

PGDM 2019-21  
Responsible Business  
DM-111

Trimester – I, End-Term Examination: September 2019

Time allowed: 2 Hrs 30 Min  
Max Marks: 50

Roll No: \_\_\_\_\_

**Instruction:** Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. All other instructions on the reverse of Admit Card should be followed meticulously.

**Section A: 30 Marks**

**Q1.** Organisations can shape themselves into Responsible Businesses by -transforming their supply chains, addressing climate change, promoting diversity and rooting out ethical ills. In light of this statement, briefly explain the desirable actions by an organisation that have been highlighted here. You may take examples to illustrate your answer. (CILO1, 2, 4)

OR

**Q1\*** Describe the salient features of the concept of "Pyramid of CSR" propounded by Archie B Carroll; describe its significance for the companies in designing their CSR strategy. What are some of the ethical problems that the model may be pointing towards, give examples. (CILO 1,2&4)

**Q2.** The Provisions of the section 135 under the revised Companies Act detail a blue-print for carrying out CSR by companies. Elaborate upon this by commenting on some of the important features such as –criteria applicable on companies to qualify for the Act; the role of the Board and the CSR Committee; Implementing Agency; Schedule VII, Penalty provision under the Act and Reporting. (CILO 3)

**Q3.** The Paris Agreement, 2015 and the Sustainable Development Goals 2030 envision a more prosperous, peaceful, equitable and inclusive world. What are the salient features of each of these treatise? How would they ensure a world that is stated in the question? (CILO 2 &4)  
OR

**Q3\*** Describe the principles of UN Global Compact and its role in advancing the agenda of Responsible Business. (CILO 2&4)



## Section B: Case Study (20 marks)

Fashion brand H&M has become the first major retailer to list individual supplier details for each garment on its website to increase transparency in an industry with high risks of slavery and labour abuses.

The Sweden-based multinational's move was hailed by workers' rights groups who said it was a step forward, but added that the data may not be particularly meaningful to shoppers without additional information to put it into context.



### **H&M accused of failing to ensure fair wages for global factory workers**

"This is innovative and good," Anna Bryher advocacy director at Britain's Labour behind the Label, which campaigns for garment workers' rights, told the Thomson Reuters Foundation.

"Maybe H&M need to think a bit more about how to make that information live and useful to consumers - adding information for example about wages paid at suppliers and comparing that to the living wage benchmarks or their promises on living wages."

A growing number of big brands, from sportswear giant Adidas to fashion retailer ASOS, are sharing information about their complex supply chains amid mounting regulatory and consumer pressure on companies to ensure their products are slavery-free.

However H&M is the first major fashion chain to list supplier details for each individual garment.

Online shoppers can see where clothing was made, including the production country, supplier and factory names and addresses as well as the number of factory workers.

The brand's app can be used to access the same data for clothing in stores by scanning an item's label.

By being open and transparent about where our products are made we hope to set the bar for our industry and encourage customers to make more sustainable choices.

Customers can also see information about the material used in clothing, although H&M does not list specific sourcing details for raw materials.

"We want to show the world that this is possible," Isak Roth, the head of sustainability at H&M, said in a statement.

"By being open and transparent about where our products are made we hope to set the bar for our industry and encourage customers to make more sustainable choices."

This week marks six years since Bangladesh's Rana Plaza factory collapsed, in a disaster that killed about 1,100 people and increased awareness of the risks faced by many garment workers.

A British parliamentary report last year found the country's fashion industry was exploitative and unsustainable, urging big brands to do more to tackle labour abuse and waste.

Source: <https://www.eco-business.com/ebcircle/>

## Questions

Q1. What are the issues of supply chain that the case above presents? What are the significant ways in which these issues can be addressed? (CILO 1, 2 &4)

Q2. The UN Guiding Principles on Business and Human Rights detail responsible business behaviour with respect to Labour. Explain. (CILO 1, 2 &4)

**End of the Question Paper**