;

(iv) Seek approval & Drafting of standing order under the Standing Order Act;

(v) Obtain the Pollution N.O.C. form; and so on.

## (XVI) Record Retention & Data Privacy Issues

Data retention pertains to the collection and

retention of every piece of information via the internet. The internet privacy encompasses a wide range of issues and topics, which are understood as privacy rights that an individual has online with respect to their data, and violations of the same that take place online. Some of the reasonable security measures to ensure data privacy includes;

(i) Following the International Standards such as ISO / IEC 27001;

(ii) Ensure audit and relevant regulatory assessments in a timely manner;

(iii) Provide adequate training on the manner of consent to collect personal data;

(iv) Draft policies as per industry best practices on both domestic and international levels.

## (XVII) Retaliation Actions & Grievances

It is imperative to address grievances and appropriately respond and promptly undertake required action. Demonstrating empathy paves the way for more productive work relationships and therefore, it is essential that the individual dealing with the grievance mechanism and in charge of retaliation action must undertake sensitization training to be made aware of and deal with complaints and other concerns including;

(i) Obligations under CA 2013, SEBI - LODR & Other Laws

(ii) The Fiduciary Responsibilities

(iii) Roles & Responsibilities of the Board

(iv) Conflict of Interest

(v) Related Party Transactions

(vi) Documentation

(vii) Penalties/penal consequences for non-compliance under the CA 2013 & other laws.

## (XVIII) Minimum Wage & Working Hours Advisory

We facilitate advisory on integrating automated compliance mechanisms that can help measure

the rights and interests of both the employer and the employee. Our services extend to providing legal awareness and training sessions on topics including the basic background and detailed analysis of the latest labour Codes and further provide the relevant information and expertise to link the training with the internal compliance practices. Our comprehensive assessment framework is designed taking into account the following legal statutes\*; (Please note, the minimum wages and working hours assessments are conducted keeping in mind industry specifications as well as the relevant State laws);

- (i) Industrial Relations Code 2020\*\*
- (ii) Code on Social Security 2020\*\*
- (iii) Code on Wages, 2019\*\*
- (iv) Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
- (v) Equal Remuneration Act, 1976
- (vi) The Factories Act, 1948
- (vii) The Protection of Human Rights Act, 1993
- (viii) The Maternity Benefit Act, 1961
- (ix) The Persons with Disabilities (Equal Opportunities Protection of Rights and Full Participation) Act, 1995
- (x) Public Liability Insurance Act, 1991

\*the list of legal statutes is industry specific and curated as per the requirements of the company

\*\*The new Code though notified under the official gazette, it is yet pending appropriate State Rules and not been implemented as on 27.04.2021.

### **Our services extend to;**

- (i) Advisory on incorporating an automated compliance mechanism;
- (ii) Facilitate a training workshop on topics including the basic background and detailed analysis of the Code of Wages and further provide the relevant information and expertise to link the training with the internal compliance practices.

## **(XIX) OHS (Occupational & Health Safety) Investigations & Litigation**

The new Code though notified under the official gazette, it is yet pending appropriate State Rules. The Code has been formulated by repealing 13 Central labour laws, which have been collated under the Code to regulate the workplace safety of employees in addition to regulation of the employment of workers. The Code is formulated for the benefit and welfare of both the employer and employee and is created in a way that rather than being sector specific, it provides for regulations on the basis of the industry. As part of the revised framework, our services range from facilitating awareness sessions to ensuring adequate health and safety measures are duly incorporated as per the legal provisions.

## **(XX) KMP Insurance Advisory**

The Indian law provides for provisions pertaining to Key Managerial Personnel under the Companies Act, 2013, which is further read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Some of the important compliances that we administer include;

- (i) Proper appointment along with the relevant form;
- (ii) Holding of office, role and responsibilities;
- (iii) Maintaining a register;
- (iv) Ensure the KMP is prohibited from making forward dealings and insider trading in securities of the company; and such other provisions

## **(XXI) Other Insurance Advisory**

We advise clients on various aspects pertaining to regulation of the activities of SEBI Investment Advisors Regulations, 2013. All the reporting requirements are monitored by SEBI, who has further it mandatory for listed companies to disclose all the material impact of COVID - 19, under the SEBI LODR Regulations 2015 (Listing Obligations and Disclosure Requirements). Our services extend to advising and negotiating joint ventures in various sectors, strengthen the vast ambit of corporate work including private equity investments, handling IPOs and so on.

## (XXII) Privacy Issues at the Workplace

With reference to privacy of personal data and information, it is important to have strict policy and mechanisms in place to ensure adequate protection of data. We have structured a comprehensive assessment mechanism that helps create awareness on invasion of employee privacy, keeping employees up-to-date with latest surveillance or other technology developments within the organization, ensuring employee information is dealt with in an utmost confidential manner, protection of employee's medical and drug testing data and so on.

## (XXIII) Advisory and Review of Restrictive Covenants

A restrictive covenants clause is one that limits an employee from seeking placement for a certain time period pursuant to leaving the previous business/ organization. The provisions for such a clause is covered under the Indian Contract Act, 1872. We assist in finding a middle ground whereby the interests of all parties involved are rightly protected.

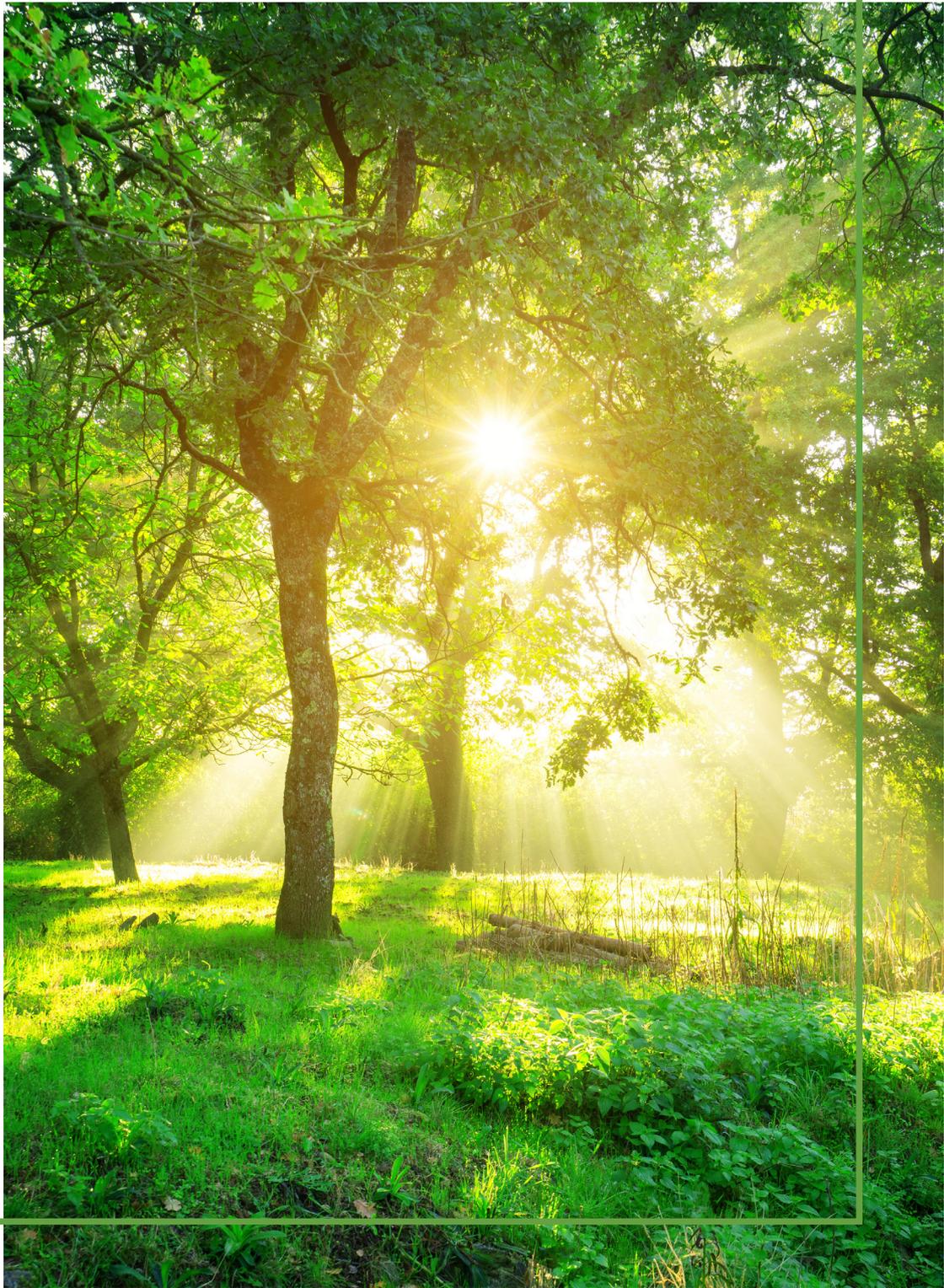
## (XXIV) Trade Secret Protection

One of the biggest challenges for businesses today is the protection of confidential data. The

idea is to safeguard the information that is often disclosed while entering into agreements, client databases, etc.

This can be achieved through

- (i) imposing heavy penal provisions including imprisonment and monetary compensation in case of breach of confidential information;
- (ii) Ensure procedural safeguard during litigation;
- (iii) Help label the information to be protected as "confidential", so that employees are aware that they are dealing with sensitive business information;
- (iv) Enter into non-disclosure agreements with any third parties with which commercial business information is shared.



# OWNERSHIP OF NATURAL ASSETS

## Overview

More private organizations & individuals are owning natural assets. Our ESG Practice helps such owners to abide by laws and responsibly run the operations at the acquired site.

### (I) Negative Screening

The process of searching for negative news pertaining to a person or business. With the extensive pool of data, more often than not, the amount of information that can be checked is being outpaced by what should be checked. In order to conduct an adequate screening process, it is essential to have in place a well-defined screening mechanism which can better mitigate risks and help make more informed decisions. The purpose is to figure out the authenticity and integrity of an unknown party you may be entering into business with.

### (II) Advisory & Transaction support on Acquisition of such Natural Assets as per Existing Laws

As per UN findings, two-thirds of the world's GDP, directly or indirectly, relates to the world's ecosystems and biodiversity.

### (III) DE&I for the Workforce to be Deployed

Numerous research demonstrates DE&I as a key differential factor driving innovation, growth and empowerment to businesses across sectors. The objective now is to amplify the voices and promote a culture of belongingness.

- (i) Develop long-term DE&I strategies and initiatives by setting timelines and measurable objectives
- (ii) Implement activities and programs across verticals
- (iii) Create a framework that ensures that the workplace reflects diversity and encourages industry collaboration towards finding solutions to the DE&I challenges

### (IV) Rights of Indigenous People

- (i) Identify individuals and groups directly and

differentially affected by the project because of their disadvantaged or vulnerable status and implement differentiated measures to ensure they are not disproportionately impacted or disadvantaged in terms of benefits and opportunities

- (ii) Establish management programmes that describe mitigation and performance improvement measures and actions that address the identified risks and impacts

### (V) Shareholder Democracy Advisory

It is the ability of the shareholder to influence policies, governance mechanisms, functions and operations of an organization, either directly or via the Board or senior management.

Some of the legal statutes taken into account during shareholders advisory are;

- (i) Companies Act, 2013
- (ii) SEBI (LODR) Regulations, 2015
- (iii) Insolvency and Bankruptcy Code, 2016
- (iv) Securitization & Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002
- (v) Foreign Exchange Management Act, 1999 (FEMA)

### (VI) Climate Change Impacts as per Country's Law and Global Conventions

Companies across the globe are now focusing on curbing deforestation and boosting the use of renewable energy resources. India is the world's 3rd largest emitter of greenhouse gases. However, the nation is secured under the Kyoto Protocol which permits developing nations like India to earn credits for implementing emission reducing projects. Furthermore, the National Clean Energy Fund (NCEF) has been created with the intention to fund R&D on innovative projects around clean energy technologies of public sector or private sector entities. Under the given scheme, funding can be claimed for up-to 40% of the total project cost. Our services are aimed at providing assistance to help;

(i) Develop an independent review process that ensures the scientific rigor of the assessment;

(ii) Provide fundamental scientific information regarding potential consequences of climate change.

(VII) ASIS Assessment of the components above on starting of the mandate. AS-IS

(VIII) Recommendations for legal risk mitigation

(IX) Roadmap for 1-3-5-10 year outlook on ESG Journey

(X) Climate change impacts as per country's laws and global conventions

(XI) Continuous periodic audits and reporting to the board and the senior management

(XII) Managed services for ADR & Litigation on any issues



# APPENDIX

# Annexure 1

## Environmental and Social Clauses for Legal Contracts & Agreements in line with ESG Principles

Some of the key elements that may be incorporated in agreements and contracts which are in line with and support the principle of EHS investment;

- Providing technical standards and specifications such as soundproof generators and accessories that will be compliant with environmental, health and safety standards. For instance - Electrical safety, noise silencers, exhaust filters, emission/reduction exhaust systems, which include, flexible sections, condensate drains, muffler-silencer, weather caps and all necessary filters.
- Categorically outlining the implementation of safety measures such as inspection of existing connections to reduce the risk of injury to workers, providing safety training to all workers as well as appropriate safety equipment; following all safety measures when lifting the generator contained inside metal container by disconnecting the cables, moving the old generator and container to a safe store place within the same area identified by the Health Centers administration; and so on.
- Incorporate standardized environmental and social clauses in tender documentation and contract documents, so that potential contractors are aware of environmental and social performance requirements expected from them, are able to reflect that in their bids, and required to implement the clauses for the duration of the contract.
- It is crucial for the clauses to cover the following aspects;
  - Environment, Health and Safety (EHS)
  - Environmental and social monitoring and liabilities
  - Effective grievance mechanism
  - Mandatory and regular training for workforce
  - Awareness drive among workers about national laws pertaining to sexual harassment and gender-based violence being a grave and punishable offence which amounts to legal action against the offender
  - Imbibing the code of conduct as part of the employment contract, specifying non-compliance to lead to severe action including termination
- Incorporate the practice of minimizing nuisance from noise, must agree with the municipality about arrangements for waste disposal and to take measures to avoid soil and groundwater contamination by liquid waste.
- Avoid loss of trees and damage to other vegetation wherever possible. Adverse effects on green cover within or in the vicinity of the business site shall be minimized.
- Guidelines pertaining to requirements for compliance with national environmental, social regulations, international standards and periodic reporting on environmental & social performance.

# Annexure 2

## Sample Outline/ Index for Due Diligence

1. Company Highlights
  - 1.1. Basic Information
  - 1.2. KYC Information
  - 1.3. Corporate Information
2. Financial Highlights
3. Schedules breakup
  - 3.1. Principal Products & Services
4. Ownership Details
5. Borrowings & Charges
  - 5.1. Borrowings Summary
  - 5.2. Company Charges
6. Credit Ratings & Defaults
  - 6.1. Credit Ratings-More than 12 Months
7. Financial Statements
  - 7.1. Profit & Loss Statement
  - 7.2. Balance Sheet
  - 7.3. Cash Flow Statement

8. Ratio Analysis
9. Schedules Breakup
  - 9.1. Revenue From Operations
  - 9.2. Finance Cost
  - 9.3. Other Expenses
  - 9.4. Borrowings
  - 9.5. Loans & Advances
  - 9.6. Debtor Analysis
  - 9.7. Equity Share Capital - Reconciliation
10. Auditors Details
  - 10.1. Auditors Details
  - 10.2. Auditors Report
11. Directors Details
  - 11.1. Current Directors
12. Establishments & Employees
  - 12.1. Establishment
  - 12.2. Employees Trend
13. Charge Sheet Report
  - 13.1. Bank-wise Open Charges
  - 13.2. Company Charges
14. Directors Information
15. Current Shareholders List
16. Litigation Search
17. Third Party Collateral Funding

## Annexure 3

### Sample Outline of a Compliance Assessment/ Compliance Audit in line with ESG Principles

1. Compliance modification/ changes over the years
2. Compliance Evaluation – Assessment and Management of Environmental and Social Risks and Impacts
3. Compliance Evaluation – Stakeholder Engagement and Development
4. Compliance Evaluation – Labour and Working Conditions
5. Compliance Evaluation – Resource Efficiency and Pollution Prevention
6. Compliance Evaluation – Community Health,

Safety, and Security

7. Management Planning Engagement Activities
8. Compliance Evaluation – Land Acquisition and Involuntary Resettlement
9. Compliance Evaluation – Biodiversity Conservation and Sustainable Management of Living Natural Resources
10. Compliance Evaluation – Cultural Heritage
11. Compliance Evaluation – Equator Principles
12. Compliance Evaluation – Gender and Development Policy Assessment
13. Compliance Evaluation – Incorporation of Social Dimensions into Business Operations
14. Assessment of Public Communications Policy

## Annexure 4

### Pollution Assessments

1. Monitoring of potential impacts to Cultural Heritage and a watching brief for works being undertaken outside of past detailed heritage surveys
2. Ensure that applicable legal, Operator and PSA requirements and expectations are addressed
3. Assessment of the environmental and social impacts through a systematic process applied for all project components
4. Assess and review the potential accidental events that could possibly occur
5. Providing a framework for the implementation of environmental management programs
6. Conduct a process of environmental, social assessment, establish and maintain an Environmental & Social Management System
7. Establish an overarching, stand-alone, project-specific policy, which defines Environment & Social objectives and principles that guide the project to achieve sound E&S performance

## Annexure 5

## We offer a pool of 400+ policies, some of which include;

1. Sexual Harassment Policy
2. Related Third Party Transaction Policy
3. Internal Disclosure Certification Process Policy
4. Code of Business Conduct Policy
5. Contingent Liabilities Policy
6. Policy and Practice Development Policy
7. Inventory Policy
8. Fraud Response Policy
9. Social Media Policy
10. Signature and Authorization Policy
11. Acquisition Policy
12. Compliance with Security Laws Policy
13. Corporate Governance Policy: Board Committee
14. Corporate Governance Policy: Shareholder Meeting
15. Emergency Policies and Procedures Manual
16. Finance Code of Conduct Policy
17. Implementation and Application of New Accounting Standards Policy
18. Cash Handling Policy
19. Rebate Policy
20. Data Management: Data Backup and Storage Policy
21. Conflict of Interest Policy
22. Corporate Image and Communication Standards Policy
23. Trading and Commodity Risk Management Policy
24. Whistleblower Policy
25. Dispute Resolution Policy
26. Workplace Violence Policy
27. Contracts and Project Approval Policy
28. Corporate Website Policy
29. Relationship with External Auditor Policy
30. Equity Grant Policy and many more..

# Sample Risk Management Policy

## Purpose

The following sample outlines a set of policies and procedures for structuring risk management activities such that risks are identified, assessed, managed, monitored and reported in a uniform manner.

## Scope

To ensure effective risk management, all divisions within the company will implement and maintain the risk management framework.

## Policy

The company recognizes that risks are associated with achieving our value-based objectives. Managing these risks forms an essential part of our business. The aim of risk management within this company is to provide reasonable assurance that we understand the risks associated with achieving our business objectives and that we are responding appropriately to these risks at all levels within our organization. This is achieved by ensuring the following at all times:

- Risks are properly identified, assessed, managed and reported.
- Risk ownership is taken and communicated.
- Resources are effectively and efficiently allocated to manage risks.
- Risks that could significantly affect our employees, the company, our suppliers or our clients are suitably managed.
- Regulatory and legal requirements are followed by the company.

## Procedures

### Risk Management Framework

Essential elements of the risk management framework are as follows:

- This risk management policy
- A uniform risk management process
- A common risk terminology/language
- Clear responsibilities and accountabilities for risk management
- A management review of risk exposure and a risk reporting process
- Provision of annual assurance, including the letter of representation
- Common tools and methodologies to support the risk management process

## Risk Management Responsibilities

The management of risks is an integral part of everyday business and management practice. This policy does not change management's inherent responsibility to manage risks but formalizes it. It is the responsibility of all management to achieve the following goals:

- Identify potential business risks.
- Assess these risks.
- Create awareness of these risks.
- Correctly respond to and manage these risks.
- Proactively balance risk, reward and controls.
- Monitor the risks.
- Report on these risks and the risk profile annually.

## Risk Management Levels

The company approach to risk management is founded on managing risks at three levels within the organization:

### Business Unit

The day-to-day management activities provide reasonable assurance that the main tactical and operational risks arising from business operations are identified, assessed, managed and monitored.

### Division

Reasonable assurance of the following are provided:

- Strategic risks are identified, assessed, managed and monitored.
- The division complies with corporate risk management standards.
- Decision making and responsiveness to internal and external risks improve by utilizing structured risk management.

## Corporate

Support functions at corporate head office (e.g., finance, treasury, legal, HR, quality, security and CHO) provide expert support to our businesses in managing risks addressing specialist risk areas within their field of expertise.

level of risk is aligned with the potential business rewards. Management will regularly review risk exposures against current business-risk level tolerances. The company is risk-averse with respect to risks that could cause the following;

- The safety of our employees is negatively affected
- The company's reputation is negatively impacted
- Laws and regulations are eventually administered and enforced
- The future existence of the company is endangered

## Risk Tolerances

To achieve its business objectives, the company recognizes that it will take on certain business risks. The company aims to take business risks in an informed and proactive manner such that the





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