



SafetyNiti 2023

Three years of tracking India's top 10 auto sector brands' OSH
Policies for their supply chain: Gaps, Opportunities, Best Practices, Solutions



A Safe in India Foundation's Report

Dedicated to



Vinay Dixit

**A true friend, supporter and a thought
leader of Safe in India Foundation.
His enthusiasm and energy will live on forever.**

7th March 1968 to 28th June 2023



मध्याह्न लै टपादा

उशंभं ही और फरिदा

सुनवाई नहीं होती है।

नैतिकता और भावनात्मकता

को ध्यान में रखना है।

SafetyNiti 2023

**Three years of tracking India's top 10 auto sector brands' OSH
Policies for their supply chain: Gaps, Opportunities, Best Practices, Solutions**



A Safe in India Foundation's Report



शोक इन इंडिया काउन्सिल
 गैस ऑफ बलिकपुर
 15 JANUARY 2022
 शोक

Foreword

Message from 12 injured workers to the auto sector brands

Respected Auto Sector brands

Warm Greetings.

Thank you for taking the time to read this letter. As workers¹, we all contribute to your products, and it is with deep anguish that we share our common experience of being victims of accidents at your suppliers' factories, resulting in the loss of our fingers.

There are many factors that have resulted in the accidents in your suppliers' factories:

1. During factory audits, the audit officers primarily interact with the office staff and supervisors, neglecting to engage with us, who are working on the shopfloor or on the premises.
2. The machines are not being adequately maintained.
3. There is a lack of proper safety measures in place.
4. The production target is reduced during the audits, but once the audit officer departs, it is promptly increased again.
5. Despite our repeated demands, we are not provided with ESIC (Employee State Insurance Corporation) cards on time.
6. When an accident occurs while working, we are fired from our jobs. Subsequently, finding new jobs elsewhere becomes nearly impossible due to our injuries/disability.
7. The provision of safety equipment is inadequate and so we do not have sufficient protection during work.
8. Even the helpers are forced to work on power press and pedal press machines, and if they refuse to do so, they face termination from their jobs.
9. We are not given any formal training on how to operate the machines.
10. Whenever we try to discuss our problems with the supervisor, they respond by firing us instead of addressing the issues.
11. The absence of machine maintenance staff results in a lack of proper maintenance for the machines.

We hope you listen to our following suggestions:

1. During the audit process, it is essential for the auditors to interact directly with us, the workers, and enquire about our concerns and problems.
2. It is crucial to ensure proper and regular maintenance of the machines.
3. The factory should be equipped with comprehensive safety measures and equipment to ensure a secure working environment for all employees.
4. There should be no (undue) pressure to meet production targets, especially if the equipment needs maintenance breaks.
5. We should receive our ESIC cards promptly and without delays to avail the benefits for ourselves and our families, that we are entitled to.
6. We should not face termination from our jobs after meeting with an accident. Instead, we should be provided with guaranteed employment and necessary support during our recovery and rehabilitation.
7. We should be provided with all the necessary safety equipment, which should be of high quality to ensure their well-being and prevent accidents and injuries in the workplace.
8. Helpers should not be forced to operate power-press machines.
9. We should receive proper (formal) training before operating any machinery.

¹ The workers' letter in Hindi has been translated into English by Safe in India Foundation. It is written by workers assisted by SII, Pune WAC.




10. The factory owners should resolve workers' complaints.
11. There should always be maintenance staff present in the factory.
12. Each power press machine should be equipped with a sensor.

We hope that you take our problems and suggestions seriously into consideration.

Thank you

Your Workers

Name of the worker	Post	Type of injury	Type of machine	OEM	Signature of the worker
Sanjeet Kumar	Operator	Left hand 3 fingers lost	Power press	MAHINDRA	<i>Sanjeet Kumar</i>
Vijay Daundkar	Helper	Left hand 4 finger lost	Power press	MAHINDRA, TATA	<i>Vijay Daundkar</i>
Ram Singh Parihar	Operator	Left hand 1 finger lost	Power press	TATA, KIRLOSKAR OIL ENGINES	<i>Ram Singh</i>
Anil Kumar Das	Operator	Head fractured	Electric Spark	TATA	<i>Anil Kumar Das</i>
Raju Rana	Operator	Left hand 3 fingers lost	Power press	MAHINDRA, POLYCAB	<i>Raju Rana</i>
Mahanada	Operator	Left hand 1 finger lost	Power press	MAHINDRA, TATA	<i>M S, H,</i>
Rajrani Gupta	Helper	Left hand 3 fingers lost	Power press	MAHINDRA	<i>राजराणी गुप्ता</i>
Arvind Misal	Operator	Left hand 3 fingers lost	Power press	ROYAL ENFIELD	<i>अरविंद मिसल</i>
Ramchandra Mahadev Patil	Operator	Left hand 2 fingers lost	Power press	MAHINDRA, TATA	<i>रामचंद्र म. पाटील</i>
Rajnish Kumar	Operator	Left hand 2 fingers lost	Power press	MAHINDRA, TATA	<i>राजनिश कुमार</i>
Rajkumar	Helper	Right hand 3 fingers lost	Power press	TATA, MAHINDRA, SUZUKI	
Akhe Kumar Jena	Helper	Right hand palm lost	Power press	TATA, MAHINDRA	

दिनांक - 20/09/2023

माननीय, मूल और उपकरण निर्माताओं,

संश्लेषण नमस्कार, हम सभी चिन्तक करते हैं कि आप अपने कर्मियों के साथ निरंतर उस पत्र को पढ़ रहे हैं। उस पत्र के माध्यम से हम आपसे प्रतिक्रिया और संवेदनशीलता के साथ बातचीत करना चाहते हैं।

हम सभी शर्मिंदार हैं और आपके अधिक सख्त वेन के आगे निरंतर और पारदर्शक बनते हैं। उन और पहिले के कठोर समय का सभी दुर्घटना के घिनोर हो चुके हैं (आपका हमने हमारे ही दुर्घटनाओं का मुक्ति है।)

हमारी फैक्ट्री में ही रही दुर्घटनाओं के मुख्य कारण निम्न हैं, जिस पर हम आपका ध्यान लाना चाहते हैं - हमारी समस्याएं:-

1. जब ऑपरेटर को ऑपरेट करने के लिए आदेश दिए जाते हैं तो वह केवल ऑपरेटर के और सुपरवाइजर से मिलकर मिलकर जाते हैं। किसी भी बर्कट से धक्का नहीं करते हैं।
2. मशीन को स्टार्ट नहीं होता है।
3. सेफ्टी की सुविधा नहीं है।
4. जब ऑपरेटर अलग से प्रोटेक्शन गैजेट्स का उपयोग करते हैं और जब ऑपरेट करते हैं तो प्रोटेक्शन गैजेट्स फिर से बंद देते हैं।
5. हमें ESI का कोई भी नतीजा नहीं मिल पाया है।
6. हमें जोल्डिंग के बाद काम से निष्काशन दिया जाता है। फिट होने की ओर काम नहीं मिलता है।
7. हमें सेफ्टी के उपकरण भी नहीं दिए जाते हैं।
8. टेबल से भी पावर प्रेस और प्रेस मशीन चलाने के बजाए मशीन नहीं चलाने पर काम से निष्काशन की चपक देते हैं।
9. हमें मशीन चलाने की ट्रेनिंग नहीं मिलती है।
10. हम जब फैक्ट्री मॉनिटरिंग के अर्थ में चलाते हैं तो फैक्ट्री मॉनिटरिंग हमें काम से निष्काशन देते हैं।
11. मशीन के स्टॉप स्टॉप की कमी रहती है। इसलिए मशीन का स्टॉप नहीं रहता है।

हमारी समस्याओं के समाधान के लिए हमारे सुझाव निम्न हैं -

हमारे सुझाव:-

1. जब फैक्ट्री में ऑपरेटिंग हो तो ऑपरेटिंग वाले कर्मियों से भी मिले स्वं काम सम्पन्न है। इस बारे में भी बर्कट से पूछें।
2. मशीन का स्टॉप करके से स्टॉप करना चाहिए।
3. फैक्ट्री में सेफ्टी की स्टॉप सुविधा होनी चाहिए।
4. प्रोटेक्शन का प्रेस नहीं होना चाहिए।
5. हमें हमारा ESI काई समय से मिल जाना चाहिए।
6. जोल्डिंग के बाद बर्कट का काम से नहीं (निलाना चाहिए, हमें रोजगार की गारन्टी मिलनी चाहिए।
7. फैक्ट्री में बर्कट के सेफ्टी का प्रेशा समाप्त अचकी क्वान्टिटी का मिलना चाहिए।
8. टेबल से प्रेशा मशीन नहीं चलाना चाहिए।
9. हमें मशीन चलाने की स्टॉप ट्रेनिंग मिलनी चाहिए।
10. फैक्ट्री मॉनिटरिंग के बर्कट में समाप्त क्वान्टिटी पर अका समाधान होना चाहिए।
11. फैक्ट्री में स्टॉप स्टॉप का स्टॉप हमें मॉनिटर होना चाहिए।
12. हर प्रेशा मशीन पर प्रेशा लगा होना चाहिए।

हम सभी शर्मिंदार करते हैं कि हमारे साथ कमी गमी समाधानों और सुझावों पर आप सभी पर ध्यान देंगे। धन्यवाद ॥

॥ आपके शर्मिंदार ॥

Letter from the CEO

CIN: U74999HR2017NPL070537

Safe in India Foundation



Will ESG deliver supply chain sustainability? Does it measure and report on the real changes on the ground that must follow an improvement in policies on paper?

In a recent initiative, 30 Tier 2 suppliers were audited under our Haryana State ISH-Maruti-Honda-Hero-SII platform, and c.80% of the suppliers failed their safety audit.

So, the question here is simple: Is the current ESG process ensuring improvements in 'S' of ESG? Are these auto-sector brands and their boards, creating mechanisms for real impact in the supply chain? Are they listening to workers who are affected by these policies and work environments? (Please do see the Foreword by injured workers for this report).

I fear there lies the danger of ESG reporting and not real change becoming the focus.

Since 2021, we have been studying the published OSH policies of the top 10 Auto Sector companies in India, to assess if they ensure safe working conditions for the workers and prevent them from, at the least, losing their fingers (not counting the more serious accidents and injuries that we have not begun to track) through the supply chain.

It is heartening to report that 7 of the top 10 have now declared their OSH policies in the public domain covering much ground since our last report; but over a 1000 workers have lost their fingers in this sector in the interim too. So, clearly, the need is for stronger measures like the management/boards discussing safety audits, accidents and injuries, more frequently, and defining concrete actions to improve safety down the line.

Through this report, we highlight these gaps and the best practices and hope it helps the sector soar while ensuring a safe environment for the workers. CRUSHED2023, due in Nov23, will report the latest data on accidents in the auto sector's supply chain in multiple hubs in the country. Both, we hope serve as mirrors and help advance these changes.

We are thankful to SIAM, ACMA and Bajaj, Maruti-Suzuki, Honda, Tata Motors, Hero, Eicher and Hyundai for engaging with us. Three others (Mahindra, Ashok Leyland and TVS) have not begun engaging with us, which is a shame, but we will keep trying.

This report is a labour of love and commitment from our team – specifically, Shailja Tiwari and Dhanraj Balakrishna, who have co-authored it under the guidance of Chitra Khanna, and support from Masab Shamsi, Amitesh Kumar, Manjeet Singh and their on the ground teams, and Hari Varma ji. Our advisors have always provided us much needed critical feedback.

Please do join hands to save hands. We would love to work with any non-commercial partners in this mission.

Sandeep Sachdeva

Co-Founder & CEO

On behalf of Team Safe in India

31st July 2023



Sharp spike in number of accidents in India's automotive supply chain in fiscal 2022 as factory output rises

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Ashok Kumar

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Auto > Auto News > Auto industry lacks policies to ensure worker safety throughout the supply chain: Report

Auto industry lacks policies to ensure worker safety throughout the supply chain: Report

Haliawala, ET Bureau · Last Updated: Jul 09, 2021, 05:34 PM IST

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Trapped in the shadows:

Unsafe workplaces, employer apathy, and lack of social security for thousands of workers in the auto-sector supply chain



Shrinibas Akshit, 36, from Odisha, India, used to work as a door-to-door salesperson of Odia handwoven sarees. Covid19 and the subsequent lockdowns, ended his business. In December 2020, he came to Pune in search of employment and started working as a helper at an auto component manufacturing parts factory, which served primarily TATA Motors and within a year, he had lost three fingers of his right hand.

Shrinibas had learnt to operate the "TROUB machine" by only observing and practising, without any formal training. On December 7, 2021, he went to work the 8am-8pm shift. Around 1:30 pm, his hand got stuck inside the machine due to a malfunction, causing three fingers on his right hand to get permanently damaged. There were no sensors in the machine. After the injury, the factory personnel took him immediately to a private hospital, and not the ESIC Hospital, for emergency treatment.

The factory owner told Shrinibas that his entire treatment would be done at the same private hospital, and the factory would bear all the expenses. He also said, "If anyone asks when the injury occurred, tell them it happened on December 8, 2021, at 8:15 am (a day later than the actual day of the accident). This way, you will be eligible for ESIC (Employees State Insurance Corporation) pension. Don't say anything else".

This was because his employer planned to register him in the ESIC Scheme on the same day i.e. December 7th, after the accident had occurred, having not registered him on employing him, as mandated. This is not just his story, many employers in the supply chain do not register their workers with ESIC in order to save their contribution, and when the accidents happen, they then hastily do the formalities.

The factory owner had one of his own men accompany him to the ESIC branch office, ensuring he wouldn't say anything to the contrary. However, when Shrinibas went to submit his first 'Medical Certificate' at the ESIC branch office, he received an E-Pehchan card (TIC) that was issued after the injury. When the ESIC manager asked him about the time of injury, when the injury occurred. In a state of panic, Shrinibas told him the truth and said it happened on December 7, 2021.

When the factory owner got to know about it, he scolded Shrinivas, attempted to physically assault him, and warned him to never visit the ESIC branch office again, else he would face severe consequences including termination.

Frightened, Shrinibas stopped going to the ESIC office, and has not received his full dues from ESIC until now. However, in May 2023, he contacted SII after hearing of his injured colleague's ESIC compensation received with SII's assistance, and shared his entire story during a worker support group meeting at SII.

The next day, an SII team-member accompanied Shrinibas to ESIC, where it was discovered that his case had been rejected because the factory owner had submitted wrong documents to ESIC. SII appealed to ESIC for a reinvestigation and his case has since been reopened. SII will follow up and try and ensure that Shrinibas Akshit receives his rightful benefits, which could include a life time pension (ESIC PDB).

Why did the accident happen in the first place? Why did the factory owner wilfully not register workers on employing them, resulting in difficulties in accessing the social security legally promised by the government of India?

There are thousands of Shrinibas Akshits across India who deserve better.



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पेमा राजनी
मिहिन नगर
पुणे-१६
विभाग वृद्ध पत्रक

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Abbreviations and Acronyms

A

ACMA	Automotive Component Manufacturers Association
AIAG	Automotive Industry Action Group
AR	Annual Report

B

BAVA	Bajaj Auto Vendor Association
BIS	Bureau of Indian Standards
BRR	Business Responsibility Report
BRSR	Business Responsibility and Sustainability Report
BSE	Now known as BSE Limited, formerly Bombay Stock Exchange

C

CDP	Formerly Carbon Disclosure Project
CDSB	Climate Disclosures Standards Board
CoC	Code of Conduct
CGMA	Chartered Global Management Accountant
CTU	Central Trade Union

D

DGFASLI	Director General Factory Advisory Services Labour Institute
----------------	---

E

ESG	Environment, Social, and Governance
ESGQ	Environmental, Social, Governance & Quality
ESIC	Employee State Insurance Corporation
EU	European Union

G

GDP	Gross Domestic Product
GPA	General Purchase Agreement
GRI	Global Reporting Indicators
GSSB	Global Sustainability Standards Board

H

HRDD	Human Rights Due Diligence
-------------	----------------------------

I

IATF	International Automotive Task Force
IATF 16949	International Standard for Automotive Quality Management Systems
IIRC	International Integrated Reporting Council
ILO	International Labour Organisation

M	
MCA	Ministry of Corporate Affairs
MNC	Multinational Corporations
N	
NAP	National Action Plan
NEEM	National Employability Enhancement Mission
NGRBC	National Guidelines on Responsible Business Conduct
NHRC	National Human Rights Commission
NSE	National Stock Exchange
O	
OECD	The Organisation for Economic Co-operation and Development
OEM	Original Equipment Manufacturer (e.g. auto-sector brands)
OSH	Occupational Safety and Health
OSH & WC	Occupational Safety, Health, and Working Conditions
OHSAS	Occupational Health and Safety Assessment Series
OHSMS	Occupational Health and Safety Management System
R	
RBA	Responsible Business Alliance
S	
SASB	Sustainability Accounting Standards Board
SCoC	Supplier Code of Conduct
SCoEC	Suppliers Code of Ethical Conduct
SEA	Supplier Evaluation Audit
SEBI	Securities and Exchange Board of India
SGSCMPP	Sustainable Green Supply Chain Management & Procurement Policy
SIAM	Society of Indian Automobile Manufacturers
SII	Safe in India Foundation
SOP	Standard Operating Procedure
SPG	Sustainable Procurement Guideline
SR	Sustainability Report
T	
TPM	Total Productive Maintenance
TCoC	Tata Code of Conduct
U	
UNGP	United Nations Guiding Principles
UNHRC	United Nations Human Rights Convention
UN SDG	United Nations Sustainable Development Goals
V	
VMP	Vigil Mechanism Policy
W	
WBCSD	World Business Council for Sustainable Development
WBP	Whistle Blower Policy



CHAPTER: 1

Executive Summary



The SafetyNiti Series reports gaps, opportunities, and best practices in the OSH policies of the top 10 auto sector brands (“OEMs”) in India and Safe in India’s recommendations to improve this situation

Since 2016, Safe in India Foundation (SII) has been reporting on the unsafe working conditions in the deeper auto sector supply chain based on real evidence and has located (and assisted with their healthcare and compensation) over 5,500 injured workers in Haryana and Maharashtra, of which c.80% were injured in the auto component factories. Just in FY 22–23, SII found 1,500+ severely injured workers across many states in India.

This issue is national and multi-brand, with evidence of these grave injuries in the auto sector hubs in Haryana, Maharashtra, Karnataka, Tamil Nadu, Rajasthan, Uttarakhand, and Gujarat. Almost all the auto sector brands have this problem in their supply chain.

To highlight these issues, SII publishes two annual reports – the SafetyNiti series which analyses the written OSH policies of the OEMs and the CRUSHED series which report evidence from the ground of the accidents and injuries in these supply chains. SII thanks Bajaj, Honda, Tata Motors and Hyundai for their detailed feedback for this report. We also thank Maruti Suzuki, Hero for their engagement in Haryana with ISH and alongwith Eicher for their engagement in previous Reports.

As the primary beneficiaries of these supply chains and indeed as holders of most power, profits and technical expertise, SII believes the auto sector brands must take up the responsibility to improve this situation. This is also now acknowledged globally and mandated through a variety of human rights and business responsibility frameworks, that they need to adhere to. *This issue, therefore, needs joint and several actions by the top 10 OEMs, who use c.80% of this supply chain. Apart from helping build a safe environment, these OEMs will also benefit from better productivity and other tactical and strategic gains.* As per ILO estimates², the global economic cost of accidents and diseases in the workplace is 4% of the global GDP i.e. approximately USD 120 b (INR 10 Lakh Crores) for India. *India cannot achieve ‘Sabka Saath Sabka Vikas’ and ‘Make in India’ effectively and responsibly without improving such situations.*

Methodology of analysis: Selection of OEMs and their OSH-related documents

SII focuses on the top 10 OEMs in India to represent how the industry addresses the issue of factory conditions and worker safety. Their OSH-relevant documents/policies, from the public domain or as provided privately to SII by the OEMs, have been studied to assess their and changes if any, in the policies on the subject. The reports have been tracked for not just having policies like an OSH Policy, Human Rights Policy or for reporting on NGRBC Principles 1.3 and 5 and SDG Indicator 8.8, but also for the policies to contain basics like the policy treating non- permanent workers on par with permanent, ensuring that suppliers in the deeper supply chain follow the safety, training, grievance redressal systems and other policies to minimize accidents. SII also studied the government policy changes in this regard at various states and the Centre.

Highlights of OEM related findings: A number of improvements but a long way to go, especially in implementation to demonstrate real improvements on the ground

The following key chart is a summary of the status and improvements (or not) in the Top 10 OEMs’ OSH policies and implementation for their supply chain from the ‘best’ to ‘worst’ as given below:

² https://www.ilo.org/global/topics/safety-and-health-at-work/programmes-projects/WCMS_149466/lang--en/index.htm. GDP-loss is estimated as the proportion of the disability-adjusted life year (DALY) lost due to occupational accidents and work-related diseases relative to the estimated employment figures of the country. This includes all estimated fatal and non-fatal cases of both diseases and injuries.

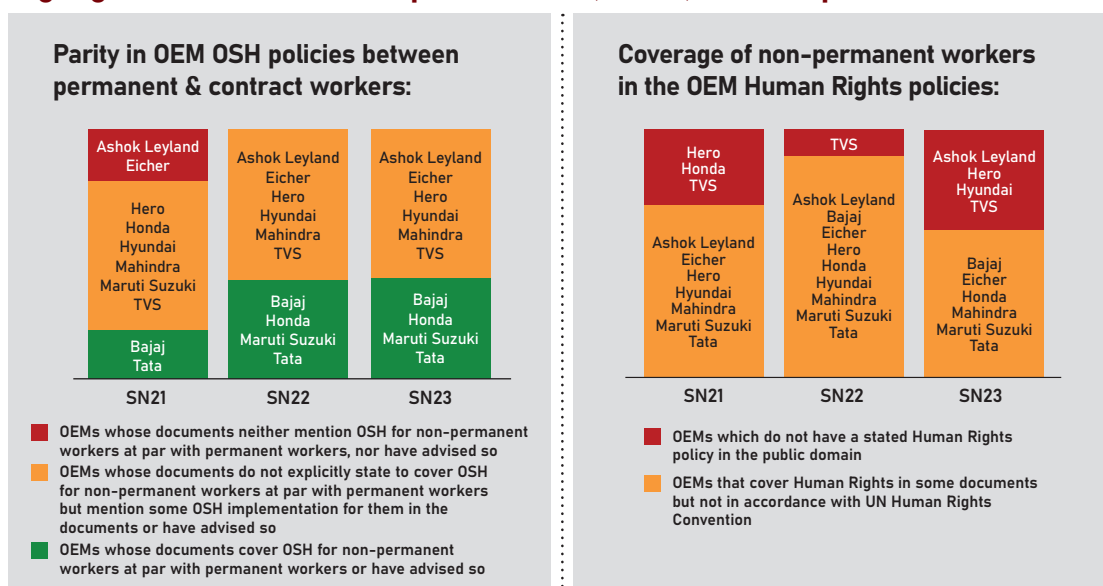
Figure 1.1. Summary of OEMs' OSH policies and procedures

Sr. No.	Questions	Bajaj	Honda	Tata	Maruti Suzuki	Mahindra	Hyundai	Eicher	Hero	TVS	Ashok Leyland
1	Publicly declared OSH Policy for OEM's own employees	Green	Green	Green	Green	Green	↑	Green	Green	Orange	Green
2	Publicly declared policy of OEM's that includes OSH for non-permanent workers at par with permanent employees	Green	Green	Green	Green	Orange	↓	↑	Orange	Orange	↓
3	Publicly declared Human Rights policy, covers non-permanent employees and workers and supply chain	Orange	Orange	Orange	↓	↑	Red	↑	Red	Red	Red
4	OSH policy/guideline for OEM's Tier 1 suppliers	Green	Green	Green	↓	Green	Green	Green	Orange	Orange	Red
5	OSH policy/guideline for OEM's deeper supply chain (Tier 2/3/4)	Green	Green	↑	Orange	Green	↑	↑	Red	Red	Red
6	Consistency in the OSH policies enforced in the supply chain in Indian and international operations	Green	Green	Green	Orange	Green	Green	Red	Red	Red	Red
7	Reporting on NGRBC Principles 1, 3, and 5	↑	DNR*	Orange	↑	Orange	DNR*	↑	↑	↑	↑
8	Policies and procedures for monitoring and reporting on supply chain sustainability in accordance with Decent Work and reporting of accidents as per SDG indicator 8.8	Orange	Orange	↑	↓	↑	↑	Orange	Orange	Orange	Red
9	Mapping of OEM's deeper supply chain to be able to improve safety	Orange	Orange	Orange	Orange	Red	↑	Orange	↓	Red	Red
10	Actions taken by the OEM to prevent accidents in its deeper supply chain	Orange	↓	Green	Green	Orange	Green	↓	↑	↑	Red
11	Monitoring of OEM's Tier 1 (direct suppliers) for their actions to improve safety in their deeper supply chain	↑	Orange	Orange	Orange	Red	Orange	Red	Red	Red	Red
12	Grievance redressal mechanism for workers across supply chain to report unsafe work conditions	↑	Orange	↑	↑	Orange	Orange	Red	↑	Orange	Orange

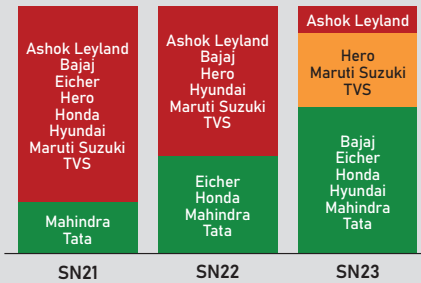
Detailed explanation in Chapter 6. DNR* 'Did not report'. Arrows indicate improvement or deterioration from SafetyNiti22.

Compared to SafetyNiti 2022, Bajaj has significantly improved their policies to become the best among the 10 while Maruti-Suzuki has fallen behind. TVS and Ashok Leyland still do not seem to have addressed many of these areas.

Highlights of some of the improvements (or not) in the top 10: OEMs

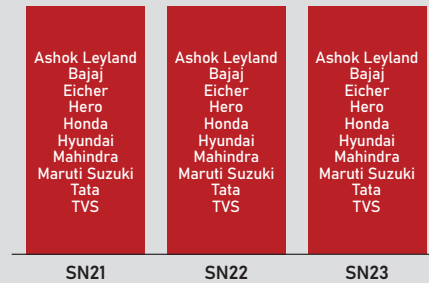


OEMs that have Supplier Code of Conduct (SCoC) in the public domain:



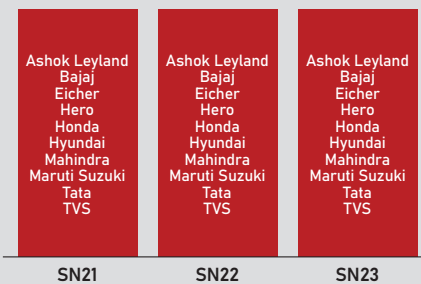
- OEMs which do not have their SCoC in the public domain and have no mention of OSH guidelines for suppliers in other documents
- OEMs which do not have their SCoC in the public domain but mention OSH guidelines for their suppliers in other publicly available documents
- OEMs which have their SCoC in the public domain

OEMs that have SOP or OSH Implementation plan for deeper supply chain:



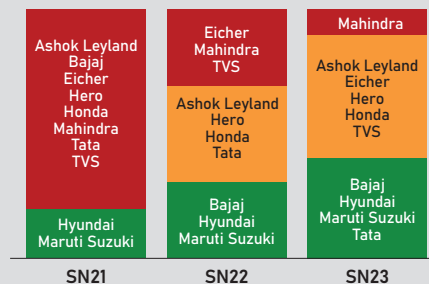
- OEMs which have an SOP or a comprehensive OSH implementation plan for their deeper supply chain
- OEMs which do not have an SOP or a comprehensive OSH implementation plan for their deeper supply chain

Reporting by OEMs on indicator 8.8 of SDG 8 on worker safety:



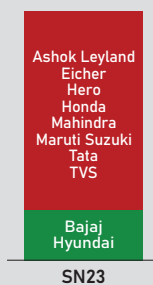
- OEMs which have not reported on indicator 8.8 of SDG 8
- OEMs which have reported on indicator 8.8 of SDG 8

Status of mapping of supply chain by OEMs:



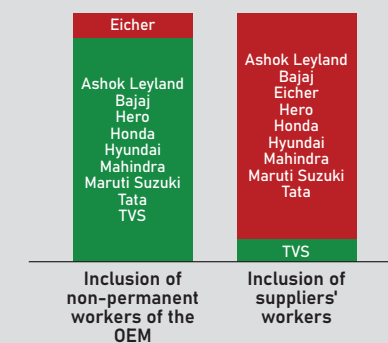
- OEMs which appear to not have started mapping their supply chain/ do not have information about it in public domain
- OEMs which appear to have started to map their supply chain
- OEMs which have mentioned mapping tier 2 of their deeper supply chain

Reporting by OEMs on monitoring of Tier 1 suppliers:



- OEMs which have not reported on monitoring of their direct (Tier-1) suppliers for their actions to improve safety in their deeper supply chain
- OEMs which have reported on monitoring of their direct (Tier-1) suppliers for their actions to improve safety in their deeper supply chain

Inclusion of non-permanent workers & suppliers' workers in the OEMs' Grievance Redressal mechanism:



- Absent in the grievance redressal mechanism (WBP) of the OEMs
- Present in the grievance redressal mechanism (WBP) of the OEMs

A few good OEM supply chain OSH practices identified (one per OEM) that are worth replicating, although SII is unable to comment on the quality of their implementation

- **Bajaj:** ScoC is contractually binding on at least the Tier 1 suppliers. Accident reporting has also been made part of it as is ensuring suppliers' compliance in the deeper supply chain for all Tier 1 and Tier 2/3/4 for 'Safety compliance', 'Conducting Health Examination', 'ESIC registration' and 'Making ESIC Card available to all workers on the date of joining.'
- **Tata:** Treatment of non-permanent workers at par with permanent workers.
- **Maruti:** Training of Tier 1/2 suppliers with 700 mini-Dojo centres set up at Tier 2 for the first time.
- **Mahindra:** Contractually binding Human Rights Policy which includes all permanent and non-permanent workers in its Human Rights Policy.
- **Eicher:** OSH as part of Human Rights Policy, in accordance with ILO's 5th principle.
- **Hero & TVS:** Reporting on 'essential' and 'leadership' indicators of National Guidelines on Responsible Business Conduct (NGRBC).
- **Bajaj and Hyundai:** Mapping of all Tier 1 and Tier 2 suppliers.

Please check Chapter 6 for the detailed list of good OEM supply chain OSH practices.

Highlights of government-related findings:

- a. Continued large under-reporting of factory accidents in government databases e.g., Haryana reports less than 6% of reality.
- b. Rules for OSH&WC Labour Code are not yet notified but some business-friendly parts of the codes (e.g., working hours) may be seen as more acceptable already, while some labour-friendly parts (e.g., annual check-ups) are not being implemented.
- c. NITI Aayog's SDG India Index excludes OSH and has no state-wise update on 'promote safe and secure working environment'.
- d. The schedule of the public release of India's National Action Plan on Business and Human Rights (NAP) remains unclear.
- e. The timeline for the Business Responsibility and Sustainability Reporting (BRSR) requirement being extended to unlisted companies (above a specified threshold of turnover or paid-up capital) and BRSR rollout for unlisted companies remains unclear (important for Honda and Hyundai – both Private Limited – being asked to do the same reporting as Indian public limited OEMs – our recommendation to government since 2021).

SII's recommendations for auto sector brands (OEMs), SIAM, ACMA, Government, ILO, and Trade Unions – consistent for the past 3 years:

Top 5 Policy Recommendations for OEMs

1. Include all contract workers in their own factories in the OSH policy framework.
2. Create, publish, and implement a Supplier Code of Conduct (SCoC).
3. Create, publish, and implement a standard operating procedure (SOP) for the deeper supply chain.
4. Report annually on Indicator 8.8 of SDG 8 (the only SDG indicator about worker safety).
5. Demand minimum compliance from the supply chains (e.g., all workers should be covered by ESIC from their first workday).



Top 5 Operational Recommendations for OEMs

1. (For OEM boards) Take responsibility for worker safety in the deeper supply chain.
2. Create a joint industry-level task force with SIAM (with some participation from SII).
3. Map the deeper supply chain.
4. Improve transparency and accountability of accident reporting in the supply chain, weed out habitual offenders and reward the safest factories, commercially.
5. Initiate ground-level actions, e.g., honest worker safety audits and worker training.

Top 5 Recommendations for Society of Indian Automobile Manufacturers (SIAM) and Automotive Component Manufacturers Association (ACMA) – industry's apex bodies

1. Bring the auto industry together to create a joint task force for OEMs.
2. Set up a permanent joint safety team/working group of SIAM and ACMA, with SII's participation as required.
3. Establish industry standards for safety in auto sector manufacturing.
4. Integrate worker safety and health as core organisational values of its members.
5. Support SIAM and ACMA members in complying with NGRBC.

Top 5 Recommendations for the Central and State Labour Ministries (excluding those for new Labour Codes which are beyond the SafetyNiti scope):

1. Central and State Labour Ministries should drive calibrated actions to achieve the objectives of the Occupational Safety and Health Policy, 2009.
2. Use data from ESIC to determine the selection of factories for inspection and conduct safety surveys and studies across sectors and sizes of factories, especially the auto sector.
3. Create a reliable accident/injury reporting and governance system, and use it for constant continuing improvements, including strengthening of ISH in the states to improve factory inspections (irrespective of their new role as 'facilitators') and effective penalties for repeat offenders.
4. Set up a confidential helpline for workers to report unsafe conditions and accidents in factories.
5. Introduce a practical policy and mechanism for safety training of contract and migrant workers.

Detailed findings and recommendations for the industry and the central and state governments and many of its agencies/departments e.g., DGFASLI, ISH, ESIC etc. are in Chapter 8 of this report.

Safe in India's next steps

SII will continue its efforts to prevent accidents in the auto sector supply chain by working together with the Government and Auto Industry, while also helping injured workers with their ESIC healthcare and compensation. For a quick summary of SII's actions and impact, please see the 2022 annual review on SII's website blog section.

The next report, CRUSHED2023, with evidence of new accidents in the past year in many states of the country will be published in November, 2023 to demonstrate any real improvements (or not).



CHAPTER: 2

Report Objectives

"OEMs have a responsibility all the way down the supply chain even if it is 10 levels. As the reform of the Bangladesh garment manufacturing industry shows, change is possible if all stakeholders come together seriously".

Prof. Surya Deva

*UN Special Rapporteur on the right to development
School of Law, Macquarie University Australia*

This report, SafetyNiti 2023, is the third in SII's annual series to report on OSH policies and procedures of India's top ten auto-sector brands for their deeper supply chain, with the aim of preventing accidents and thousands of workers losing their livelihoods through loss of fingers/hands, every year in these factories.

With OSH having become a Fundamental Principle and Right at Work at the International Labour Conference (ILC) in June 2022, this report assumes further importance for more than 10m supply chain workers in the auto sector.

The objectives of this report continue to be the same as previous SafetyNiti reports:

- a To analyse policy documents, either publicly available or shared with SII, for their adequacy, clarity, and sufficiency to prevent worker accidents, with an OSH lens for:
 - OEMs' own factories, specifically for their own non-permanent workers
 - OEMs' supply chain specifically the deeper tiers of the supply chain.
- b To highlight best practices among OEMs for replication and help build safer factories that are also good for their businesses.
- c To make recommendations to the industry – specifically OEMs, SIAM and ACMA.
- d To offer recommendations to the government and its relevant agencies to drive phased actions to prevent accidents and strengthen the MSME industry by ensuring a safety culture that is also good for the economy.
- e To increase awareness among stakeholders (OEMs, government, the ILO, trade unions, customers, and workers) of the inadequate OSH policies in the auto manufacturing sector including their supply chains and the need to improve the working conditions helping millions of Indian workers and also labour and business productivity in India.

This report is based exclusively on information disclosed in the public-domain by the OEMs mentioned here, and any information provided by them in their interactions with usf. All this information is taken at face value and has not been validated through independent assessments or investigations. It is possible that some of the information available in the public domain has been missed despite our best efforts, especially for any OEMs that did not respond to our requests. All documents used for this analysis are listed in Section 4.2. We welcome all these ten OEMs to provide us with any additional information to correct any data points/analysis in the report as soon as possible and more importantly, act on the recommendations here to make their OSH policies better and accelerate/improve their implementation.

CHAPTER: 3

Why should safety be taken seriously?

The Issue of thousands of disabling injuries every year in the auto component suppliers and the opportunity for and responsibility of auto sector brands

HARYANA



"On April 15, 2023, while working on the power press machine, two fingers of my left hand were amputated. Two days later, on the 17th, the company pressured me and called me back to work. Despite being injured, I continued operating the machine with one hand."

—Govind Maurya

21, lost two fingers of his left hand at a factory making parts of Maruti, Hero and Honda in Faridabad, Haryana in 2023.

UTTARAKHAND



"My accident took place while working on the power-press machine and I lost a finger on 4th July. My accident report has not yet been submitted, about which I have even filed case in Pant Nagar but still nothing has happened yet."

—Suraj Pal,

26, lost a finger of his left hand at a factory making parts of Bajaj in Rudrapur, Uttarakhand in 2023

GUJARAT



"Over 400 workers were killed due to negligence or accidents inside the premises of various factories in Gujarat during the last two years as on December 2020."

<https://www.newindianexpress.com/nation/2021/mar/16/gujarat421-workers-killed-in-industrial-accidents-in-twoyears-2277468.html>

MAHARASHTRA



"While operating the power press machine, the pin of the stopper, which was attached to the machine, broke, causing it to directly hit my finger and injuring it"

—Kamlesh Patel

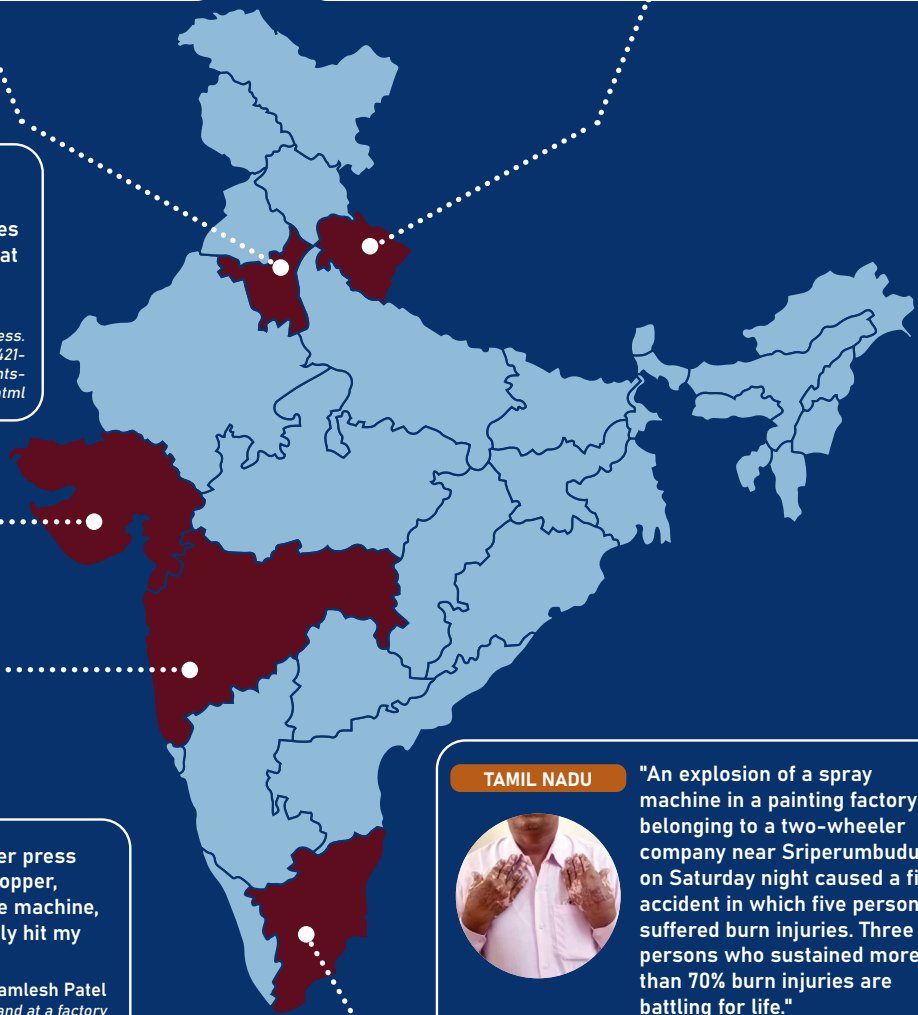
38, lost a finger of his right hand at a factory making parts of Tata and Mahindra in Pune, Maharashtra in 2023.

TAMIL NADU



"An explosion of a spray machine in a painting factory belonging to a two-wheeler company near Sriperumbudur on Saturday night caused a fire accident in which five persons suffered burn injuries. Three persons who sustained more than 70% burn injuries are battling for life."

<https://www.thehindu.com/news/cities/chennai/blast-in-two-wheeler-painting-factory-near-sriperumbudur-leaves-five-injured/article66419585.ece>



3.1 These worker injuries create preventable human misery, losses for businesses and an estimated c.4% loss of national GDP

Thousands of workers continue to be injured in India's fast-growing auto-sector supply chain every year. Most of these are migrants and in contractual employment. This issue of worker safety and preventable worker injuries in the deeper supply chains of India's automobile industry is a national issue that deserves urgent attention, not only because of the devastating economic and psychological impact it has on the injured workers and their families but also on the industry's domestic and global reputation of professionalism and responsible behaviour, and the labour productivity.

In addition to the immense cost to the worker and their families, to the society, and to the nation at large, these accidents also cost the businesses time, materials, reduced production, direct and indirect (including bribes) payments for covering the incidents including medical expenses, repair and replacement of damaged machinery and equipment and negative impact on the morale of all workers. All of these have an impact on profit, productivity, and quality and in fact reflect a non-strategic short term profit orientation of the management that is not preparing for a future of strategic partnership with OEMs and global market place.

"An unsafe workplace with frequent accidents results in losses caused by highly fluctuating quality and productivity. Any investment in making a shop floor accident-free, that makes workers feel safe and focus better on their work, goes a long way in improving quality and productivity."

Mr. I V Rao

Former Director, Maruti-Suzuki Center for Excellence, and Visiting Senior Fellow, CSM TERI



"My husband breaks the roti and gives me so that I can eat."

Kiran, 32, from Rajasthan

Lost 2 fingers at a factory making sheet metal parts for Maruti and Honda in Haryana.

As reported in SN22, ILO estimates global economic cost of accidents and diseases in workplace to be 4% of the global Gross Domestic Product (GDP)³. For India, that would translate to USD 123b (INR 10 Lakh Crores). Such a high toll of injuries and disablements has an economic

³ https://www.ilo.org/global/topics/safety-and-health-at-work/programmes-projects/WCMS_149466/lang--en/index.htm

GDP-loss is estimated by ILO as the proportion of the disability-adjusted life year (DALY) lost due to occupational accidents and work-related diseases relative to the estimated employment figures of the country. This includes all estimated fatal and non-fatal cases of both diseases and injuries.

impact on the nation's stock of skilled labour. India's rank in Labour productivity has fallen further from the already low 115th in the world in 2021 to 132nd in 2023.⁴ This also has implications for global competitiveness and loss of export opportunities.

Also, as reported in SN22, but included here for sake of completeness, a 2013 study in the European Union found that "the productivity rate increases as a result of health and safety interventions" and "safety interventions should be understood as an investment rather than a cost".⁵ Highlighting the macro implications of unsafe workplaces on the global economy, the study "demonstrates the strong correlation between national competitiveness and the national incidence rates of occupational accidents" in the graph below.

Figure 3.1: India's Labour productivity ranking

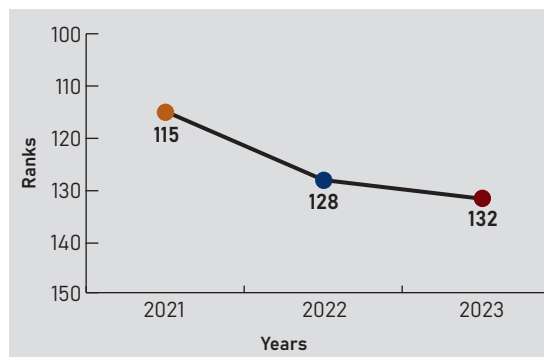
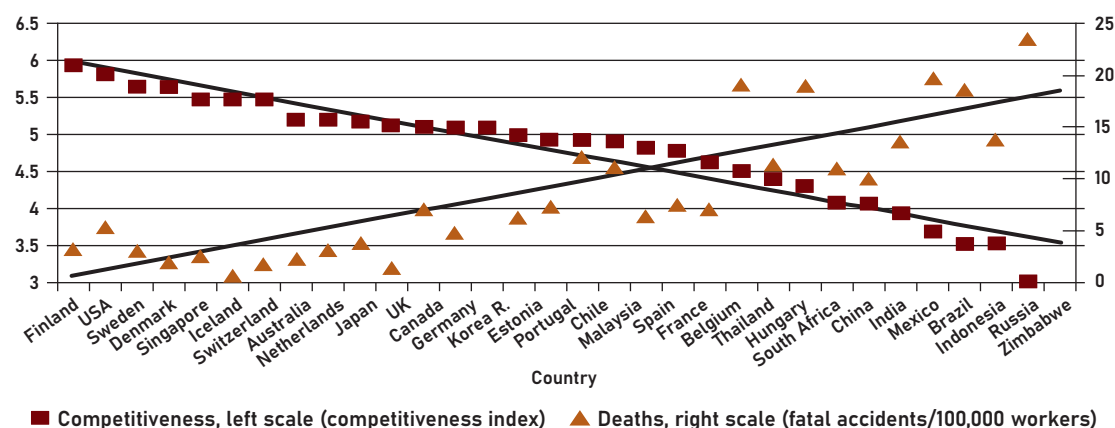


Figure 3.2: Correlation between competitiveness and the incidence of accidents at work. As worker deaths increase, competitiveness reduce.



Source: ILO, 2006

3.2 Auto sector OEMs are key to improving workplace safety in India and for the country's sustainable development

"Most of the safety costs are externalised to smaller units who do not have the capital and do not have the margins to set up an adequate safety infrastructure. The accountability of the principal employers or business owners (OEMs) is extremely important."

Ms Divya Varma

Director, Centre for Labour, Aajeevika Bureau

⁴ <https://ilostat.lo.org/topics/labour-productivity/>

⁵ https://hesapro.org/files/Background_Research.pdf April 2013

Auto sector is immensely powerful in many countries, including India. It contributes 7%⁶ to the overall Indian GDP and 35%⁷ to the manufacturing GDP of the country as per IBEF.⁸ The government now aims “to increase contribution of automobile sector to India’s GDP to 12 per cent from the present 7.1 per cent and grow employment in the sector to 50 million from the current 37 million.”⁹

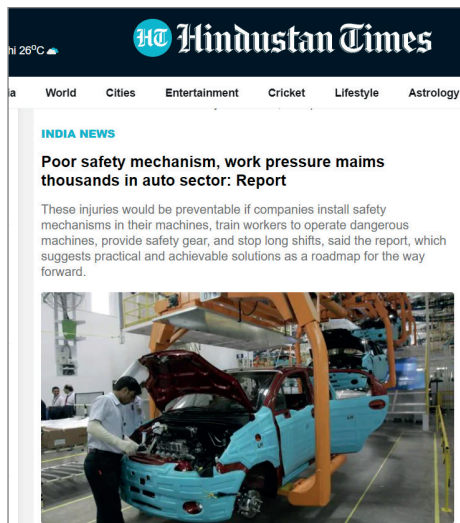
Auto industry key to achieving the 2030 Agenda for Sustainable Development

‘The future of work in the automotive industry. The need to invest in people’s capabilities and decent and sustainable work’ was issued by the ILO 31 at its Technical Meeting in February 2021. The paper states that the automotive industry is “so intertwined with mass production and mass consumption that it has been called the ‘industry of industries’”.

“Because of its size and impact, the automotive industry is key to achieving the 2030 Agenda for Sustainable Development, in particular to achieving Goal 8 of the Sustainable Development Goal.”

ILO report in 2021 states that given the nature of auto sector manufacturing, it is key to achieving sustainability goals globally.

It is clear that without improving working conditions, including occupational health and safety, for all workers employed in the auto sector, it will be difficult for the industry to achieve its own growth plans but also in meeting the sustainability goals, and to contribute to India’s ‘Sab Ka Saath, Sab Ka Vikas’ strategy while playing a vital role in making India a USD 5 trillion economy by 2024-25.



⁶ <https://www.cii.in/sectors.aspx?enc=prvePUj2bdMtgTmvpPwwisYH+5EnGjyGX09hLECvtuNspZMG2krVmNXq1Gz72doM>
⁷ <https://www.ibef.org/industry/india-automobiles>
⁸ In fact, ACMA states the sector’s 49% contribution to the manufacturing GDP.
⁹ https://www.business-standard.com/article/automobile/govt-aims-to-raise-auto-sector-contribution-to-gdp-job-creation-gadkari-121082501375_1.html

3.2.1. Auto-sector OEMs have the needed resources, power and expertise to prevent these severe injuries and to improve social security for 10m+ workers. And it's their corporate responsibility.

Though many stakeholders are responsible for this issue, SII believes that OEMs need to and should take the lead for improving working conditions and ESIC-compliance in their deeper supply chain for at least four reasons:

- OEMs have the best know-how, access to, and leverage over their own supply chains.
- OEMs are the direct and ultimate beneficiaries of these supply chains and of any improvements in labour-productivity and quality of production in their supply chain.
- OEMs influence relevant government policies and their (good and bad) implementation more than any other non-government stakeholder.
- There is now a body of new rules, directives and frameworks that hold brand-owners responsible for human rights and working conditions in their supply chains. This trend is only increasing.

Auto-sector industry associations SIAM and ACMA have also acknowledged the importance of worker safety in the supply chain during the various launch events of SafetyNiti and CRUSHED series of reports.

“The responsibility of a supply chain audit lies with the OEMs. They should mandate this audit to every single supplier; the Tier 1s should mandate it to their Tier 2s and the Tier 2s to the Tier 3ses. The apex (OEM) is the one that should monitor and ensure adherence to the compliance standards.”

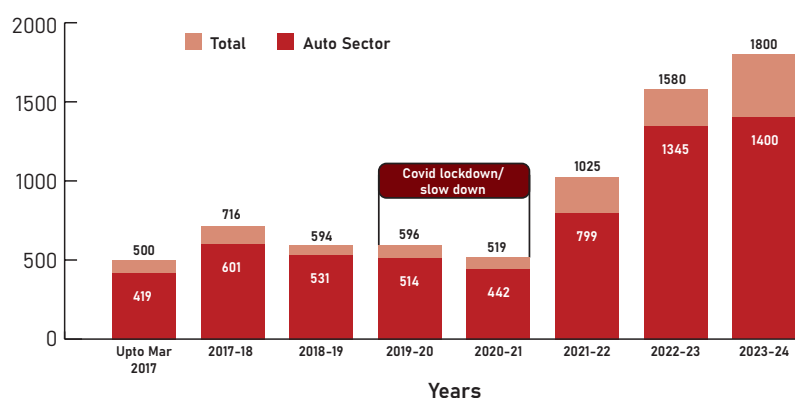
Vinnie Mehta

Director General, ACMA India, at the release of SafetyNiti 2022

3.3. SII finds 1,300+ pa disabling injuries in the auto sector supply chain, in only three districts; reality will be tens of thousands every year nationally

Since 2016, SII has been recording and reporting, first-hand, this dismal state of worker safety by locating such injured workers. It has found and assisted 1,500+ severely injured workers, just in FY 22-23, only in Haryana and Pune, of which c.80% are from just the auto sector supply chain. In FY23-24, SII expects to locate another 2,000+ auto sector injured workers in Haryana, Maharashtra, Tamil Nādu and Karnataka.







Figure 3.3: Number of injured workers SII has assisted since Dec16-Mar23 and the continuing high proportion of auto-sector injuries in them.



3.3.1. It's a national multi-brand problem, which needs national level collaborative solutions.

SII's operations in Haryana, and now Maharashtra, and small surveys in Tamil Nadu, Karnataka, Rajasthan and Uttarakhand, demonstrate crush injuries in the supply chains of all the top 10 OEMs across all these states. It's a national multi-brand problem, which needs national level collaborative solutions.

Table 3.1: Severe worker injuries reported to SII's Worker Assistance Centers during FY22-23 in Haryana and Maharashtra by workers in the supply chain of six OEMs.

OEMs	Maruti Suzuki	Honda	Hero	Tata	Mahindra	Bajaj
						
Haryana						
Faridabad	376 (60%)	184 (29%)	165 (26%)	7 (2%)	3 (1%)	9 (2%)
Gurugram	252 (61%)	146 (36%)	143 (35%)	9 (2%)	14 (3%)	17 (4%)
Maharashtra						
	10 (3%)	3 (1%)	4 (1%)	189 (62%)	164 (54%)	57 (19%)

Although other OEMs may have smaller numbers and four of the top 10 OEMs are not reported above, that could be mainly because of absence of SII operations near their supply chain and the smaller sample sizes in their districts. This focused on identifying existence of the issue rather than quantify its complete reality.











"We would continue to work with our member OEMs on sharing best practices...will include operational Safety and Health policies...how do we engage with all levels of the supply chain...issue of Supplier Code of Conduct...are two-three areas which we have identified."

Rajesh Menon

Director General, SIAM, at the release of SafetyNiti 2021

A time limited national survey of few auto sector hubs in Karnataka and Tamil Nadu in the period Aug22-Oct22 and in Rajasthan and Uttarakhand in Oct21 suggests that a similar issue exists in other auto-sector hubs too, with a different OEM supply chain mix.

Table 3.2: Severe worker injuries located during small 2-3 week surveys in Tamil Nadu, Karnataka, Rajasthan and Uttarakhand in the supply chain of top ten OEMs

OEMs	Maruti Suzuki	Honda	Hero	Mahindra	TVS	Tata	Eicher	Hyundai	Bajaj	Ashok Leyland
										
Tamil Nadu	0	1 (3%)	0	0	10 (33%)	6 (20%)	0	3 (10%)	0	7 (23%)
Karnataka	0	0	0	1 (2%)	1 (2%)	14 (29%)	1 (2%)	0	1 (2%)	10 (20%)
Rajasthan	3 (19%)	5 (31%)	3 (19%)	0	1 (6%)	0	0	0	0	0
Uttarakhand	0	0	0	4 (8%)	0	19 (48%)	0	0	16 (40%)	1 (3%)

More than 10% of accidents
 below 10% of accidents
 No accidents reported to SII yet.

3.4 Key concerns (and opportunities) that drive the analysis and solutions of SafetyNiti series

SafetyNiti analysis is based on 12 questions (refer Section 4.3) posed to each of the top 10 OEMs to identify the presence of appropriate OSH policies and their implementation in OEMs' own factories and their supply chain. These 12 questions are driven by following 5 key concerns that SII believes have resulted in continuation of poor safety conditions in these supply chains:

3.4.1. Non-permanent workers, now majority, are, likely, not treated at par, in OSH policies and practices, with permanent workers

Non-permanent workers, now majority in both supplier factories and even auto sector brands' own factories, are, likely, not treated at par, in OSH policies and practices, with permanent workers. Just replicating OSH-policies for non-permanent workers will make a material difference.

"Most of these accidents involve non-permanent workers - contract workers, apprentices, trainees etc. who do not have adequate training to work on the machines."

Ramapriya Gopalakrishnan
Advocate, Tamil Nadu High Court

As reported in CRUSHED 2022, of the injured workers assisted by SII, c.60% in Haryana and c.80% in Maharashtra were/are non-permanent workers. This is also in line with ACMA publications that state that, in the components industry, nearly c.70% of the workforce comprises contract workers.¹⁰

SafetyNiti series therefore has been specifically seeking at-par treatment of contract workers with permanent workers in OEM's OSH policies for their own factories and those of their suppliers.

3.4.2 Most OEMs are not adequately documenting, communicating, monitoring for OSH compliance in supply chain

Most OEMs are not adequately documenting and communicating their OSH expectations to their suppliers, are not sufficiently monitoring and ensuring OSH-compliance. By addressing this, they can start fostering a culture of safety throughout their supply chains.

OEMs now manufacture, reportedly, only c.20% of the value of auto components used in the vehicle. Balance 80% are made by suppliers, many of whom are MSMEs which form part of the industry's long supply chain.

SafetyNiti series has therefore been seeking from the OEMs, their SCoCs (Supplier Code of Conduct) to be made available in the public domain. These SCoCs should include OSH expectations from suppliers including reporting factory-accidents in supply chain to the OEM and should be contractually binding and audited periodically.

OEMs also need to extend the scope/ambit of other policies, including the Human Rights Policy, to include the supply chain.

¹⁰ <https://www.eepcindia.org/news-details.aspx?ms=23&id=N190725114829&news=Auto%20parts%20industry%20fears%201mn%20jobs%20could%20be%20at%20stake>

3.4.3. Some OEMs may not be consistent in their international OSH policies and those in India; adoption of their often better international policies in India will help the cause.

There are many OEMs with a presence in other countries including Japan, South Korea, the EU and the US. SII is in the process of analysing their global and Indian policies for OSH in the supply chain. As an initial understanding, we found no statement saying that Suzuki policies were applicable to Maruti. Hyundai and Honda say their parent company policies are applicable to the Indian subsidiary. Hyundai has not uploaded the policies on their India website, while Honda has done since engagement with SII.

SafetyNiti, therefore, seeks parity in the policies and treatment of workers in India to other developed countries, even if that is achieved in phases.

3.4.4. Most auto brands do not seem to prioritize adequate implementation of OSH policies in their supply chain

Despite being the direct beneficiaries of the production in the supply chain, most auto sector brands' do not appear to prioritize the implementation of the minimum required actions to prevent these injuries eg. mapping their deeper supply chains at least to Tier 3, quality audits in at least these Tier 1/2/3s to start with and establishing grievance redressal mechanisms that extend to these tiers.

As reported in CRUSHED 2022, c.87% of injured workers from Haryana reported working on machines without safety sensors at the time of accident and c.80% reported that power press machines on which they were injured were operating without the required inspection. The quality of audits conducted in deeper supply chain have often been found inadequate.¹¹

SafetyNiti has therefore been seeking mapping of the deeper supply chain conducted by the OEMs, increase mapping to at least Tier 2s quickly, and then to Tier 3, and the steps taken by OEMs to prevent accidents in deeper supply chains, including quality safety audits and assessments.



“समय इंसान के हालात बदल देते हैं और हालात इंसान को ही बदल देते हैं।”

“Time changes the circumstances of a person and circumstances change the person.”

Kavita, 41, Pune, Maharashtra

Lost two fingers of her left hand while working at a factory making parts for TATA.

After the death of her husband, Kavita moved from Nanded to Pune and started running power press machine for her livelihood to support her two children and herself. On March 18, 2022, there was a lot of noise coming from the machine, then Kavita told the supervisor, but the supervisor said, “only 25 pieces are left, remove them also because TATA's vehicle is standing, it is urgent.” The next moment, as soon as Kavita pressed the stroke, the key broke and the die fell directly on the finger.

¹¹ See worker video titled “Injured workers' view on factory audit” on SII's YouTube channel <https://www.youtube.com/watch?v=sctv5f01BMI>

3.4.5. OEMs do not appear to have defined ‘decent working conditions’ to adhere to based on the ILO guidelines nor insist on reporting on SDG 8.8 (related to worker safety) through the supply chain.

Although SII-assisted workers are in the formal sector – all these workers’ factories are registered with ESIC – the employment status of majority of these workers appears to be casual, informal and precarious, the very opposite of decent work as defined by the ILO.¹² About half (51%) of the injured workers in Haryana reported 12 hour shift timings and working hours exceeding 48 hours per week stipulated by the law including new labour codes.

Almost all reported that they were not being paid for overtime at the mandated rates of double the regular rate. Majority of these workers did not have their ESIC card, though they ought to have been registered on the date of joining the job, much before they may be involved in accidents. In FY 2022-23, SII found that 60%+ of the workers assisted had no ESIC cards until the injuries occurred.

Given these conditions of workers in supplier factories, SafetyNiti 2023 seeks from OEMs a published definition of Decent Work (Safe working environment, decent working time, social security) for all workers permanent and non-permanent and report on SDG 8.8 in their integrated reports or sustainability reports in line with NSE guidelines.



¹² Decent work according to the ILO is employment that pays a fair income; guarantees a secure form of employment, and safe working conditions.

कर्मचारी की कोरोना से मौत के बाद परिवार को नहीं मिल रही आर्थिक मदद पीएफ और वेल्फेयर फंड का लाभ लेने के लिए मृतक कर्मचारी के परिवार को विभागीय कार्यालयों के लगाने पड़ रहे चक्कर

कोरोना से मृत होने की खबर के बाद भी कर्मचारी को पीएफ और वेल्फेयर फंड का लाभ लेने के लिए मृतक कर्मचारी के परिवार को विभागीय कार्यालयों के लगाने पड़ रहे चक्कर।

जिनमें से एक कर्मचारी की कोरोना से मौत हो गई थी। लेकिन वेल्फेयर फंड और पीएफ का लाभ लेने के लिए मृतक कर्मचारी के परिवार को विभागीय कार्यालयों के लगाने पड़ रहे चक्कर।

उन्होंने बताया कि वेल्फेयर फंड और पीएफ का लाभ लेने के लिए मृतक कर्मचारी के परिवार को विभागीय कार्यालयों के लगाने पड़ रहे चक्कर।



उत्पादक कर्मचारीओं में श्रमिकों व कर्मचारियों को नहीं मिल रही सुविधाएं।

कर्मचारी के वेटन से 70 दिन का ईएसआईसी अंशदान दिया जाना जरूरी

एनआईटी-5 शिक्षण संस्थान के अध्यक्ष डॉ. अशोक कुमार ने कहा कि कोरोना से मृत होने पर कर्मचारी के वेटन का 90 प्रतिशत हर महीने उसके परिवार को दिया जा रहा है। इसके लिए कर्मचारी के वेटन से 70 दिन तक ईएसआईसी का अंशदान में जमा होना चाहिए। उन्होंने बताया कि कोरोना से मृत हुए श्रमिक के अंशदान-अलावा वेल्फेयर फंड और पीएफ का लाभ लेने के लिए मृतक कर्मचारी के परिवार को विभागीय कार्यालयों के लगाने पड़ रहे चक्कर।

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Auto downgrade: Skilled workers, they can only do menial jobs now

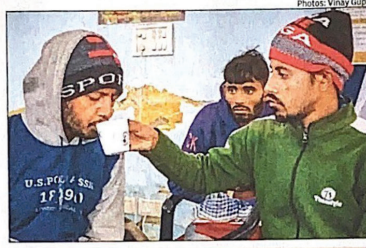
Maimed By Shop Floor Accidents, Their Livelihoods Have Taken A Permanent Hit

Siddharth Twari
@timesgroup.com

Gurgaon: As a cup of tea sits on a table before him, Upendra waits patiently. His brother walks in, picks up the cup and sits next to him, lifting it to his mouth for each sip.

"This is what my life has become. It's the price I paid while manufacturing parts of cars I can never own," Upendra says. The 30-year-old, who had left his hometown in UP's Kannauj for a job and a better life in Gurgaon, lost both his hands while working on a power press machine at a factory in the NCR city in October 2022. The factory he worked at produces components for some of India's largest carmakers.

On the day of the accident, he was trying to meet his daily target to earn Rs 11,000 a month. All he was given to protect himself was a pair of flimsy gloves that were no match for a machine used to stamp metal into shape with thousands of tonnes of pressure.



UPENDRA SAYS
This is what my life has become. It's the price I paid while manufacturing parts of cars I can never own... My father had asked me not to leave the village and open a small shop. But I had bigger dreams.

long as I'm standing on my feet, I will never return," he says.

Revinder arrived in Gurgaon last year and within days, found a job at a factory similar to Upendra's. His salary wasn't much, but it was a beginning. "I thought I would work hard and rise through the ranks and one day become supervisor. A friend had also told me that I could get my daughter admitted to a good private school in the category for EWS (economically weaker sections). It was my dream to see her work at one of the big corporate buildings in Gurgaon," he says.

Months into his new life, Revinder lost four fingers of his left hand in a power press machine accident in November. He can still work with one hand, but most factories refuse to hire him. His former employer paid for his treatment, but left with no earnings, his wife had to take up a job carrying bricks at a construction site.

"The primary source of assistance for workers injured in factory accidents is the Employees State Insurance Corporation (ESIC) card, which guarantees free healthcare, compensation and pension.



RAVINDER KUMAR SAYS
I thought I would work hard and rise through the ranks and one day, become supervisor. A friend had also told me that I could get my daughter admitted to a good private school.

ESIC cards are often given too late to workers. "Additionally, contractors who place workers in the companies do not pass ESIC contributions they take from the workers' salaries. In these cases, matters are settled in ESIC court and the court can penalise such factories. But that takes time and that's why it becomes a struggle for the workers," the official told TOI.

He says the issue can be addressed through regular monitoring of how these factories are operating, but the policy calls for random inspections, kept to avert an "inspector raj". "The policy has helped boost industrialisation in the state. But there's a flipside to it. There's a limit to how many inspections can be carried out," the official says.

TIMES Special

Factory accidents like these that rob trained workers of any shot at a livelihood aren't uncommon in Gurgaon and Faridabad, which have a huge base of ancillary units that supply to the automobile giants that make this region one of India's largest manufacturing hubs for the sector.

According to a report by Safe in India Foundation, the number of accidents on shop floors of automobile manufacturers and their supply chains increased 54% in the two NCR cities in 2021-22 compared to the previous year. Power presses, the report said, account for 50% of the total accidents.

Shop floor accidents left 933 workers maimed, with severe injuries such as amputations, up from 521 in 2020-21, the survey pointed out, attributing this trend also to the steady expansion of manufacturing activities after Covid lockdowns were lifted.

Various reasons have been

cited for these accidents. Infrequent inspections from the labour department, lack of training and safety prerequisites, and fatigue from long working hours without adequate breaks are some of them. Another key cause is the use of outdated power press machines that are neither maintained as they should be, nor replaced in time.

"Many of these machines are not equipped with features such as sensors and safety guards. Enforcement to ensure that safety norms are duly complied with is also inadequate. Besides, production pressures from the factories coerce floor supervisors and even the workers to circumvent safety protocols," says Sandeep Sachdeva, SHI co-founder and CEO.

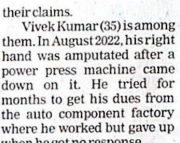
A labour department official admitted that poor compliance with norms was a problem. "Though the outdated machines must be replaced, they should still be fit to use if proper safety guards are installed to limit the number of strokes (up and down movements of machines)," a senior officer at the Industry Safety and Health (ISH) wing of the department told TOI.

Dreams crushed
Upendra was among the lakhs of migrant workers forced to go back to their home

towns after the first Covid lockdown in March 2020. Back in Kannauj, the influx of young workers didn't leave much scope for him from all that he could farm on a small parcel of land. "My father had asked me not to leave the village and open a small shop. But I had bigger dreams..." he says.

Revinder Kumar, also 30, dealt with a similar turn of events. He lost his job at a factory in Haridwar and managed to walk back home to Hamirpur (UP) but couldn't find a way to make a living there. A constant struggle to earn back a mortgaged land and disputed family inheritance proved

Compensation hurdles
But 70% of the workers surveyed in the SHI report of 2022 said they got these cards from their employers only after an accident; according to norms, these cards should be handed over on the day of joining a workplace. This delay ends up in a tussle on compensation



SHAKEEL MOHD SAYS
I chased the factory owners for months, but all they gave me was Rs 4,000. I haven't paid rent for two months. My dreams to build a house have crashed.

their claims.

Vivek Kumar (35) is among them. In August 2022, his right hand was amputated after a power press machine came down on it. He tried for months to get his dues from the auto component factory where he worked but gave up when he got no response.

His wife couldn't share the burden of tending to him and left him soon after. Now, Vivek fixes faulty chains of handbags. "I dropped my kids in my village near Kanpur and my mother takes care of them now. I try to make just enough to send some money back home," he says. Asked about compensation, he says he doesn't want the money for himself. "I just want it for my kids. I'm fine living like a recluse," he adds.

Shakeel Mohammed has a similar story. Before losing his right hand to another power press at a factory in Faridabad last November, the 31-year-old used to dream of building a pucca house for his family at their hometown in Etawah. "I chased the factory owners for months, but all they gave me was Rs 4,000 a few days ago for medicines. I haven't paid rent for two months. I'm starving. And my dreams to build a house have crashed," he says.

The labour department official cited above admitted

Safety steps
While rehabilitating the injured workers is imperative, so is an industry-wide change to limit such accidents. SHI had earlier suggested that a task force must be created to monitor industry standards. Auto industry sources, too, harp on inspections in sectors dealing with heavy machinery and prone to safety slip-ups.

Auto industry sources said over the years, consciousness among leading players about safer shop floors in their ancillary chains has increased. The Automotive Component Manufacturers Association of India (ACMA), the apex body of the Indian auto component industry, says it has been conducting cluster programmes for an increased focus on safety standards and promotes accident-free days on shop floors.

"The sustainability of workers and their social security is imperative and we're working to make our partners and members more sensitive toward this issue. Moreover, companies are increasingly becoming compliant with the environment, social and governance reporting that highlights how they are managing risks and threats. All this will make shop floors a lot more safe," Vinnie Mehta, director-general of ACMA, told TOI.













CHAPTER: 4

Methodology of analysis and status of engagement with top 10 Auto-Sector Brands (OEMs)

4.1 Selection of Top 10 OEMs – representative of the industry, this issue, and its solution

Consistent with the very first SafetyNiti 2021, SII has identified the top eight NSE-listed OEMs¹³ based on market capitalization as on March 31, 2023, six of which are also in the top 100 of the BSE listing¹⁴, for the study. Two unlisted MNC OEMs (Honda and Hyundai) are also included in this study, given their high ranking by sales in their respective product categories. These ten OEMs constitute the majority of the Indian auto-component manufacturing supply chains in India.

Table 4.1: List of companies whose OSH documents/policies for their supply chain are analyzed by SII for this report.

Sl. No.	Name of the OEM	Net Sales Turnover for FY 2022-23 (INR in Crores)	Market capitalization as on March 31, 2023 (INR in crores)	NSE Rank as on March 31, 2023
01	 Tata Motors Limited*	3,45,967	1,39,762	32
02	 Maruti Suzuki India Limited*	1,12,501	2,50,489	18
03	 Mahindra & Mahindra Limited*	84,960	1,44,087	30
04	 Hyundai Motor Company India	47,043	NA	NA
05	 Ashok Leyland Limited	41,673	40,870	115
06	 Bajaj Auto Limited*	37,609	1,09,921	43
07	 Hero MotoCorp Limited*	34,371	46,909	97
08	 Honda Motorcycles and Scooters India Pvt Ltd	22,423	NA	NA
09	 TVS Motor Company Limited	26,378	51,176	90
10	 Eicher Motors Limited*	14,442	80,645	59

This analysis therefore is representative of the Indian auto-sector supply chain. Effective actions by these ten OEMs will set the tone for the entire auto-sector and indeed the whole of Indian manufacturing to follow suit in preventing these accidents and improving Indian manufacturing professionalism.

¹³ <https://www.nseindia.com/regulations/listing-compliance/nse-market-capitalisation-all-companies>

¹⁴ <https://www.bseindia.com/markets/equity/eqreports/topmarketcapitalization.aspx>; those marked with an * in the table above.

4.2 OEMs' OSH-relevant publicly available policies, reports and other documents referred to for this study

SII has identified and analysed the following OSH-relevant documents/policies, where available in the public domain or provided privately by the OEMs, of the ten OEMs:

- Legally mandated documents/policies: Integrated Annual Report (AR), including Business Responsibility Report (BRR)
- Occupational Safety and Health (OSH) Policy
- Supplier Code of Conduct (SCoC) as recommended by BSE guidelines for ESG
- Whistle Blower Policy
- Code of Conduct (CoC)

Good practices documents/policies in the public domain:

- Human Rights Policy
- Business Responsibility Policy¹⁵
- Sustainability Report (SR)


Any other relevant documents that were accessible in the public domain or provided by the OEMs during discussions e.g., Green supply chain policy, procurement policy, etc.¹⁶

Y: Documents/policies available in the public domain.

N: Documents not available in the public domain.

Colored boxes and * indicate change from last year

Table 4.2: Legally mandated documents/policies reviewed for their presence in public domain for each of the 10 OEMs by SII for this report

Documents	Bajaj	Honda	Tata	Maruti Suzuki	Mahindra	Hyundai	Eicher	Hero	TVS	Ashok Leyland
										
Annual Report (AR)	Y	Y	Y	Y	Y	N	Y	Y	Y	Y
Business Responsibility Report (BRR)	Y	N	Y	Y	Y	N	Y	Y	Y	Y
OSH Policy (shared/public domain)	Y	Y	Y	Y	Y	Y (Parent Co.)*	Y*	Y	N	Y
Supplier Code of Conduct (SCoC)	Y*	Y	Y	N	Y	Y (Parent Co.)	Y	N	N	N
Whistle Blower Policy	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Code of Conduct (CoC)	Y	Y (Parent Co.)	Y	Y	Y	Y (Parent Co.)*	Y	Y	Y	N










Red: Available in the public domain previously but not available in the public domain in SN 23 period.

* Added to the public domain during SN23 review period

¹⁵ Mahindra is the only OEM with a standalone Business Responsibility Policy in the public domain.

¹⁶ All the documents/policies found and reviewed for each OEM are listed in the Table 3 and are available on SII's OneDrive: <https://1drv.ms/f/s!AoAxWpio0qErgYBGM4MCBwj-cV9Ww?e=Smy2Pp>
Please contact team@safeinindia.org should this be inconvenient to access.

Table 4.3: Good practices documents/policies to have in public domain reviewed for their presence in public domain for each of the 10 OEMs by SII for this report

Documents	Bajaj	Honda	Tata	Maruti Suzuki	Mahindra	Hyundai	Eicher	Hero	TVS	Ashok Leyland
										
Human Rights Policy	Y	Y (Parent Co.)	N	N	Y	Y (Parent Co.)	Y	N	N	N
Business Responsibility Policy	N	N	N	N	Y	N	N	N	N	N
Sustainability Report (SR)	N	Y (Parent Co.)	N	N	Y	Y (Parent Co.)	N	Y	N	N
Sustainability Policy	Y*	N	Y	N	N	N	N	Y	N	Y
Green Supply Chain or Procurement Policy	N	N	N	Y	Y	N	N	N	N	N
Other Documents [#]	(a) (c)	(c)	(b) 2021-22 (c)		(b) 2019-20	(b) (c) HMC parent co.				

Red: Available in the public domain previously but not available in the public domain in SN 23 period.

* Added to the public domain during SN23 review period

#

- a) Charter of Fair and Responsible workplace Guidelines- Contract workers
- b) Global communication of Progress/UN Global Compact
- c) Communication with SII

4.3 The 12 OSH questions asked from each of the top 10 OEMs

Section 3.4 noted SII's concerns with the policies and procedures of OEMs for OSH in their factories and their supply chains. These concerns drove the design of these 12 questions, under three broad categories, which have been asked consistently from each of the top 10 OEMs for the past three years. The language of these questions is continually refined for better clarity and specificity as SII's understanding of these documents increases and based on OEMs' feedback.

A. Publicly declared policies applicable to the OEM's own factories:

1. Does the OEM have publicly declared OSH policy for its own employees?
2. Does the publicly declared OSH policy of the OEM include OSH for non-permanent workers (contract/casual/ non-regular/temporary/flexible workers, trainees, apprentices, etc.) i.e., they are at par with permanent employees?
3. Does the OEM have a Human Rights policy, is it in the public domain and does it cover non-permanent employees and workers and supply chain?

B. Publicly declared policies applicable to the OEM's deeper supply chain:

4. Does the OEM have an OSH policy/guideline for the OEM's Tier 1 suppliers?
5. Does the OEM have an OSH policy/guideline for the OEM's deeper supply chain (Tier 2/3/4)?
6. Is there consistency in OSH policies enforced in the supply chain in OEM's Indian and in international operations?
7. What is the Business Responsibility Reporting on NGRBC Principles 1, 3, and 5 in BRR?
8. What are the OEM's procedures for reporting and monitoring supply chain sustainability (specifically OSH) in accordance with 'Decent Work' (as defined by ILO) and with reporting of accidents as per SDG Indicator 8.8?

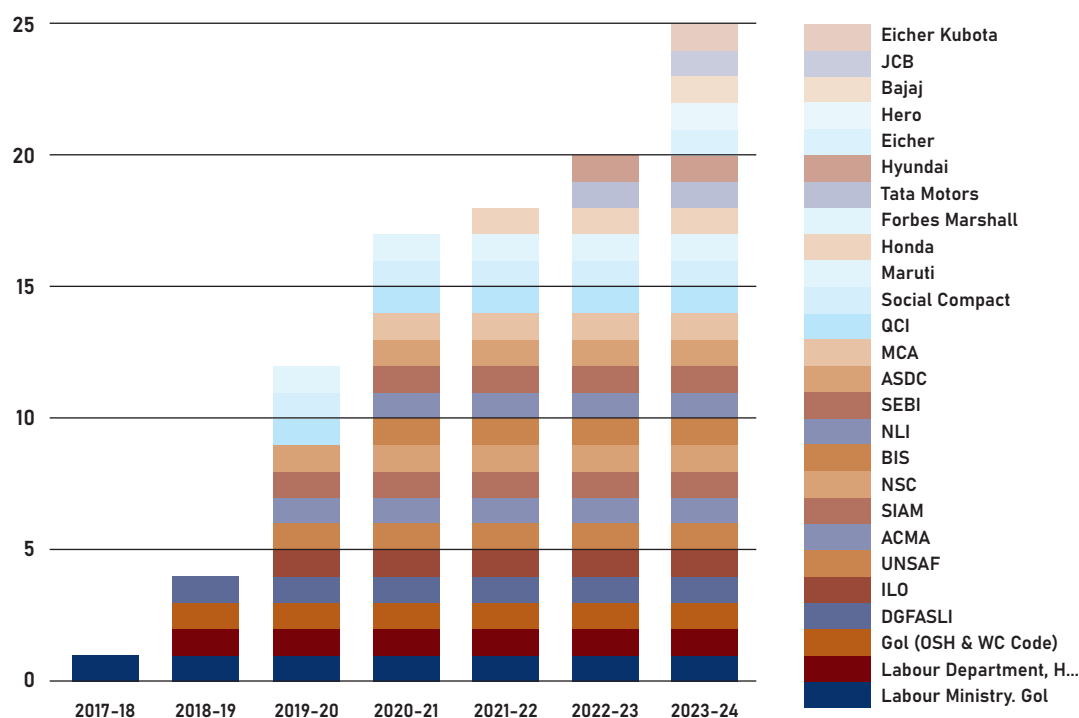
C. Publicly declared procedures to ensure safety across the supply chain:

9. Does the OEM Map its deeper supply chain to be able to improve safety for workers in the supply chain?
10. What are the actions taken by the OEM to prevent accidents in the deeper supply chain?
11. Does the OEM monitor its Tier 1s (direct suppliers) for their actions to improve safety in their deeper supply chain?
12. What are grievance redressal mechanisms for workers across the supply chain to report unsafe working conditions?

4.4 OEMs, auto industry and their associations and the government need to come together to solve this problem

Continuing and increasing engagement with OEMs to verify SII's findings and for advocacy with OEMs, SIAM, ACMA and the state and central government and its agencies: they need to come together themselves to solve this problem for the country.

Figure 4.1: SII's increasing (with inevitably mixed response) engagement with the auto-sector industry and the government to improve OSH in the auto-sector supply chain since 2017.





Even before the launch of CRUSHED2019, the first accident prevention report in the series, SII started engaging with OEMs, SIAM, ACMA and the government bodies. Among the top 10 OEMs, seven have responded, at various times, with clarifications, confirmations, promises and some actions. Three brands, namely Ashok Leyland, Mahindra and TVS have yet to engage meaningfully.

A summary of recent engagements for SafetyNiti 2023:

- SN23 draft findings were shared with all ten OEMs between Feb23 and May23 with a request to confirm and/or provide any missing information.
- Four out of these ten OEMs - Bajaj, Honda, Hyundai and Tata - responded through written letters, emails, in-person/online meetings, or telephonic discussion. The quality and intensity of engagement with these four, especially Bajaj, has improved significantly making the understanding of the issue and progress reported here better. SII is thankful for their engagement and input. Three of these OEMs responded in detail and were sent revised and corrected findings to confirm by Jun23.

No response has been received for SafetyNiti23 from Ashok Leyland, Eicher, Hero, Mahindra, Maruti Suzuki, and TVS, which is disappointing, though Eicher and Maruti Suzuki did comment during preparation of SafetyNiti22. They did, however, participate in meetings post SafetyNiti 2022.

Critical safety gaps revealed: A joint ISH-Maruti-Hero-Honda-SII initiative unveils alarming Tier 2 audit results, 80%+ Tier 2s audited failed!

The first such platform was formed in Gurgaon in 2021 and has had 4 meetings since then. One of the most important initiatives agreed upon by this platform was an audit of 30 Tier 2s - 10 each by the three OEMs. This audit proved the point - more than 80% of them failed the safety audit. SII has received Hero's and Honda's reports and is awaiting the same from Maruti to draw common lessons for a national cascade.

Similarly in another first, SII-ISH-Auto brands platform meeting took place in Faridabad and SII expects to further this agenda in the Faridabad clusters, which as reported in CRUSHED22, appear to have worse working conditions than Gurgaon, where we have focussed more thus far.

Prioritizing worker safety: SII's collaborative efforts with BIS for much needed Indian Standards on safety for Mechanical Presses; thank you BIS.

As reported in CRUSHED Series of annual reports, power presses account for more than half of the fingers lost and injuries caused by them are overall worse than all other machines. SII found that BIS did not have the required machine standards for safety.

SII's constructive engagement with the Bureau of Indian Standards, since 2020, has led to the publishing of Indian Standard IS17277 part 2, titled "Machine Tools Safety Presses Part 2: Safety Requirements of Mechanical Presses". Publishing of part 4 IS 17277, titled "Safety Requirements of Pneumatic Presses" is awaited. SII is thankful to BIS for this. The next step is the enactment of these into Quality Control Orders by the Department of Heavy Industry which would make them mandatory.

More details on SII's engagement with key stakeholders can be found in its CRUSHED series of reports.

4.5 Limitations of this report's analysis

4.5.1: Though the findings have not been confirmed by all 10 OEMs, 4 OEMs for SN23 and 7 OEMs for SN22 did confirm them; these findings should therefore be actioned by all 10 OEMs:

As noted in Section 4.2, the findings in this report have been reached based on SII's secondary analysis of OEMs' documents in the public domain and inputs from four. SII believes its findings represent the material issues fairly and the recommendations applicable to the entire industry, although there may be individual variations in each OEM. Of the six OEMs who did not respond to our queries this time, three of them had confirmed findings of SN22 and therefore SII believes their findings are representative of them.

4.5.2 Findings focus on the presence/absence of relevant OSH policies and not yet on the quality of these policies:

SII's analysis of OEMs' documents for the purpose of this report continues to be limited to identifying the presence and describing of the stated policies and procedures only from the lens of OSH/accident prevention in the auto-sector supply chain, specifically the deeper Tiers 2/3/4. Although the analysis has begun to include some comments only on the quality of occupational safety and health (OSH) procedures outlined in these documents and not on the overall quality of these documents, which remains outside the scope of this report. A finding stating that "a company has a policy", for example, only confirms its presence in the public domain—or an OEM having advised us of its presence—and not its quality or its implementation.

4.5.3 Findings cover implementation statements by OEMs but not the quality of implementation of these statements:

The analysis of implementation/action taken by OEMs in the deeper supply chain is still in its early stages. SII is not able to analyse the quality of these implementations/ actions as it does not have the capacity or access to get inside supplier factories. In due course, SII plans to assess this quality through structured worker feedback.

SII aims to continually address some of these limitations in future reports to the best of its capacity and subject to the quality of engagement of the OEMs with the intention to improve the situation - fast and systemically.

What is the real test of improvement by OEMs?

SII has communicated to the OEMs that the quality of their OSH actions for supply chain can finally be evidenced only in a consistent reduction of reported accidents and improvement in injured worker experiences (as has been and will continue to be reported in SII's CRUSHED series of annual reports), throughout the Indian auto sector's supply chain across all states in India.





CHAPTER: 5

Key OSH policies, guidelines and reporting frameworks - Indian and International



Irrespective of geo-political considerations, in the global economy today, meeting the national and international guidelines on OSH, human rights and basic humanitarian considerations are serious market barriers that influence investments and market access.

SII's evaluation framework, therefore, is guided not only by humanitarian considerations, critical though that is, but also by the Indian and international frameworks that have been gathering prominence and becoming stronger over the past decade or so. The trends are clear; for reasons, geo-political, commercial or genuine human rights, the supply chains across the world need to do better in regard to human rights and therefore for worker safety.

Though the top 10 OEMs do declare a number of compliant policies, the quality of their implementation and therefore their real impact is unclear and is not evidenced by any reduction in crush injuries reported here. This chapter is a reminder that Indian businesses will need to follow these sooner or later to be taken more seriously in the global markets and be market leaders in times to come replacing current global brands.

This chapter lists these Indian and international frameworks and policies.

5.1. Key international bodies' policies and guidelines have continued to emphasise the need for OSH action including in deeper supply chains

In 2021, the United Nations Global Compact¹⁷ and the International Labour Organisation¹⁸ identified nine business practices to improve safety and health through supply chains and create a culture of prevention and protection.

Safe and Working conditions are now included ILO's fundamental principle and right framework

As reported in SN22, the 110th session of the International Labour Conference (ILC) of the International Labour Organization (ILO) in June 2022 adopted a resolution on the inclusion of a safe and healthy working environment in the ILO's framework of Fundamental Principles and Rights at Work (FPRW). The resolution also declares that the Occupational Safety and Health Convention, 1981 (No. 155) and the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187) shall be considered as fundamental Conventions.

All Member States (India included), even if they have not ratified these two conventions, have now an obligation to respect, promote and realise the principles included in these conventions.

These developments reiterate the need for emphasis on OSH in deeper supply chains and strengthen existing policies and guidelines already in place, including:

- a. The Universal Declaration of Human Rights,¹⁹⁴⁸¹⁹
- b. UN Guiding Principles for Business and Human Rights²⁰
- c. UN Sustainable Development Goals (SDGs)²¹
SDG 8 aims to "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all".

¹⁷ <https://unglobalcompact.org/library/5972>

¹⁸ https://www.ilo.org/global/topics/geip/publications/WCMS_821481/lang--en/index.htm

¹⁹ <https://www.un.org/sites/un2.un.org/files/2021/03/udhr.pdf>

²⁰ https://www.ohchr.org/sites/default/files/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

²¹ <https://sdgs.un.org/goals>

- d. Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy approved by the ILO Board²²
- e. ILO Centenary Declaration for the Future of Work, 2019²³

UNGC and ILO have identified nine business practices to improve OSH in supply chains

The United Nations Global Compact and the International Labour Organisation (ILO) have identified nine business practices to improve safety and health through supply chains and create a culture of prevention and protection:

1. Map your supply chains to gain a better understanding of existing OSH challenges
2. Include OSH and employment injury protection in procurement practices
3. Improve the monitoring of OSH compliance, including through closer engagement with suppliers
4. Promote vertical and horizontal knowledge and capacity sharing
5. Align and complement the national legal and policy framework and be a driver for improvement
6. Promote workers' participation and social dialogue
7. Support efforts to enhance the reporting, recording and notification of occupational injuries and diseases to improve data collection
8. Engage with development partners to share knowledge of good practices and innovative approaches to build capacity and partnerships
9. Join international initiatives to support the development of national policies and strengthen national institutions in sourcing countries on OSH practices and employment injury protection

5.2. Government of India's laws, policies and guidelines continue to outline intent to ensure OSH

This is despite limited progress on the National Action Plan.

The following Indian Laws and policies outline Indian Government's intent to ensure Occupational Health and Safety:

- a. Article 21 of the Constitution of India and Directive Principles Articles 42, and 43 therein²⁴
- b. Section 7A (3), 88 & 88 A, 108, and 111 A, and Chapters 3, 4, and 6 of The Factories Act, 1948²⁵
- c. Occupation Health and Safety Policy 2009²⁶
- d. OSH & WC Labour Code²⁷

India currently has a Draft Zero to a National Action Plan on Business and Human Rights to implement UNGPs, which lays down how the government intends to go ahead with the preparation of NAP but the progress on the action points and schedule for the release of the final draft of the NAP is unclear.

²² <https://www.ilo.org/empent/areas/mne-declaration/lang--en/index.htm>

²³ https://www.ilo.org/wcmsp5/groups/public/@ed_norm/@relconf/documents/meetingdocument/wcms_711674.pdf

²⁴ <https://legislative.gov.in/constitution-of-india/>

²⁵ <https://dgfasli.gov.in/factories-act-1948>

²⁶ <https://labour.gov.in/sites/default/files/SafetyHealthandEnvironmentatWorkPlace.pdf>

²⁷ https://labour.gov.in/sites/default/files/osh_gazette.pdf



5.3. Expanded scope by SEBI of reporting by listed companies on injuries and ill health of their non-permanent workers and workers in their supply chain.

As reported in SN22, as per the SEBI circular of May 2021²⁸, BRSR has replaced BRR (Business Responsibility Report) from FY 22-23 and now listed companies need to improve reporting on the supply chain, including “Leadership Indicators” on OSH. It is mandatory for the top 1000 listed companies to report in the BRSR format²⁹ from FY 22-23. The BRSR format has several new policy and implementation level questions including direct questions related to OSH and Human Rights.

The Indian Government has also issued guidelines in line with its international commitments towards UNGP, SDG, Climate Change, ILO core conventions 138 and 182. The agencies like BSE, ICAI, and SEBI, have also issued guidelines, including:

- a. NGRBC of 2019
- b. SEBI Circulars for Business Responsibility Reporting and Integrated Reporting³⁰ & the SEBI circular for BRSR and now BRSR Core
- c. Guidance Document on ESG Disclosures by BSE³¹
- d. ICAI Sustainability Reporting Maturity Model (SRMM) Version 1.0³²

Top 150 listed companies to report on SEBI's BRSR Core Framework in FY 23-24

On July 12, 2023, SEBI has issued BRSR Core- Framework for assurance and ESG disclosures for value chain. The BRSR Core is a sub-set of the BRSR, consisting of a set of Key Performance Indicators (KPIs) / metrics under 9 ESG attributes. Top 150 listed companies to report on SEBI's BRSR Core Framework in FY 23-24.

NSE³³ has issued Integrated Guide to BRSR³⁴ for thirty-eight sectors including the Automobile sector. This guide is mapped to SEBI's Standardised Industry Classification System and five Global Reporting Frameworks namely GRI, SDG, TCFD³⁵, CDP³⁶, SASB³⁷

For BRSR Principle C Question 11 (Details of Safety Related incidents) reporting, the NSE guidelines have referenced GRI 403-9 and 403-10 and NSE has given additional explanation which is in box 03 which covers:

1. The non-permanent workers in the factories
2. Workers of the supplier to the reporting organisation who work on the supplier's premises and where the organisation instructs the supplier to use particular materials or work methods in manufacturing/delivering the required goods or services.

Therefore, BRSR requires companies to include in their report the injuries and ill health of non-permanent workers and workers in their supply chain.

²⁸ https://www.sebi.gov.in/legal/circulars/may-2021/business-responsibility-and-sustainability-reporting-by-listed-entities_50096.html

²⁹ https://www.sebi.gov.in/sebi_data/commndocs/may-2021/Business%20responsibility%20and%20sustainability%20reporting%20by%20listed%20entitiesAnnexure1_p.PDF

³⁰ https://www.sebi.gov.in/legal/circulars/feb-2017/integrated-reporting-by-listed-entities_34136.html

³¹ https://www.bseindia.com/downloads1/BSEs_Guidance_doc_on_ESG.pdf

³² <https://kb.icai.org/pdfs/69633srsb55592.pdf>

³³ NSE: National Stock Exchange. Top 1000 companies as on March 31, 2023 based on Market Capitalisation. <https://www.nseindia.com/regulations/listing-compliance/nse-market-capitalisation-all-companies>

³⁴ BRSR: Business Responsibility and Sustainability Reporting. SEBI

³⁵ TCFD: Task Force on Climate Related Financial Disclosures

³⁶ CDP: Carbon Disclosure Project

³⁷ SASB: Sustainability Accounting Standards Board

NSE Explanation (with reference to GRI 403-9/10) for BRSR Section C Principle 3 Question 11 which is 'Details of Safety Related incidents':


GRI Disclosure 403-9 as follows for Work-related injuries.

- a) For all employees:
 - The number & rate of fatalities as a result of work-related injury;
 - The number & rate of high-consequence work-related injuries (excluding fatalities);
 - The number & rate of recordable work-related injuries;
 - The number of hours worked.
- b) For all workers who are not employees but whose work &/or workplace is controlled by the organization:
 - The number & rate of fatalities as a result of work-related injury;
 - The number & rate of high-consequence work-related injuries (excluding fatalities);
 - The number & rate of recordable work-related injuries;
 - The main types of work-related injury;
 - The number of hours worked

GRI Disclosure 403-10 as follows for Work-related ill health

- a) For all employees:
 - The number of cases of recordable work-related ill health;
- b) For all workers who are not employees but whose work &/or workplace is controlled by the organization:
 - The number of cases of recordable work-related ill health XX formatting tabs/numbering

Notification for SEBI BRSR Core Framework



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 July 12, 2023

To,
All listed entities
All Recognized Stock Exchanges

Sir / Madam,

Subject: BRSR Core – Framework for assurance and ESG disclosures for value chain

1. SEBI vide Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021 had prescribed the Business Responsibility and Sustainability Report (BRSR) which was subsequently incorporated in the Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023. Based on the recommendations of the ESG Advisory Committee and pursuant to public consultation, the Board decided to introduce the BRSR Core for assurance by listed entities. The Board further decided to introduce disclosures and assurance for the value chain of listed entities, as per the BRSR Core.

5.4. Increasing global reporting requirements would require the Indian sector to take more responsibility for human rights in their supply chain

Increasing reporting requirements from Europe, Japan, and others would require these top 10 OEMs and similar Indian corporates/MNCs in India to take more responsibility for human rights (including OSH) in their supply chain: Human Rights Due Diligence (HRDD) in supply chain is coming!

As reported in SN22, several international bodies have designed non-financial reporting frameworks to push for improved reporting by businesses with the aim of promoting measurement, monitoring, transparency, consistency and assessment, including:

- a. GRI (Sustainability Reporting Standards) 403 for OSH including in the supply chain – and its partnerships for unified comprehensive and global reporting standards³⁸.
- b. EU's Non-Financial Reporting Directive³⁹ and its guidance for the supply chain⁴⁰

Additionally, there has been recent adoption of new non-financial reporting requirements by multiple trans-national and national entities, including:

- a) In February 2022, the European Commission (EC) published the long-anticipated, proposed (yet to be formalised) Corporate Sustainability Due Diligence Directive (CSDDD) imposing reporting requirements in the Non-Financial Reporting Directive (NFRD) on approximately 12,000 companies concerning environmental, social and human rights-related risks, impacts, measures (including due diligence) and policies.



The Commission's recent proposal for a Corporate Sustainability Reporting Directive (CSRD), revising the NFRD, would extend the scope of the companies covered to all large and all listed companies, require the audit (assurance) of reported information and strengthen the standardisation of reported information by empowering the Commission to adopt sustainability reporting standards⁴¹.

This Directive [CSDDD] in future will complement the current NFRD and its proposed amendments (proposal for CSRD) by adding a substantive corporate duty for some companies to perform due diligence to identify, prevent, mitigate and account for external harm resulting from adverse human rights and environmental impacts in the company's own operations, its subsidiaries and in the value chain.

- b) "In June 2022, the G7 announced a commitment to an "international consensus on business and human rights."



"OECD Due Diligence Guidance for Responsible Business Conduct ONDUCT, 2018 responds to the G7 Leaders' Declaration adopted on 7-8 June 2015 in Schloss Elmau, which recognised the importance of establishing a common understanding on due diligence, in particular for small and medium-sized enterprises, and encouraged enterprises active or headquartered in their countries to implement due diligence in their supply chains. In their Declaration adopted on 8 July 2017 in Hamburg, G20 Leaders committed to fostering the implementation of labour, social and environmental standards and human rights in line with internationally recognised frameworks in order to achieve sustainable and inclusive supply chains and underlined the responsibility of businesses to exercise due diligence in this regard⁴²."

- c) France: French Corporate Duty of Vigilance Law (effective from 2021) includes "The plan shall include the reasonable vigilance measures to allow for risk identification and for the prevention of severe violations of human rights and fundamental freedoms, serious bodily injury or environmental damage or health risks resulting directly or indirectly from the operations of the company and of the companies it controls."⁴³



³⁸ <https://www.globalreporting.org/standards/media/1910/gri-403-occupational-health-and-safety-2018.pdf>

³⁹ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0095&from=EN>

⁴⁰ [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52017XC0705\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52017XC0705(01)&from=EN)

⁴¹ UNDP Progress Report 2022 on Business and Human Rights in Asian states

⁴² UNDP Progress Report 2022 on Business and Human Rights in Asian states

⁴³ <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000034290626/>

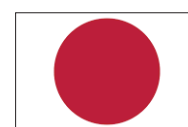
d) Norway: Transparency Act (effective from 2022) included “Decent working conditions means work that safeguards fundamental human rights pursuant to (b) and health, safety and environment in the workplace, and that provides a living wage.”⁴⁴



e) Germany: German Supply Chain Due Diligence Act (effective from 2023) includes “the prohibition of disregarding the occupational safety and health obligations applicable under the law of the place of employment if this gives rise to the risk of accidents at work or work-related health hazards”.⁴⁵



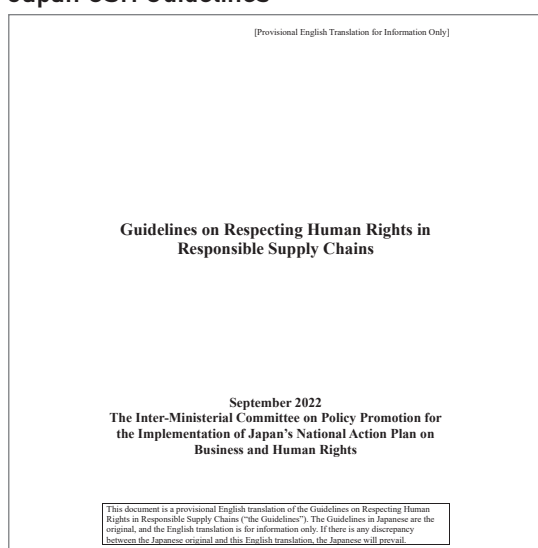
f) In September 2022, the Japanese Ministry of Economy, Trade and Industry (METI) has released its finalised Guidelines on Respecting Human Rights in Responsible Supply Chains (the HRDD Guidelines) which covers OSH in the global supply chains of Japanese companies.⁴⁶



EC Communication on Decent Work



Japan OSH Guidelines



Japan's leadership in human rights in supply chain and need for Japanese companies in India to follow this lead

Japanese entities that engage in business activities in Japan must therefore pay attention to the adverse human rights impacts by their business enterprise, group companies, and within their supply chains, not only in Japan but also around the world.

Japanese companies operating in India, such as Honda and Maruti Suzuki (a subsidiary of Suzuki), should therefore quickly prioritize Human Rights Due Diligence (HRDD) in their supply chains. They should align their practices with the Japanese government's National Action Plan on Business and Human Rights (2020-2025), which includes mapping their supply chains, engaging with suppliers to promote responsible practices, implementing, monitoring and auditing mechanisms, collaborating with stakeholders to address human rights challenges, and transparent reporting on their efforts and progress.

⁴⁴ <https://www.regjeringen.no/contentassets/c33c3faf340441faa7388331a735f9d9/transparency-act-english-translation.pdf>

⁴⁵ https://www.bgb1.de/xaver/bgb1/start.xav?startbk=Bundesanzeiger_BGB1&jumpTo=bgb1121s2959.pdf#_bgb1_%2F%2F%5B%40attr_id%3D%27bgb1121s2959.pdf%27%5D__1689156855134

⁴⁶ https://www.meti.go.jp/english/press/2022/pdf/0913_001a.pdf





CHAPTER: 6

Findings for the Indian auto sector brands (OEMs)

6.1 Summary of findings for individual top 10 OEMs: current status and trends of improvements and declines

SII's analysis of current status of Top 10 OEMs' OSH policies for their supply chain is summarized below. The sequence of OEMs is from the 'best' to 'worst' with Bajaj being the best and Ashok Leyland being the worst of all the 10 OEMs. This sequence has changed from SN21 and SN22 as these OEMs have improved, or not, and indeed some appear to have regressed with respect to these policies. The change in the ranking of these OEMs from the past reports are given in table 6.2 and the details of the changes per OEM per questions is shown in the Appendices.

Table 6.1: A summary view of the existence, adequacy, and clarity of OEMs' OSH policies and procedures in decreasing order (weighted: green 0, amber -1, red -2). Arrows indicate improvement or deterioration with respect to the parameter since SN22.

Sr. No.	Questions	Bajaj	Honda	Tata	Maruti Suzuki	Mahindra	Hyundai	Eicher	Hero	TVS	Ashok Leyland
1	Publicly declared OSH Policy for OEM's own employees	Green	Green	Green	Green	Green	Amber (↑)	Green	Green	Amber	Green
2	Publicly declared policy of OEM's that includes OSH for non-permanent workers at par with permanent employees	Green	Green	Green	Green	Amber	Amber (↓)	Amber (↑)	Amber	Amber	Amber (↓)
3	Publicly declared Human Rights policy, covers non-permanent employees and workers and supply chain	Amber	Amber	Amber	Amber (↓)	Amber (↑)	Red	Amber (↑)	Red	Red	Red
4	OSH policy/guideline for OEM's Tier 1 suppliers	Green	Green	Green	Amber (↓)	Green	Green	Green	Amber	Amber	Red
5	OSH policy/guideline for OEM's deeper supply chain (Tier 2/3/4)	Green	Green	Amber (↑)	Amber	Green	Amber (↑)	Amber (↑)	Red	Red	Red
6	Consistency in the OSH policies enforced in the supply chain in Indian and international operations	Green	Green	Green	Amber	Green	Green	Red	Red	Red	Red
7	Reporting on NGRBC Principles 1, 3, and 5	Amber (↑)	DNR*	Amber	Amber (↑)	Amber	DNR*	Amber (↑)	Amber (↑)	Amber (↑)	Amber (↑)
8	Policies and procedures for monitoring and reporting on supply chain sustainability in accordance with Decent Work and reporting of accidents as per SDG indicator 8.8	Amber	Amber	Amber (↑)	Amber (↓)	Amber (↑)	Amber (↑)	Amber	Amber	Amber	Red
9	Mapping of OEM's deeper supply chain to be able to improve safety	Amber	Amber	Amber	Amber	Red	Amber (↑)	Amber	Amber (↓)	Red	Red
10	Actions taken by the OEM to prevent accidents in its deeper supply chain	Amber	Amber (↓)	Amber	Green	Amber	Green	Amber (↓)	Amber (↑)	Amber (↑)	Red
11	Monitoring of OEM's Tier 1 (direct suppliers) for their actions to improve safety in their deeper supply chain	Amber (↑)	Amber	Amber	Amber	Red	Amber	Red	Red	Red	Red
12	Grievance redressal mechanism for workers across supply chain to report unsafe work conditions	Amber (↑)	Amber	Amber (↑)	Amber (↑)	Amber	Amber	Red	Amber (↑)	Amber	Amber

DNR* indicated that these OEMs 'do not report' as they are unlisted companies and as per SEBI guidelines only listed companies in India are mandated to report on these parameters. SII has been recommending since 2021 to make large (TBC) unlisted companies to be also made to report the same as listed companies.

Table 6.2: The change in the ranking of the top 10 OEMs from the past reports SN21 and SN22.

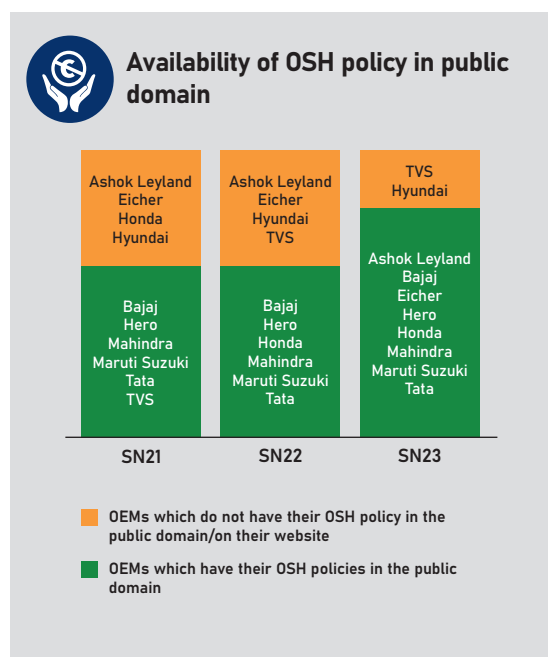
Rank	1	2	3	4	5	6	7	8	9	10
SN21	Maruti Suzuki	Tata	Mahindra	Hyundai	Honda	Eicher	TVS	Bajaj	Hero	Ashok Leyland
SN22	Maruti Suzuki	Honda	Tata	Mahindra	Bajaj	Hyundai	Eicher	Hero	Ashok Leyland	TVS
SN23	Bajaj	Honda	Tata	Maruti Suzuki	Mahindra	Hyundai	Eicher	Hero	TVS	Ashok Leyland

Next sections explain the detail of these findings justifying this RAG status. A few OEMs in the next section are given different RAG status in some of the questions than that in the above Summary Table 6.1 as table 6.1 is an overall summary table, while the findings below are at a more granular level driven by detail per OEM described in individual OEM analysis in Section 6.4.

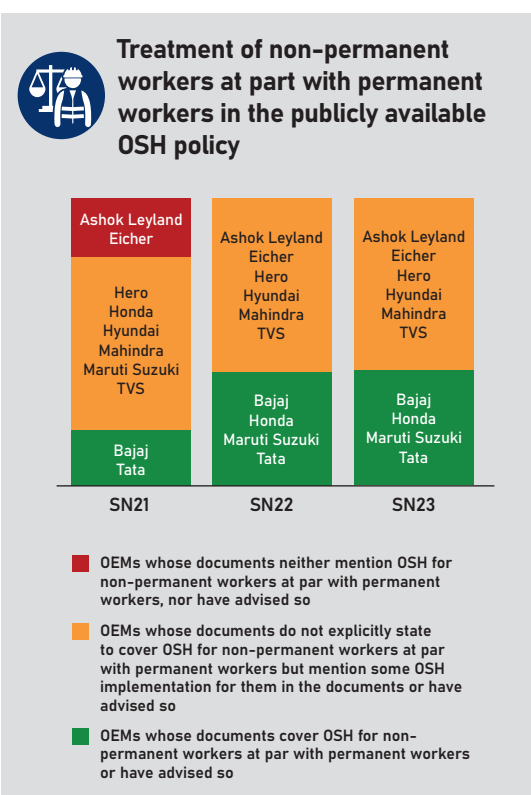
6.2. Overall Findings for OEMs:

As stated earlier, the following findings are based on SII's review of the relevant documents, listed in the section 4.2, of the top ten identified OEMs: Ashok Leyland Ltd, Bajaj Auto Ltd, Eicher Motors Ltd, Hero Motocorp Ltd, Honda Motorcycles and Scooters India Pvt Ltd, Hyundai Motor Company India, Mahindra and Mahindra Ltd, Maruti Suzuki India Ltd, Tata Motors Ltd, TVS Motor Company Ltd.

6.2.1. Finding 1. Eight OEMs now have their OSH Policy in public domain and one has advised that the policies of their parent company is applicable to Indian company as well, however, it's not on their website and the tenth has an OSH statement in public domain - an improvement from six in SN22 and SN21.



6.2.2. Finding 2. Four OEMs now have advised that they have OSH policies for contract workers at par with their permanent workers - same as SN22 and an improvement from two in SN21.



Hero does have a mention of third-party contract associates in its CoC but not in its OSH policy. With improved understanding of the issue, SII has upgraded its criteria/standard for RAG status of the OEMs.

Four OEMs, Bajaj, Honda, Maruti Suzuki, and Tata, do not have this at par treatment in their OSH Policy but have advised SII that they do. *They have been rated green, on trust, in this report until next year, when SII expects them to explicitly include this in their OSH Policy, failing which they will become amber/red.*

Hyundai has also advised SII of this at par treatment; however, unlike the above four OEMs, they do not have their Indian or parent OSH policy in the public domain/on its Indian website, therefore it has been rated amber in this report.

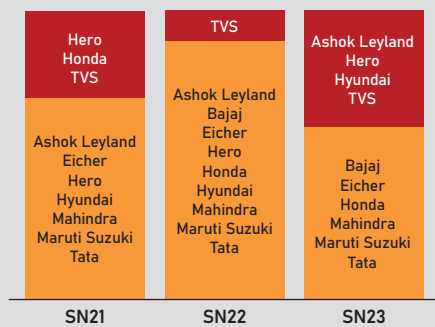
What exactly is non-permanent worker?

Across the documents and policies of the OEMs, the terminology used for non-permanent workers is varied and includes for example, contract, temporary, casual workers, trainees, NEEM trainees, apprentices/ probationers, associates, flexible, non-regular, other than permanent workers. SII's reference to non-permanent workers in the questions/findings above includes all such categories of non-permanent workers.

6.2.3. Finding 3. Four OEMs now have Human Rights Policy in public domain and categorically cover non-permanent workers and/or deeper supply chain - an improvement from none in SN22 and SN21 but not enough yet by anyone.



Availability of Human Rights policy in public domain and inclusion of non-permanent workers and deeper supply chain in it.

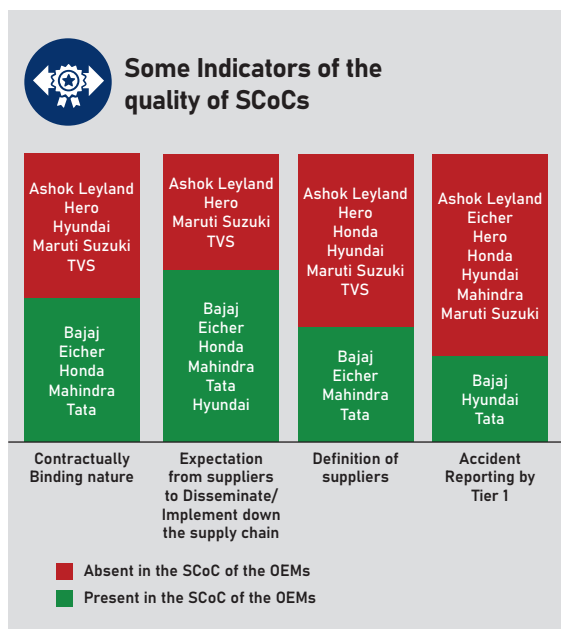
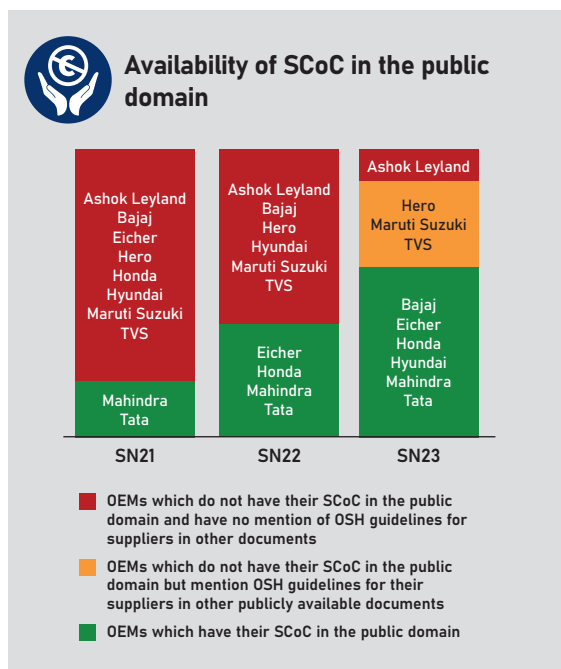


- OEMs which do not have a stated Human Rights policy in the public domain
- OEMs that cover Human Rights in some documents but not in accordance with UN Human Rights Convention

Although four OEMs (Bajaj, Eicher, Honda and Mahindra) have Human Rights policy in public domain and have included non-permanent works and suppliers in it, however, we have reported accidents in their supply chain in our CRUSHED series of report, therefore, they have been rated amber in this report. Two OEMs (Maruti Suzuki and Tata) do not have the Human Rights policy in public domain but have mentioned non-permanent workers and/or deeper supply chain in other documents like SCoC or CoC, therefore have been given amber status.

Four OEMs (Ashok Leyland, Hyundai, Hero, and TVS) do not have Human Rights policy in public domain but have mentions of Human Rights in a few documents.

6.2.4. Finding 4. Six OEMs now have “Supplier Code of Conduct” (SCoC) in public domain now - an improvement from four in SN22 and two in SN21, though only four are contractually binding - though no one has monitoring provisions yet.

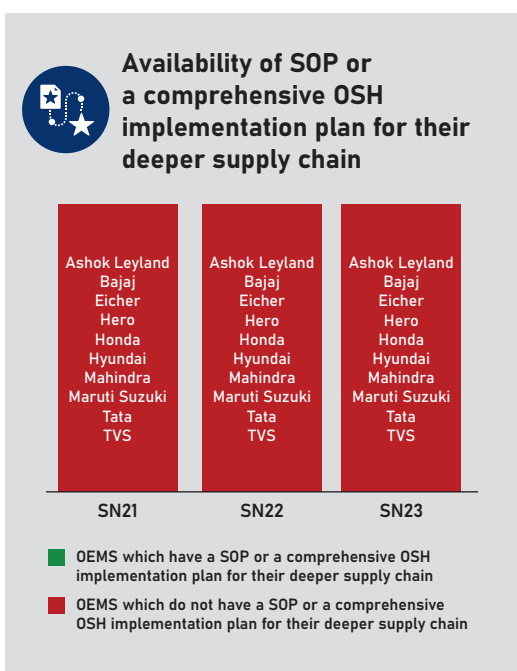


Four OEMs have defined “suppliers”, however, it’s unclear if the usage of ‘suppliers/vendors’ includes the deeper supply chain component manufacturers, as none have explicitly said so. Other six OEM have not even defined the term.

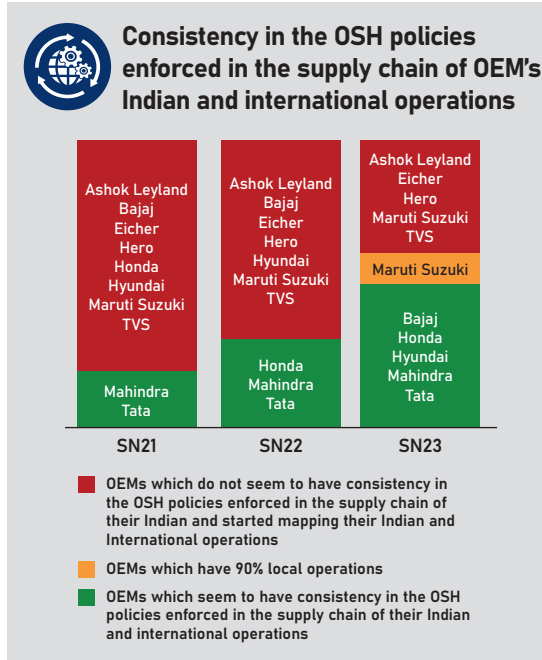
SCoCs has been one of SII’s priorities and indeed was picked up by SIAM as a priority too during their address at SN22 launch. There has been thankfully some improvement in this. Five OEMs now have contractually binding SCoC, four define ‘suppliers’ in their SCoC and three have provisions of accident reporting to them by suppliers.

All five of them expect from their suppliers to disseminate it down the supply chain, however, there is, as yet, no provision in their SCoC for the monitoring of the same.

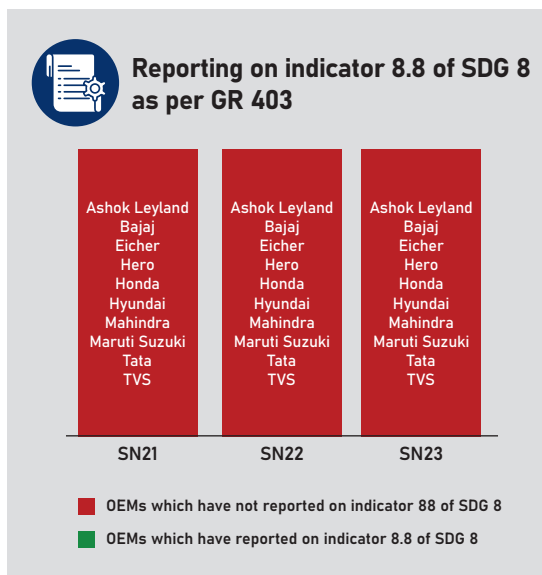
6.2.5. Finding 5. None of the OEMs appears to have a SOP or a comprehensive OSH implementation plan for their deeper supply chain, same as last year.



6.2.6. Finding 6. Five OEMs seems to have consistency in the OSH policies for supply chain of their Indian and international operations – an improvement from three in SN22 and two in SN21



6.2.7. Finding 7. Reporting on 'Decent work' has improved as OEMs have started to define and provide mechanism to monitor and report on different indicators of it, albeit to varying degrees; however no OEM has reported on Indicator 8.8 (the only one about worker safety) of SDG 8 same as SN22 and SN21.



None of OEMs (Red bar as done above) have reported on accidents as per GRI 403 as mentioned in chapter 5 or Indicator 8.8.1 mentioned below. None have reported on indicator 8.8.2 either.

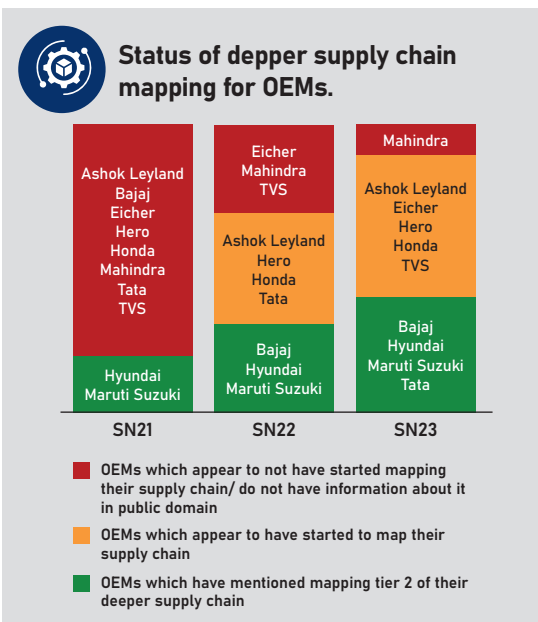
Why are SDG8.8 Indicators essential for supply chain workers?

SDG8 is to 'Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment'. This target has two relevant indicators:

8.8.1: Fatal and non-fatal occupational injuries per 100,000 workers, by sex and migrant status. Calculation of these have been defined by UN⁴⁷

8.8.2: Compliance with labour rights (freedom of association and collective bargaining) based on International Labour Organization (ILO) textual sources and national legislation, by sex and migrant status.

6.2.8. Finding 8. Only four OEMs have mapped both their Tier 1 and 2 suppliers. None have mapped Tier 3 suppliers yet.



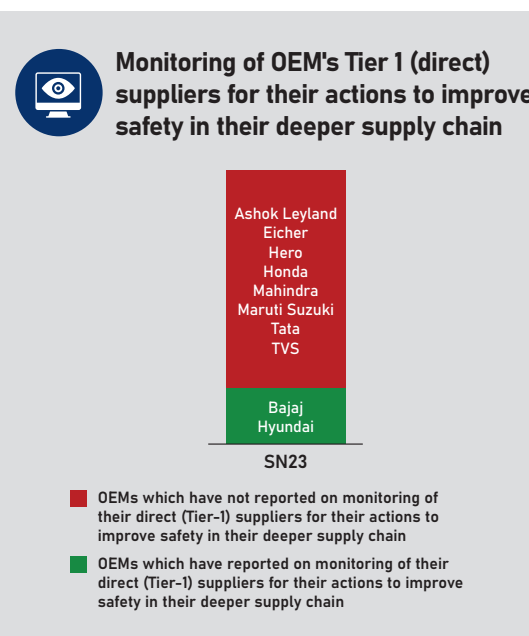
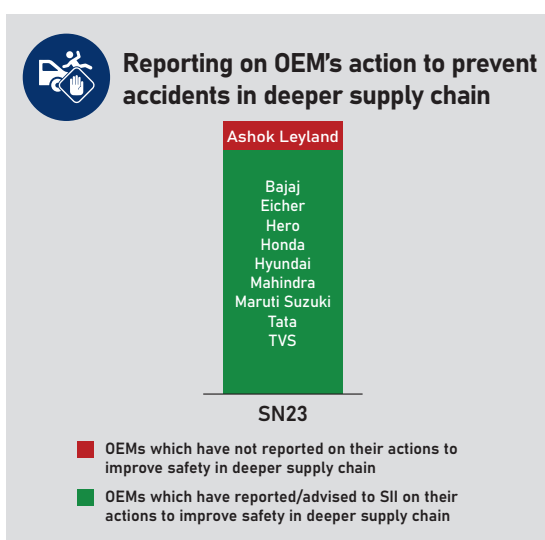
⁴⁷ <https://unstats.un.org/wiki/display/SDGeHandbook/Indicator+8.8.1>

6.2.9. Finding 9. It's not clear whether despite reporting of the evidence of injuries since 2019, this issue and actions taken by OEMs are being discussed at OEM boards.

Although SII has been recommending inclusion of OSH and the actions taken in OEMs' standard board agenda, there is evidence in only two having done this: Maruti-Suzuki whose Chairman wrote constructively to SII acknowledging its seriousness and promising actions, and Hyundai now has "a Road to Sustainability report" where the Chairman's Message talks about "strengthening human rights management; improved the safety and health and ESG-oriented management of their supply chains".

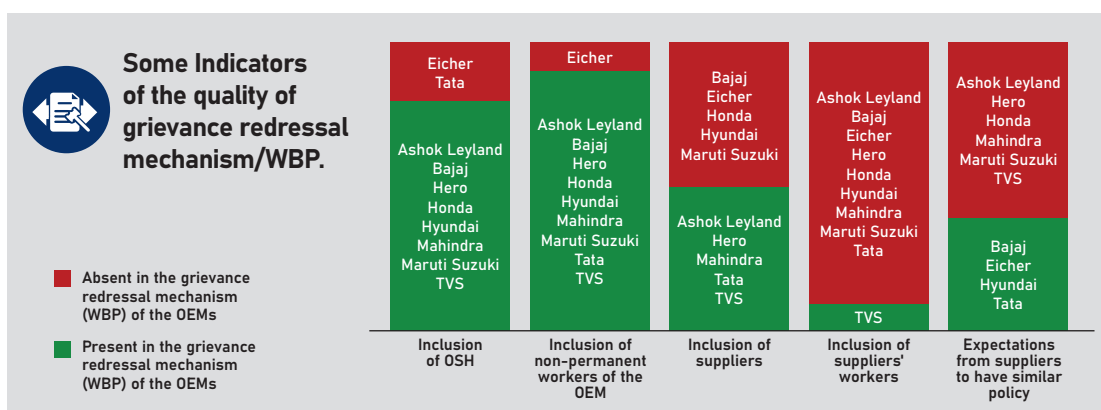
6.2.10. Finding 10. Nine OEMs have now started to report in their public documents or have advised SII on at least some actions taken to prevent accidents in deeper supply chain, such as details of risk assessments, monitoring and audits of suppliers, etc.

6.2.11. Finding 11. Only two OEMs have reported monitoring of their direct (Tier-1) suppliers for OSH actions, as required by their SCoC/OSH Policy, to improve safety in their deeper supply chain.



Note: Details on this are given in section 6.3 in the findings of respective OEMs.

6.2.12. Finding 12. Only one OEM has a grievance redressal mechanism for workers (including non-permanent workers) across the supply chain to report unsafe working conditions, another expects its suppliers to have a similar mechanism for their workers, while eight have it for only their own factory workers.



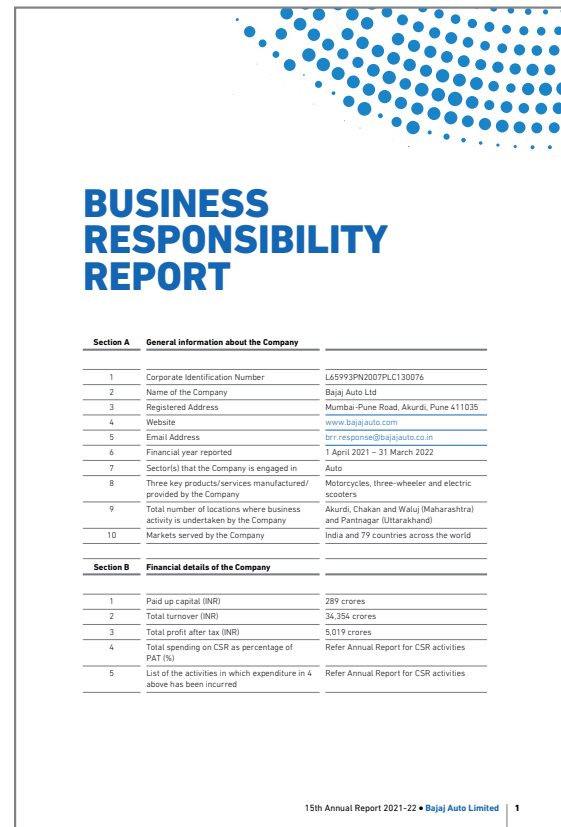
Note: No historical graphs presented as they were not part of SN21 and SN22.

6.3 A few good OEM supply chain OSH practices identified (one per OEM) that are worth replicating, although SII is unable to comment on the quality of their implementation

Despite some of the OEMs being ranked lower in RAG status, they still have good OSH practices documented that can be replicated across the industry, although SII is unable to comment on the quality of their implementation as stated earlier in this report. One best practice per OEM has been identified by SII:

- Bajaj has relatively the most comprehensive SCoC which is also contractually binding:** Bajaj's SCoC is contractually binding on at least the Tier 1 suppliers and reportedly asks them to compulsorily have their SHE Policy (Safety, Health & Environment Policy) made available in public domain. Accident reporting, reportedly, has also been made part of it. Bajaj also advises that it ensures suppliers' compliance in the deeper supply chain for all Tier 1 and Tier 2/3/4 for 'Safety compliance', 'Conducting Health Examination', 'ESIC registration' and 'Making ESIC Card available to all workers on the date of joining.'
- Tata Motors' explicit treatment of non-permanent workers at par with permanent workers in at least their own factory:** Tata has advised (not stated in written policy though) SII that OSH policy for all contract workers inside Tata Factories is at par with permanent employees and there is no difference.
- Maruti's training of Tier 1/2 suppliers:** Only Maruti Suzuki has reported a large number of Tier 2 trainings at 700 mini-Dojo centres put at Tier 2 locations for the first-time.
- Eicher's recognition of OSH as part of Human Rights Policy, in accordance with ILO's 5th principle:** Only Eicher has recognized OSH so recognised by ILO as 5th fundamental principle and right at work) as one of the rights in its Human Rights policy.

Bajaj BRR

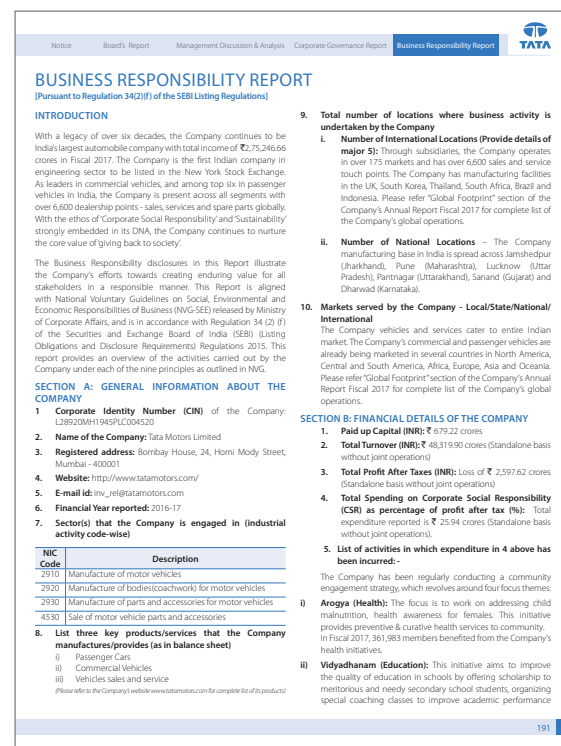


BUSINESS RESPONSIBILITY REPORT

Section A	General information about the Company	
1	Corporate Identification Number	L65993PN2007PLC130076
2	Name of the Company	Bajaj Auto Ltd
3	Registered Address	Mumbai-Pune Road, Akurdi, Pune 411035
4	Website	www.bajajauto.com
5	Email Address	br.response@bajajauto.co.in
6	Financial year reported	1 April 2021 – 31 March 2022
7	Sector(s) that the Company is engaged in	Auto
8	Three key products/services manufactured/ provided by the Company	Motorcycles, three-wheeler and electric scooters
9	Total number of locations where business activity is undertaken by the Company	Akurdi, Chakan and Waluj (Maharashtra) and Paninagar (Uttarakhand)
10	Markets served by the Company	India and 79 countries across the world
Section B	Financial details of the Company	
1	Paid up capital (INR)	289 crores
2	Total turnover (INR)	34,354 crores
3	Total profit after tax (INR)	5,019 crores
4	Total spending on CSR as percentage of PAT (%)	Refer Annual Report for CSR activities
5	List of the activities in which expenditure in 4 above has been incurred	Refer Annual Report for CSR activities

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Tata BRR



BUSINESS RESPONSIBILITY REPORT
(Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations)

INTRODUCTION

With a legacy of over six decades, the Company continues to be India's largest automobile company with total income of ₹2,75,246.66 crores in Fiscal 2021. The Company is the first Indian company in engineering sector to be listed in the New York Stock Exchange. As leaders in commercial vehicles, and among top six in passenger vehicles in India, the Company is present across all segments with over 6,600 dealership points - sales, services and spare parts globally. With the ethos of 'Corporate Social Responsibility' and 'Sustainability' strongly embedded in its DNA, the Company continues to nurture the core value of 'giving back to society'.

The Business Responsibility disclosures in this Report illustrate the Company's efforts towards creating enduring value for all stakeholders in a responsible manner. This Report is aligned with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE) released by Ministry of Corporate Affairs, and is in accordance with Regulation 34 (2) (f) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015. This report provides an overview of the activities carried out by the Company under each of the nine principles as outlined in NVG.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company: L28920MH1945PLC004520
- Name of the Company: Tata Motors Limited
- Registered address: Bombay House, 24, Horni Mody Street, Mumbai - 400001
- Website: <http://www.tatamotors.com/>
- E-mail id: inv_rel@tatamotors.com
- Financial Year reported: 2016-17
- Sector(s) that the Company is engaged in (Industrial activity code-wise)

NIC Code	Description
2910	Manufacture of motor vehicles
2930	Manufacture of bodies/coachwork for motor vehicles
2930	Manufacture of parts and accessories for motor vehicles
4530	Sale of motor vehicle parts and accessories

- List three key products/services that the Company manufactures/provides (as in balance sheet)
 - Passenger Cars
 - Commercial Vehicles
 - Vehicles sales and service

(Please refer to the Company's website www.tatamotors.com for complete list of its products)

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (INR): ₹ 675.22 crores
- Total Turnover (INR): ₹ 48,319.90 crores (Standalone basis without joint operation)
- Total Profit After Taxes (INR): Loss of ₹ 2,597.62 crores (Standalone basis without joint operation)
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): Total expenditure reported is ₹ 23.94 crores (Standalone basis without joint operation).
- List of activities in which expenditure in 4 above has been incurred:-

The Company has been regularly conducting a community engagement strategy which involves around four focus themes:

 - Arogya (Health):** The focus is to work on addressing child malnutrition, health awareness for females. This initiative provides preventive & curative health services to community. In fiscal 2017, 361,983 members benefited from the Company's health initiatives.
 - Vidyantham (Education):** This initiative aims to improve the quality of education in schools by offering scholarship to meritorious and needy secondary school students, organizing special coaching classes to improve academic performance.

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- **Mahindra's contractually binding Human Rights Policy:** Mahindra has been pioneer in reporting that it implements its Human Rights Policy through contractual agreement – “All formal agreements with such prospective business associates/partners must have clauses that endeavour to seek adherence to Human Rights”. It is the only OEM to categorically include all permanent and non-permanent workers in its Human Rights policy.
- **Reporting on all 'essential' and 'leadership' indicators of NGRBC by Hero and TVS and on few 'essential' and leadership indicators' by Eicher:** Only Hero, TVS and Eicher have now reported on 'essential' and 'leadership indicators' of NGRBC, which indicates the progress to a higher level in their quest to be socially, environmentally and ethically responsible businesses.
- **Hyundai and Bajaj now map their Tier 1s and 2s of deeper supply chain:** Hyundai and Bajaj advise that all Tier1 and Tier 2 suppliers in India are now mapped, which is great progress and should help improving OSH in the deeper supply chain.



“I had been saying to my supervisor for 4 days that the spring of the power press machine has become very loose; get it replaced. But he said that there is no new spring in the store and when it arrives, he will get it replaced. The very next day, the spring broke, and I lost three fingers of my left hand, forever”

Ranjay Kumar, 31, from Bihar

Lost 3 fingers at a factory making parts for Tata, Mahindra, Bajaj and Ashok Leyland in Pune, Maharashtra in 2022



6.4 Detailed Findings for each OEM



Ashok Leyland (AL)

Section 1: Publicly declared policies applicable to the OEM's own factories

1. Does the OEM have publicly declared OSH Policy for its own factories?

a As also reported in SN'22, Environment, Health and Safety (EHS) Policy is in the public domain.

2. Does the publicly declared OSH policy of the OEM include OSH for non-permanent workers (contract/casual/ non-regular/temporary/flexible workers, trainees, apprentices, etc.) i.e., they are at par with permanent employees?

a As also reported in SN'22, it does not appear to categorically include OSH for non-permanent workers at par with permanent employees.

b It does state, "to protect the environment, Health and Safety of our employees and other relevant stakeholders"

c SN'22 had reported positive mentions on the subject, however, this year SII is unable to find the SR21-22 in the public domain. AR does not appear to be an 'Integrated report', as categorically stated by other OEMs.

3. Does the OEM have a Human Rights policy, is it in the public domain and does it cover non-permanent employees and workers and supply chain?

a As also reported in SN'21 and SN'22, SII is still unable to find AL's Human Rights Policy in the public domain.

b Findings reported in SN'21 and SN'22 do not hold this year as SII is unable to find the SR21-22 in the public domain and it could not find any mentions in AR on this subject.

c As also reported in SN'22, BRR21-22 does state, "We also ensure that human rights clauses such as collective bargaining, equal opportunities and prohibition of child and forced labour are practiced and included in our contracts with our suppliers." (AR21-22, p.83).

d However, this continues to exclude OSH.

Section 2: Publicly declared policies applicable to OEM's deeper supply chain

4. Does the OEM have an OSH policy/guideline for their Tier 1 suppliers?

a As also reported in SN'22, SII is still unable to find AL's SCoC in the public domain.

b Findings reported in SN'21 and SN'22 do not hold this year as SII is unable to find the SR21-22 in the public domain and it could not find any positive mentions in Annual Report on the subject.

5. Does the OEM have an OSH policy/guideline for their deeper supply chain (Tier 2/3/4)?

a As also reported in SN'21 and SN'22, SII is still unable to find AL's SCoC or any mention of OSH policy/guideline for health and safety in deeper supply chain in any of the publicly available documents.

6. Is there consistency in the OSH policies enforced in the supply chain in OEM's Indian and international operations?

a As reported in SN'21 and SN'22, it is still not clear/conclusive because the subject is not categorically covered/stated.

b Annual Report states, "... has spread over 7 countries having manufacturing/assembly/ arrangement facilities" (p.77)

c "We have a very strong localization policy and 98% of our suppliers are based in India." (AR21-22, p.81)

It appears to SII that most of Ashok Leyland's procurement for Indian and international location is done from Indian suppliers.

■ Policies and procedures missing or inadequate

■ Policies and procedures need improvement

■ Existence of clear and adequate policies and procedures

7. What is the Business Responsibility Reporting on NGRBC Principles 1, 3, and 5 in BRR.

Note: NGRBC states “It is expected that all businesses investing or operating in India including foreign multinational corporations (MNCs) will follow the guidelines.

a BRR Reporting on Principle 1:

- The Company has an exhaustive Code of Conduct policy which covers all aspects of ethical practicesin all our dealings with any stakeholders viz., suppliers, customers and any joint ventures etc.”

b BRR Reporting on Principle 3:

- “... We provide safety trainings to the new joinees and refresher safety training ... Skill upgradation is also part of our strategic plan.....” (AR21-22, p.82)

- However, percentage of employees that have been given safety & skill upgradation training last year is not given. (Ref. BRR, Q.8)

c BRR Reporting on Principle 5:

- “The Company doesn’t have a separate Human Rights policy. We ensure compliance with all applicable laws of the land pertaining to human rights, to preserve the rights of all its internal and external stakeholders.” (AR21-22, p.83)

- “We also ensure that human rights clauses such as collective bargaining, equal opportunities and prohibition of child and forced labour are practiced and included in our contracts with our suppliers” (AR21-22, p.83).

- However, it is not clear if Human Rights of non-permanent employees and workers of suppliers are protected through these contracts.

- There have been no cases of discrimination and human right breaches during the reporting period” (AR21-22, p.83)

Section 3: Publicly declared procedures to ensure safety across the supply chain

8. What are the OEM’s procedures for monitoring supply chain sustainability (specifically OSH) in accordance with Decent Work (as defined by ILO) and with reporting of accidents as per SDG Indicator 8.8?

- a It is not clear if laws pertaining to ‘Decent working time, safe working environment and social security’ are covered in contracts with stakeholders/suppliers and if there is a mechanism to monitor and report on the same.

- b It appears that AL has not explicitly defined Decent Work parameters and has not reported on Indicator 8.8 of SDG 8. It is not clear if it expects its suppliers to report accidents as per Indicator 8.8 of SDG 8.

- c “The Company has a Sustainability Policy in place which covers only the Company.” (AR21-22, p.83)

- d However, Sustainability Policy states, “We will continue to engage closely with all our stakeholders to extend our sustainability policy and practices. By embedding this Sustainability Policy in our business activities, we aim to achieve a stable and sustainable business growth.”

- e ESG committee’s responsibilities include, “Review monitoring processes for tracking the ESG performance, monitor and review stakeholder perception of the Company around ESG topics (including ESG ratings by leading agencies) And review and ensure compliance to regulatory ESG disclosures as required and amended from time to time (such as BRSR).” (AR21-22, p.50)

- f “report boundary does not include the sustainability performance of our subsidiaries, joint ventures or supply chain partners for this year” (AR21-22, p.77)

9. Does the OEM map its deeper supply chain to be able to improve safety for workers in its deeper supply chain?

- a Ashok Leyland appears to have started to map its supply chain.

- b “We have a very strong localization policy and 98% of our suppliers are based in India.” (AR21-22, p.81)

10. What are the actions taken by the OEM to prevent accidents in its deeper supply chain?

- a It is not clear/conclusive as the actions taken by AL to prevent accidents in its deeper supply chain such as, audits, etc. as they are not categorically stated.
- b Findings reported in SN'21 and SN'22 do not hold this year as SII is unable to find the SR21-22 in the public domain and it could not find any positive mentions in AR on the subject.
- c Chairman's Message/Board's Report does not mention anything about OSH in deeper supply chain.

11. Does the OEM monitor its Tier 1s (direct suppliers) for their actions to improve safety in their deeper supply chain?

- a As reported in SN '21, it is still not clear from the publicly available documents if AL monitors its Tier 1s (direct suppliers) for their actions to improve safety in their deeper supply chain.
- b Findings reported in SN'22 do not hold this year as SII is unable to find the SR21-22 and any mentions in AR on the subject.

12. Grievance redressal mechanism for workers across supply chain to report unsafe work conditions

- a AL has a Whistle Blower Policy in the public domain.
- b It states, "objective of the policy is to provide a vigil mechanism for directors, employees, as well as other stakeholders of the Company".
- c "'Employee" means every employee of the Company (whether working in India or abroad), (full time or part time) including the Directors in the employment of the Company." ... "Stakeholders" means and includes value-chain partners like suppliers, service providers, ..., contractors, ..., joint venture partners;"
- d "Protected Disclosures may be in relation to matters concerning the Company including... **Negligence causing substantial and specific danger to public health and safety**"
- e Findings reported in SN'21 and SN'22 do not hold this year as SII is unable to find the SR21-22 and any mention in AR on the subject.





Bajaj Auto Limited (Bajaj)

Section 1: Publicly declared policies applicable to the OEM's own factories

1. Does the OEM have publicly declared OSH Policy for its own factories?

a Yes, Bajaj has an OSH policy called Safety Health and Environment (SHE) policy in the public domain.

2. Does the publicly declared OSH policy of the OEM include OSH for non-permanent workers (contract workers, trainees, apprentices, casual workers, temporary, flexible, non-regular workers) i.e., they are at par with permanent employees?

a As reported in SN'21, Bajaj has a 'Charter for Fair and Responsible Workplace Guidelines for Contract Workers' in the public domain (adopted from CII2017)

b As reported in SN'22, this year also Bajaj advises, like last year, that OSH Policy covers "all who work for and on behalf of Bajaj Auto Ltd, which includes contract/temporary workers and trainees.

OSH activities for contract workers include:

- SHE & Job specific training,
- ESI scheme registrations,
- Involvement in SHE Kaizens and appreciation for participation."

c Bajaj has also shared a document detailing the SHE activities at the plant for all employees including contract persons and Contract Labour Safety Health & Welfare Initiatives.

d BRR 2021-22 reports that

- 21405 contractual workmen were trained on SHE across three Bajaj plants
- "27 Safety Trainings provided to 5,945 BAL employees and contractual workmen" in the Chakan plant.

3. Does the OEM have a Human Rights policy, is it in the public domain and does it cover non-permanent workers and supply chain?

a Yes, Bajaj has a Human Rights Policy in the public domain now.

Bajaj advises , "while induction training of contract/ non-permanent workers, the Human Rights Policy is also communicated" to them.

b Bajaj advises that UNHRC Articles 3,4 and 19 are included in the policy. However, there is presently no plan to include other articles, such as, Articles 5, 24 and 25 of UNHRC.

c However, it is not clear how articles 3,4, and 19 are articulated in the policy.

d OSH Policy states, "We expect our business partners also to establish a human rights compliant business environment at their workplace." And Bajaj advises that the compliance is monitored "through Supplier Code of Conduct & Legal Compliance".

e It also states, "An annual self-declaration by vendors, dealers, service providers etc. that no violations of Human Rights have happened, should be submitted to respective departments where the services are being used."

f Supplier Code of Conduct states,

- "Suppliers shall support and respect the protection of internationally proclaimed human rights."
- "Suppliers are expected to keep their workplaces free of forced labor, child labor, harassment, harsh treatment, violence, intimidation, corporal punishment, physically abusive disciplinary practices and discrimination."

g Bajaj advises that it expects the suppliers to have the same Human Rights expectations (as mentioned in above point (6) and (7)) from their suppliers (Tier 2 and downwards).

■ Policies and procedures missing or inadequate

■ Policies and procedures need improvement

■ Existence of clear and adequate policies and procedures



- h Grievance redressal mechanism and disciplinary actions are mentioned for violations in Human Rights Policy.

Bajaj advises that “this mechanism is only for Bajaj employees” and details of number of complaints, received under the grievance redressal mechanism in last Financial Year (2022-23) will be included in FY22-23 BRSR.

Section 2: Publicly declared policies applicable to OEM's deeper supply chain

4. Does the OEM have an OSH policy/guideline for their Tier 1 suppliers?

- a Bajaj has ‘Supplier Code of Conduct’ in the public domain.
- b Bajaj advises that ScoC is contractually binding on the suppliers. It states, “Suppliers shall strictly adhere to this ScoC.”
- c It says, “This is applicable to all ‘Suppliers’ i.e. domestic and international. “Suppliers shall maintain and provide a safe and healthy work environment for all personnel... Suppliers will comply with all applicable laws regarding working conditions, including worker health and safety, sanitation, fire safety, risk protection and electrical, mechanical structural and machine safety.”..“They shall have well-established safety procedures, preventative maintenance, and protective equipment in compliance with the law.”
- d “Suppliers must have SHE Policy (Safety, Health & Environment Policy) available in public domain. Suppliers shall strive to provide a safe, healthy, and clean working environment for its employees. Target must be:

- Zero Fatal Occupational Injury
- Zero Non-Fatal Occupational Injury”

- However, Bajaj advises that it does not have the data on number of suppliers having their own SHE policy in the public domain as it is not monitoring.

- e Accident reporting has been made part of ScoC as it states, “Suppliers should maintain the record of Major/Minor Accidents & First Aid Injury along with analysis and action plan every month and a monitoring mechanism for closure of all the identified actions. The accident data (Major/Minor) & actions initiated must be shared with BAL periodically or within 10 days after any major accident. Suppliers should take necessary action like accident reporting with govt officials etc. with necessary action plan.”

- f In 2022, Bajaj shared SHE Policies of a couple of suppliers.

- g Bajaj advises that its suppliers are expected to have similar ScoC for their suppliers i.e tier 2 and and cascade it down to the deeper supply chain.

5. Does the OEM have an OSH policy/guideline for their deeper supply chain (Tier 2/3/4)?

- a ScoC states, “Suppliers should ensure compliance in the deeper supply chain for all Tier 1 and Tier 2/3/4 for following measures including but not limited to:
 - Safety compliance
 - Conducting Health Examination
 - ESIC registration
 - Making ESIC Card available to all workers on the date of joining”
- b Bajaj advises that “Tier 1s’ are required to make ScoC terms contractually binding on their suppliers (Tier 2 and downwards).”
- c BRR states, “BAL has a Total Productive Maintenance (TPM) Policy, which assists Tier I and Tier II vendors to enhance their operational, human and cost efficiencies. Continuous improvement of SHE (Safety, Health and Environment) parameters is an important element of it. In 2021-22, 175 Tier I vendor groups and 298 Tier II vendors were practicing TPM.” (BRR 21-22, p.6)
- d Bajaj has shared the vendor safety audit system with SII in 2022.

6. Is there consistency in the OSH policies enforced in the supply chain in OEM's Indian and international operations?

- a ScoC states, "This is applicable to all 'Suppliers' i.e., domestic and international..." "Suppliers should ensure compliance in the deeper supply chain for all Tier 1 and Tier 2/3/4 for following measures including but not limited to: Safety compliance..., Conducting Health Examination,..."

7. What is the Business Responsibility Reporting on NGRBC Principles 1, 3, and 5 in BRR.

Note: NGRBC states "It is expected that all businesses investing or operating in India including foreign multinational corporations (MNCs) will follow the guidelines.

- a Bajaj advises that the principles of NGRBC will be cascaded down the deeper supply chain through Supplier Code of Conduct and SHE Compliance.
- b However, it appears that it does not monitor its listed suppliers for BRR, if applicable to them.

BRR reporting on Principle 1

- c "Three stakeholder complaints pertaining to the Company's policies under Principle 1 were received in 2021-22. Two of them were resolved and the third complaint, which was received in March 2022, is in progress for investigation as of 31 March 2022."
- d "BAVA Safety Committees have been formed.. to institutionalize safety among the Company's vendors"
- e "A total of 194 cumulative safety cross-audits have been conducted among vendors within these clusters."
- f "A portal has been developed for all the BAVA members to upload their compliance status"
- g "BAL has a Total Productive Maintenance (TPM) Policy... Continuous improvement on SHE (Safety, Health and Environment) parameters is an important element of it. In 2021-22, 175 Tier I vendor groups and 298 Tier II vendors were practising TPM."

BRR reporting on Principle 3:

- h "The Company has partnered with Integrity Matters for Bajaj Auto Ethics Helpline. The employees can report any ethical violations including violations of Code-of-Conduct, policies, or any legal compliance through this helpline."
- Bajaj advises that the details number of ethical violations reported will be included in BRSR FY22-23.

BRR reporting on Principle 5:

- i Human Rights Policy is now in the public domain.
- j "In 2021-22, BAL recorded zero complaints against violation of human rights."

Section 3: Publicly declared procedures to ensure safety across the supply chain

8. What are the OEM's procedures for monitoring supply chain sustainability (specifically OSH) in accordance with Decent Work (as defined by ILO) and with reporting of accidents as per SDG Indicator 8.8?

- a Sustainability Policy states "We will align our sustainability actions across the entire value chain, including product development, plant operations and the supply chain".
- b Bajaj advises that its sustainability actions include Occupational Health and Safety including occupational diseases.
- c It appears that Bajaj has not explicitly defined Decent Work parameters and reported on Indicator 8.8 of SDG 8. It is not clear if Bajaj expects its suppliers to do accident reporting on the same.
- d Two indicators of "Decent work" i.e. "Safe Work Environment" and "Social Security" are covered in Supplier Code of Conduct.
- e However, the definition of social security and the mechanism to monitor and report on it is not clear.
- f Bajaj advises that there is no plan to include the third one i.e., "Decent Working time".



9. Does the OEM map its deeper supply chain to be able to improve safety for workers in its deeper supply chain?

- a Bajaj advises that it has mapped all its Tier 1 and Tier 2 suppliers.
- b BRR 21-22 says, "In 2021-22, 175 Tier I vendor groups and 298 Tier II vendors were practicing TPM."
- c Bajaj advises "that there is no plan to map Tier 3/4 suppliers" at present.

10. What are the actions taken by the OEM to prevent accidents in its deeper supply chain?

- a BRR 2021-22 reports, "All members in the committee (BAVA Safety Committees) are provided with regular safety training including specialized Behaviour Base Safety (BBS) training. A total of 194 cumulative safety cross-audits have been conducted among vendors within these clusters."
- b Bajaj has shared examples of initiatives taken for
 - Capturing the accident reporting of Tier 1 suppliers manually as a first step
 - Initiated System Enhancement with MIS for capturing the accident reporting of Tier 1 suppliers through Vendor Portal.
 - Examples of Tier 1 audits of Tier 2s.
 - Communication from Bajaj Auto Limited to all Tier 1 & Tier 2 suppliers was sent on 21st July 2022 for ensuring Tier 1 suppliers make OSH principles contractually binding for their own suppliers.
- c Bajaj also expects its suppliers to meet following compliance management:
 - Letter of employment,
 - Health Examination
 - double payment of overtime (if applicable as per rule)
 - ESIC Registration
 - Making ESIC Card available to all workers on the date of joining
- d Bajaj advises that it plans to include "only identified critical Tier 3 /4 vendors" in the in the audit process by Tier2, Tier 1 or sample audits by Bajaj.

11. Does the OEM monitor its Tier 1s (direct suppliers) for their actions to improve safety in their deeper supply chain?

- a SCoC requires Tier 1 suppliers to "ensure compliance in the deeper supply chain for all Tier 1 and Tier 2/3/4 for safety",
- b OSH is the regular agenda of BAVA Meetings. There is a safety audit check sheet for BAVA.
- c Bajaj has sent email communication to Suppliers recommending safety audits.
- d SII could not find evidence of all Tier 1s being monitored for steps taken by them to improve safety in deeper supply chain as SII Pune office continues to assist injured workers who state that their factories make components for Bajaj.
 - However, Bajaj advises that it conducts "thorough Safety Audits (Self and CFT)."
- e Bajaj advises that it monitors "only non-industry sources Tier 1s" for steps taken to improve safety in their deeper supply chain. And it plans to report it in its BRR/BRSR "in brief as per requirement like % of vendor turnover."

12. Grievance redressal mechanism for workers across supply chain to report unsafe work conditions

a Bajaj has a Whistle Blower Policy to report “violations of Code of Conduct, violation of Occupational Safety, Health and Environment norms etc.” for its own employees including trainees and contract workers.

b Supplier Code of Conduct states,

“Suppliers are expected .. to provide access to appropriate grievance redressal mechanisms, ..., in locations where employees are not represented by unions, providing opportunities for employee concerns to be heard.”

c Bajaj advises that its suppliers (Tier 1/2/3/4) have a grievance redressal mechanism on their own which includes their permanent and non-permanent employees.

Bajaj advises that depending on individual suppliers they have similar whistle blower policy/grievance redressal mechanism, for its suppliers.





Eicher Motors Limited (Eicher)

Section 1: Publicly declared policies applicable to the OEM's own factories

1. Does the OEM have publicly a declared OSH Policy for its own factories?

- a Yes, Eicher website has an OSH policy called 'Integrated Management System Policy-Safety, Health, Environment & Quality (SHE-Q)' in the public domain, signed by CEO of Eicher Motors Limited.

2. Does the publicly declared OSH policy of the OEM include OSH for non-permanent employees and workers (contract/casual/ non-regular/temporary/flexible workers, trainees, apprentices, or other than permanent workers as stated in Eicher documents) i.e., they are at par with permanent employees?

- a Publicly declared OSH policy does not categorically mention OSH for non-permanent workers (or other than permanent workers as stated in Eicher documents) at par with permanent employees.

- b It says, "Provide safe and healthy working conditions to prevent work-related injuries and threats to health of our employees, visitors, contractors, transporters, suppliers and third-party associates at Royal Enfield by eliminating occupational hazards."

- c However, the Annual Report states, "...Every fresh hire and new contract worker undergoes mandatory safety training. The importance given to OHS and the efforts to ensure a safe workplace are reflected in zero fatalities and recorded work-related injuries and no health issues related to identified health hazards in 2021-22." (AR 21-22, p.135)

- d Temporary and part-time employees are not entitled to Group Personal Accident benefit, Group health Insurance, Joint Group Personal Accident benefits, Stock Ownership and Retirement Provisions. (AR 21-22, p.132)

- e "All contractual employees are included in 'Other than Permanent employees' category. They are covered by the ESIC Act" (AR 21-22, p.182)

3. Does the OEM have a Human Rights policy, is it in the public domain and does it cover non-permanent workers and supply chain?

- a Yes, Eicher has a Human Rights Policy in the public domain.

- b It states,

- "it is our constant endeavour to respect and uphold the human rights of all our stakeholders including our employees, customers, business and value chain partners"

- It does not categorically state that it covers non-permanent employees and workers.

- "We are also guided by internationally accepted standards such as the UN Guiding Principles on Business and Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work."

- However, articles 3,5,19,24 and 25 of UNHRC are not included in the policy.

- "is applicable to our ... suppliers,.... Requirements for our suppliers and partners to respect human rights are also laid out in our Supplier Code of Conduct."

- The policy lays down that the process defined in Whistle Blower Policy to be used for grievance redressal mechanism.

- c Occupational Health and Safety is recognized as one of the rights in its Human Rights policy.

■ Policies and procedures missing or inadequate

■ Policies and procedures need improvement

■ Existence of clear and adequate policies and procedures

- d AR states,
- “EML has a deep respect for every individual and rights of its stakeholders and is committed to ensuring these are **upheld across its entire value chain.**” (AR 21-22, p.98)
 - However, it is not clear how Human Rights policy is upheld in the deeper supply chain.
 - “The Company continues to train employees and the contract workforce on human rights.” (AR 21-22, p.134)
 - “The Company employs a large contract workforce ... Regular audits are carried out across facilities to assess compliance and no instances of non-compliance with respect to social or human rights related requirements have been reported since FY 2018-19 till the end of the current financial year.” (AR 21-22, p.125)
 - “EML also emphasises that child and forced labour cannot be employed in any aspect of its value chain.” (AR 21-22, p.134)
- e SCoC states,
- “supplier shall comply with all applicable local, state and national laws regarding human rights, as well as the Company’s Human Rights Policy.
 - “We are committed to respect all internationally recognized human rights and expect our suppliers, vendors, dealers and business partners to uphold the same.”
- f AR identifies Human Rights as a Risk for business in material issues. (AR 21-22, p.178)

4. Does the OEM have an OSH policy/guideline for their Tier 1 suppliers?

- a Eicher has a Supplier Code of Conduct in Public domain.
- b It says, “applicable to all ‘Suppliers’ of Eicher Motors Limited (“EML”). ‘Supplier’ here refers to service providers/ manufacturers/ vendors/ traders /third parties including their employees, agents and other representatives, who have a business relationship with and/or provide, sell, seek to sell, any kinds of goods or services to EML.”
- c “Supplier shall ensure all employees/ workers work within safe and humane conditions, including providing adequate training and effective protective equipment to safely carry out their duties.”
- d “EML expects the Supplier to adhere to all applicable laws and regulations and comply with this Code.”
- e “As a condition of doing business with EML, the Supplier must comply with this Code and agree to uphold such values during its business association with EML”
- f “The Supplier shall maintain adequate documentation to demonstrate compliance with the principles of this Code and allow access to EML to check compliance upon request with reasonable notice.”
- g During SN’22 discussions, Eicher confirmed that it was in the process of putting in place a sustainability governance system; and OSH in supply chain might be included in the sustainability goal of the company “Thriving Resilient People”. It also concurred that incorporating OSH in supply chain in Tier 1 contracts was possible and might be considered.
- h However, it is not clear what steps have been taken in this direction in any of the publicly available documents this year.
- i There is no provision for accident reporting by Tier 1s to Eicher in SCoC.

5. Does the OEM have an OSH policy/guideline for their deeper supply chain (Tier 2/3/4)?

- a SCoC states, “The Supplier shall implement a sustainable procurement policy for its own suppliers, aligned to EML’s Supplier Code of Conduct.”
- b However, it is not clear if Tier 1 suppliers are supposed to make their own sustainable procurement policies, aligned with Eicher’s SCoC, contractually binding on their own suppliers.

- c It's not clear if the suppliers are expected to have OSH policy for their own employees and workers (both permanent and non-permanent) and for their suppliers i.e., Tier 2 and downwards. For example, written statement for OSH as stated in the Factories Act 7A (3) in SCoC.
- d OSH policy states, "Royal Enfield (A unit of Eicher Motors Limited) is committed to... transforming supply chains that focus on Safety, Occupational Health, Environmental and Quality performance."

6. Is there consistency in the OSH policies enforced in the supply chain in OEM's Indian and international operations?

- a As also reported in SN'21 and SN'22, it is not clear from the documents in the public domain whether the company's international operations are covered by their OSH policy or any other articulated policy in the public domain.

7. What is the Business Responsibility Reporting on NGRBC Principles 1, 3, and 5 in BRR.

Note: NGRBC states "It is expected that all businesses investing or operating in India including foreign multinational corporations (MNCs) will follow the guidelines.

- a Eicher has reported on the NGRBC Principles 1,3, and 5 on 'Essential Indicators' and Principle 5 on 'leadership Indicators' of NGRBC. However, it is not in the BRR format given by SEBI.
- b There is no provision in SCoC for Tier 1 suppliers to cascade NGRBC principles down the supply chain.
- c There is no mention of initiatives taken by Eicher to cascade NGRBC principles to their suppliers and across the supply chain in any of the publicly available documents.

Section 3: Publicly declared procedures to ensure safety across the supply chain

8. What are the OEM's procedures for monitoring supply chain sustainability (specifically OSH) in accordance with Decent Work (as defined by ILO) and with reporting of accidents as per SDG Indicator 8.8?

- a Eicher's publicly available documents such as SCoC, and Human Rights Policy cover 'Decent Working time and Safe Work Environment for the supply chain.
- b However, the third component of "Decent Work" i.e., "Social Security" does not seem to be covered.
- c The Mechanism to monitor and report the components of "Decent Work" viz. 'Decent working time, 'social security' and 'safe working environment' is also not clear.
- d It appears that Eicher has not explicitly defined these parameters and does not report on Indicator 8.8 of SDG 8. It is not clear if Eicher expects its suppliers to do accident reporting on Indicator 8.8 of SDG 8.
- e However, Annual Report has few findings which are relevant to this,
 - 'OSH is not categorically mentioned in Areas of Engagement with suppliers. (p.95)
 - "Responsible supply chain" is placed on high priority in material issues for ESG. (p.97)
 - However, it is not clear whether the company includes OSH in the definition of responsible supply chain.
 - "The Company also requires its suppliers and other business partners to promote ESG considerations in their businesses." (p.99)
 - However, its not clear if OSH is part of ESG considerations.
 - SDG Mapping section in AR does not mention OSH in supply chain. It also does not include any particular reporting on indicator 8.8 of SDG 8.
 - However, reporting on SDG 8 is an improvement from SN'22.
- f "In line with our sustainable procurement practices, we work very closely with our suppliers to improve and enhance our sustainability performance." (AR 21-22, p.137)
- g "They are also provided relevant training that enables them to enhance their sustainability performance as well as ours." (AR 21-22, p.138)

9. Does the OEM map its deeper supply chain to be able to improve safety for workers in its deeper supply chain?

- a Eicher seems to have started to map its supply chain.
- b In AR it reports 'Broad categories of suppliers and spend share %' (p.138)

Broad Category	Number of Suppliers
Direct materials	235
Indirect materials	464
One Time Purchases	1,955

10. What are the actions taken by the OEM to prevent accidents in its deeper supply chain?

- a AR has some findings, such as
 - "At Eicher, we have a well-defined supply chain framework which enables us to integrate innovation and sustainability in our procurement practices." (p.137)
 - "Risk assessment of select suppliers on predetermined financial and environmental parameters." (p.138)
 - "Periodic audits are conducted to monitor and evaluate the performance of the suppliers. Systems are in place to ensure that the findings from the audits are addressed" (p.138)
 - Eicher does not seem to have reported details/data on number of risk assessments, monitoring of suppliers and their audits to prevent accidents in deeper supply chain.
- b Although "safety and wellbeing of our employees and partners" is mentioned in Managing Director's message, but there is no mention of OSH in supply chain. (p.19)

11. Does the OEM monitor its Tier 1s (direct suppliers) for their actions to improve safety in their deeper supply chain?

- a As also reported in SN'21, it is not clear that Eicher monitors its Tier 1s (direct suppliers) for their actions to improve safety in their deeper supply chain because there is no categorical mention of reporting such as audits by Tier 1s.

12. Grievance redressal mechanism for workers across supply chain to report unsafe work conditions

- a Eicher has a Whistle Blower policy in public domain.
- b Whistle blower policy states,
 - "All employees and directors are eligible to raise concerns about any noticed wrongdoings under this policy."
 - "dealers and vendors of the Company can also report instances envisaged by this policy in accordance therewith."
- c However, OSH is not a subject/situation for making complaints under the whistleblower policy.
- d AR says, "Grievance Redressal Mechanism is there in Place for Employees and workers and Value Chain Partners." (p.177)
- e SCoC: "Supplier shall ensure that an effective grievance redressal procedure has been established to ensure that any worker/ employee, acting individually or with other workers, can submit a grievance"
- f SCoC does not categorically mention that suppliers should cascade/ promote grievance redressal mechanisms, including OSH for their permanent and contractual employees, across the supply chain. However, the supplier is required to establish an effective grievance redressal procedure.
- g SCoC doesn't require Tier 1 suppliers to have a similar grievance redressal mechanism for its own suppliers.



Hero MotoCorp Ltd (Hero)

Section 1: Publicly declared policies applicable to the OEM's own factories

1. Does the OEM have publicly declared OSH Policy for its own factories?

a Yes, Hero has an OSH policy, called Occupational Health and Safety Policy, in the public domain.

2. Does the publicly declared OSH policy of the OEM include OSH for non-permanent employees and workers (contract/casual/ non-regular/temporary/flexible workers, trainees, apprentices, or other than permanent workers as stated in Hero documents) i.e., are they at par with permanent employees?

a OSH policy doesn't categorically mention non-permanent workers at par with permanent employees.

b It states, "Prevention of work-related injury and ill health of employees, workmen, contractors, community and all interested parties."

c As reported in SN'21 and SN'22, CoC says that it is applicable to "associates on third party contract /payroll... encourages compliance with applicable health and safety policies".

d However, it is not clear if CoC is shared with suppliers and associates on third party contracts.

3. Does the OEM have a Human Rights policy, is it in the public domain and does it cover non-permanent employees and workers and supply chain?

a As also mentioned in SN'21 and SN'22, SII is still unable to find Hero's Human Rights Policy in the public domain.

b SN'22 reported that AR20-21 mentioned, "Non-Discrimination and Human Rights Policy to treat every employee with respect and dignity."

c However, no such mention is found by SII in AR 21-22.

d SN'22 reported, "Sustainability Strategy in SR20-21 states that Value Chain Sustainability will have strong tone of Human Rights, Health Safety & Well Being".

e However, SII could not find any mention about it in SR21-22.

f Code of Conduct Dignity Principle states that "the Directors and Employees...should respect the dignity and human rights of everyone...Company aims at protecting and promoting the fundamental human rights of everyone associated with the Company" (p.8)

g Sustainability Policy states "Respect and promote human rights".

h BRR 2022 states "Company expects its value chain partners to comply with its Sustainability Policy and with the law of the land where they do business." (AR21-22, p.155)

Section 2: Publicly declared policies applicable to OEM's deeper supply chain

4. Does the OEM have an OSH policy/guideline for their Tier 1 suppliers?

a As also reported in SN'21 and SN'22, SII is still unable to find Hero's SCoC in the public domain.

b OSH policy doesn't categorically mention suppliers in the context of the prevention of work-related injury and ill health.

c It states "Promoting health and safety awareness and training amongst employees, workmen, suppliers and contractors"

d However, it is unclear if non-permanent workers of Hero are covered in these trainings and if it expects its suppliers to have similar training programs for their permanent and non-permanent workers.

■ Policies and procedures missing or inadequate

■ Policies and procedures need improvement

■ Existence of clear and adequate policies and procedures

e Code of Conduct states “continue to encourage its suppliers, dealers and customers to acquire awareness, and commit to healthy and safe work environment and practices.” (p.8)

f SR 21-22 states “To ensure a consistent and comprehensive approach across business units, we have articulated the Sustainable Procurement Guidelines, GPDP and many more.” (p.62)

g However, it's unclear if the Sustainable Procurement Guidelines includes OSH.

5. Does the OEM have an OSH policy/guideline for their deeper supply chain (Tier 2/3/4)?

a As reported in SN'21 and SN'22, SII is still unable to find Hero's ScoC in the public domain or any mention of OSH policy/guideline for safety in supply chain in BRR21-22 or CoC.

6. Is there consistency in the OSH policies enforced in the supply chain in OEM's Indian and international operations?

a AR says, “ world-class facilities across the globe including Colombia and Bangladesh, assembly lines in several other countries in Africa and Latin America” (p.7)

b As reported in SN'21 and SN'22, it is still unclear to SII if OSH policies enforced in the supply chain in Hero's Indian and international operations are consistent or not.

7. What is the Business Responsibility Reporting on NGRBC Principles 1, 3, and 5 in BRR?

Note: NGRBC states “It is expected that all businesses investing or operating in India including foreign multinational corporations (MNCs) will follow the guidelines.

a Hero has reported on the 'essential indicators' and 'leadership indicators' of NGRBC.

b 7/8 complaints from employees and workers and 7/7 complaints from value chain partners were resolved within the year 2021-2 as reported under Complaints/ Grievances on any of the principles (Principles 1 to 9) under the NGRBC(AR21-22, p.142)

c “Do the enlisted policies extend to your value chain partners? Yes, the Company's Sustainability Policy covering the above 9 principles is expected to be adhered by its stakeholders.” (AR21-22, p.143)

d As reported in SN'22, still no examples given in BRR 21-22 of the initiatives taken to cascade NGRBC across the supply chain.

e BRR Reporting on Principle 1:

- BRR states that “To ensure adherence to the Company's Code of Conduct, Ethics Committee has been constituted ... Company has well defined SOPs to handle the stakeholders' grievances.” (AR21-22, p.143)

- Code of Conduct still not made applicable to suppliers as stated in BRR 2019-20

- “Awareness programmes conducted for value chain partners on any of the principles during the financial year: 467 programmes on Principle 4 and 9 for 70% of the value chain.

- However, no awareness programmes have been conducted on principles 1, 3 and 5.

f BRR Reporting on Principle 3:

- Number of Complaints on the following made by employees and workers: No Complaints received for Working conditions and Health and Safety. (AR21-22, p.151)

- However, it's unclear if 'complaint made by non-permanent workers' are included in this or not.

- Details of safety related incidents does not make it clear if 'workers' in it include non-permanent workers. (AR21-22, p.150):

- BRR states that “all units of the Company are certified Occupational Health and Safety Management systems as per ISO 45001. The Company is complying with all the applicable Health and Safety regulations.” (AR21-22, p.150)



- BRR states that “Hazard Identification Risk Assessment (HIRA)” is “used to identify work-related hazards and assess risks.” (AR21-22, p.150)
- As per BRR, Health insurance, Accident insurance, Maternity benefits, Paternity benefits, and Day Care facilities are available for all non-permanent workers (19,782 workers) along with permanent workers (4599 workers) and permanent workers (4150 employees) (AR21-22, p.148)

g BRR Reporting on Principle 5:

- BRR states that business “agreements provide that all the statutory & regulatory laws including the human right to have a safe working place, timely payment of dues etc. are required to be complied by the service provider”. (AR21-22, p.154)
- BRR 2022 states “Company expects its value chain partners to comply with its Sustainability Policy and with the law of the land where they do business. No specific assessment has been done.” (AR21-22, p.155)
- No complaints on Discrimination at the workplace, Child Labour, Forced Labour/ Involuntary Labour, Wages and Other Human Rights issues were filed in FY 2021-22 (AR21-22, p.154)
- As per BRR Human Rights training is provided to all employees, including non-permanent employees and workers. (AR21-22, p.153)
- As per BRR 2022 Minimum wages are provided to all employees, including non-permanent employees and workers. (AR21-22, p.153)
- BRR states that “The Company is committed to provide a safe business environment and workplace for everyone”
- On the question of internal mechanisms in place to redress grievances related to human rights issues, it is still unclear what the internal mechanisms are in place to redress grievances related to human rights issues. (AR21-22, p.154)

Section 3: Publicly declared procedures to ensure safety across the supply chain

8. What are the OEM’s procedures for monitoring supply chain sustainability (specifically OSH) in accordance with Decent Work (as defined by ILO) and with reporting of accidents as per SDG Indicator 8.8?

- a The component of “Decent work” i.e. ‘Safe Working Environment’ seems to be covered in contract with suppliers/stakeholder based on the publicly available documents and reporting for the same is done through assessments, as mentioned in SR 22.
- b However, it is unclear if other two components, i.e. ‘decent working time, and social security’ are covered in contracts with stakeholders/suppliers and the mechanism to monitor and report on them.
- c It is unclear if Hero expects its suppliers to do accident reporting on Indicator 8.8 of SDG 8 based on publicly available documents.
- d Some other relevant findings mentioned in SR:
 - SR21-22 on Sustainable Partner Development Programme (SPDP) Charter states that “encouraging our entire value chain to adopt similar sustainability strategies. Expanding the horizons of our sustainability practices, we are launching a SPDP in collaboration with our value chain partners, based on the following guidelines...”; One of the targets is to address “Establish a social welfare framework to address critical issues such as safety, ... human rights..., including their value chain and deeper supply chain.” (p.63)
 - “The Company is leveraging industry experts to upgrade the supply chain to be future-ready by identifying the potential ESG risks through audits and ensuring timely closures to mitigate any business risk.” (p.62)
 - However, it is not clear if OSH is considered as potential ESG risk.

- “Periodic visits of the Company’s authorised persons at the supplier base to ensure compliance is met. ESG risks are addressed and comprehensive due diligence on ESG parameters is carried out for new supplier onboarding.” (p.64)

- However, it is not clear if OSH compliance as a part of ESG parameters is required by suppliers.

9. Does the OEM map its deeper supply chain to be able to improve safety for workers in its deeper supply chain?

a SR22 states that “We are working towards developing tools/mechanisms that support supply chain mapping as an important focus area for ensuring business continuity and resilience in the value chain ecosystem.”(p.64)

b During SN’22 discussions, Hero had advised that its definition of “suppliers” includes Tier 1 and Tier 2 suppliers. However, it still needs to be included in the company’s policy documents available in the public domain.

c No other details on mapping of the deeper supply chain are available in publicly available documents.

10. What are the actions taken by the OEM to prevent accidents in its deeper supply chain?

a SR21-22 states “completed safety assessment of more 70 direct suppliers and 10 Tier deeper supply chain partners” covering aspects – “Safety Systems, Fire Safety, Electrical Safety, process safety”. “Countermeasures taken by suppliers based on findings were re-audited to confirm the effectiveness of countermeasures.” (p.62)

b SR21-22 states “Safety Systems, Fire Safety, Electrical Safety, process safety” as the scope of the assessments; an improvement from only fire & safety audit in 2020-21. (p.62)

c BRR states “55 suppliers, amounting to 43% of overall volume [business volume] were assessed on health and safety practices and working conditions.” (AR21-22, p.151)

d SR21-22 states that “we arranged a fire and safety audit by an external certified auditor for supply chain partners selected based on criticality of process, dependability and critical hazardous chemical/waste handling. (p.62)

e The Director’s statement does not talk about ‘health and safety’ in the supply chain.

11. Does the OEM monitor its Tier 1s (direct suppliers) for their actions to improve safety in their deeper supply chain?

a Based on publicly available documents, it is not clear if Hero monitors its Tier 1s (direct suppliers) for their actions to improve safety in their deeper supply chain as there is no categorical mention of reporting such audits by Tier 1s.

12. Grievance redressal mechanism for workers across supply chain to report unsafe work conditions

a Hero has a Vigil Mechanism/Whistle Blower policy in public domain.

b As per Vigil Mechanism/Whistle Blower policy, it “also extends to all consultants, vendors, suppliers, dealers, customers and contractors working for and/ or on behalf of any of the Group entities. There are no exclusions of this Policy.” (p.2)

c “Non-adherence to safety guidelines” is included in the policy under “coverage”.

d However, ‘safety guidelines’ are not defined or explicitly written anywhere. (p.2)

e It is unclear if Hero requires its suppliers (assuming Tier 1) to maintain a similar Vigil Mechanism/Whistle Blower policy for their employees and for their suppliers.



Honda Motorcycle & Scooter India Ltd (Honda)



Section 1: Publicly declared policies applicable to the OEM's own factories

1. Does the OEM have publicly declared OSH Policy for its own factories?

- a Yes, Honda has an OSH policy called 'HMSI Health & Safety Policy' in the public domain.
- b Honda has further advised that "HMSI (Honda) has adopted ISO 45001:2018 (Occupational Health & Safety Management System - OHSMS) standard & got Certified in ISO 45001:2018 standard in July'22."

2. Does the publicly declared OSH policy of the OEM include OSH for non-permanent employees and workers (contract/casual/ non-regular/temporary/flexible workers, trainees, apprentices) i.e., are they at par with permanent employees?

- a Publicly declared OSH policy states that "...healthy & safe workplace to maintain comfortable & safe work environment for all the associates working in HMSI premises including visitors... Spread Health & Safety education and awareness to all persons working in company premises including HMSI associates, visitors, transporters, contractors, vendors & third party associates."
- b Honda has advised that "third-party associates include contract/casual/ non- regular/ temporary/flexible workers, trainees, apprentices."
- c During SN'22 discussions Honda had advised
 - "Honda Health and Safety Policy is applicable to all associates working in or on behalf of Honda. The term Honda Associates covers all associates namely Management associates, workmen, company casuals, and apprentices. Third-party Associates covers Fixed Term Employees who are engaged on basis of contract of employment for a fixed period."
 - "OSH is included as contractual obligation. All contractual obligations are being taken care by their contractors as per agreement between Honda and the contractor. Honda being the principal employer all responsibilities lie with Honda."

3. Does the OEM have a Human Rights policy, is it in the public domain and does it cover non-permanent employees and workers and supply chain?

- a The parent company i.e. Honda, Global has a Human Rights Policy in the public domain.
- b During SN'22 discussions, Honda had advised that "the Human Rights Policy is available on the Honda Global website is applicable at Honda. Further, for monitoring, various platforms are available [BEPL, mails, etc.] where any associate can raise his concern with valid information."
- c Honda has uploaded the human rights policy on Honda's India website.
- d The Human Rights policy states,
 - "We are committed to respecting human rights ... in the International Bill of Human Rights and the eight ILO core conventions ... Declaration on Fundamental Principles and Rights at Work.... United Nations Guiding Principles on Business and Human Rights ..." (SR21-22, p.137)
 - With respect to plans to include articles mentioned in UNHRC, especially articles 3, 5, 19, 24, and 25 in Honda's Human Rights policy, Honda has advised that "we are governed by the Global Honda Human rights policy...our philosophy is the same. As the policy custodian is Honda Japan, we will share the requisites with them..."
 - "The Policy applies to all executives and associates of the Honda Group (Honda Motor Co., Ltd. and its subsidiaries)... we expect all of our business partners to understand the policy." (SR21-22,p.137)
- e The Honda Supplier Sustainability Guidelines has "Human Rights and Working Conditions" as one of its requirements, which covers "Discrimination, Respect, Child Labour, Forced Labour, Wages, Working Hours, Communication, Safe and Healthy Working Environment" (p.4)

■ Policies and procedures missing or inadequate

■ Policies and procedures need improvement

■ Existence of clear and adequate policies and procedures

- f As also reported in SN'21, in the Honda Global's SR 2021-22, "respecting human rights" is identified as a material issue as High (Honda)- Extremely High (Stakeholders)".
- g Honda has advised that business partners include all associated vendors and suppliers.
- h Honda has advised that "Guidelines shared with all Tier 1 suppliers and taken conformation from all suppliers, also requested T1 Suppliers to submit the document for Guideline's implementation at all their Tier suppliers...Target: T2 supplier document receiving will be Sep'23." Honda also advised that "As supply chain is concerned, we share Guidelines with T1 suppliers and asked them to cascade down to all their Tiers." Therefore, this includes Tier 1 & Tier 2 suppliers.
- i On Honda's Human Rights Policy being contractually binding on its suppliers., Honda advised that they are "Currently not doing, going forward we will check the viability to include in the contract with any business partner."

Section 2: Publicly declared policies applicable to OEM's deeper supply chain

4. Does the OEM have an OSH policy/guideline for their Tier 1 suppliers?

- a Honda Global has a 'Honda Supplier Sustainability Guideline' in the public domain.
- b Honda has advised that the Supplier Sustainability Guidelines "covers suppliers permanent & non-permanent workmen."
- c "Suppliers are expected to comply with these guidelines along with their "Regional Purchasing Agreement", applying these principles within their own company." (p.8)
- d Honda has advised that the definition of suppliers "defined under Honda sustainability Guidelines" and advised that "it is mean to be Tier 1 (direct supplier)"
- e It also states, "Honda may request written confirmation from suppliers that you have read, understood and agree to the current sustainability guidelines by signing the attached Supplier Commitment as confirmation of your commitment."
- f Honda has advised that "Honda expects from suppliers to comply as per Govt. compliance."
- g Honda has advised that "HMSI is planning to monitor accidents in Tier 1 Supply chain vendors in this financial year. Further, tier 1 vendors would be further communicated to monitor accidents in below Tier vendors."

5. Does the OEM have an OSH policy/guideline for their deeper supply chain (Tier 2/3/4)?

- a As also reported in SN'21 and SN'22, Supplier Sustainability Guidelines of Honda, Global states that "Supplier shall disseminate these guidelines fully to sub-tier suppliers throughout the supply chain".(p.8)
- b Honda has advised that "Supplier sustainability Guidelines covers the deeper supply chain. (T1/2/3)" The Honda Supplier Sustainability Guidelines found on the Honda Global page⁴⁸ at doesn't include Tier 2/3/4 suppliers. The Honda Supplier Sustainability Guidelines found on the Honda Japan page⁴⁹ at includes deeper suppliers.
- c Honda has advised that the supplier sustainability guideline expects Honda's Tier 1 suppliers to take similar steps as the guidelines in its deeper supply chain.
- d SII could not find mention of any of the above-mentioned steps or examples taken by Honda in India in any other publicly available document this year.
- e On cascading OSH policy down the line, Honda advised that "we have shared with T1 suppliers and expect T1 suppliers to share with all Tiers."
- f On Tier 1 suppliers making OSH principles contractually binding for their own suppliers, Honda has advised that "Honda have the agreement only with T1 suppliers only."
- g Honda has also advised that they "have already requested our T1 suppliers to implement the Guidelines at their T2 suppliers and share the declaration as a proof to us by Sep'2023"
- h On the monitoring of Tier 1 suppliers for cascading OSH Policy down the supply chain, Honda advised that "Honda expect Tier 1 suppliers to follow the same"

⁴⁸ https://global.honda/sustainability/cq_img/report/pdf/supply-chain/supplier-sustainability-guidelines.pdf

⁴⁹ https://www.honda.co.jp/procurement/pdf/sustainability_guideline_En_230131.pdf (November 2022)

- i It is not clear if Tier 1 suppliers are required to make OSH principles contractually binding for their own suppliers (i.e., OEM's Tier 2 suppliers).
- j Honda has advised that "As per agreement HMSI is responsible with Tier 1 suppliers but we also approach to Tier 1 Suppliers to implement the Guidelines at all tiers (Guidelines are under implementation at deeper supply chain)"

6. Is there consistency in the OSH policies enforced in the supply chain in OEM's Indian and international operations?

- a During SN'22 discussions, Honda had advised, "the global HQ checks evidence of Tier 1 suppliers acknowledging and signing Honda Supplier Sustainability Guidelines" and the policy of monitoring is through "The selection of supplier [in India] ...done along with ASH [Asia Honda, Thailand]."
- b Therefore, it appears that the national and international OSH policies are aligned for suppliers.

7. What is the Business Responsibility Reporting on NGRBC Principles 1, 3, and 5 in BRR?

Note: NGRBC states "It is expected that all businesses investing or operating in India including foreign multinational corporations (MNCs) will follow the guidelines.

- a As also reported in SN'21 and SN'22, Honda does not do reporting on the NGRBC Principles 1,3, and 5 specifically for India, "as it is a private limited/unlisted company in India".
- b Honda has advised that they have "initiated the sustainability (ESG) Audit and assessment at some suppliers. (Environment Society and Governance)"
- c SII could not find details of the ESG audit (FY 21-22) in the SR or any other publicly available document this year.
- d With respect to sustainability interventions in India, Honda advised that "It is available Honda HM Japan Global website" but SII was unable to locate the India sustainability interventions on Honda HM Japan Global website.

Section 3: Publicly declared procedures to ensure safety across the supply chain

8. What are the OEM's procedures for monitoring supply chain sustainability (specifically OSH) in accordance with Decent Work (as defined by ILO) and with reporting of accidents as per SDG Indicator 8.8?

- a One component of 'Decent work' i.e. 'Safe Working Environment' is covered under Honda's 'Basic Approaches to Purchasing', and 'Supplier Sustainability Guidelines'.
However, it is not clear if 'Basic approaches to purchasing' is applicable to the Indian subsidiary.
- b SR21-22 states that "The Company implements initiatives with consideration for the..., safety, human rights, ... in partnership with its suppliers worldwide." Under Basic Approaches to Purchasing. (p.146)
- c Another component of 'Decent work' i.e. 'Decent Working Time' is also covered under 'Supplier Sustainability Guidelines', which states that "We comply with the laws of each country and region regarding the setting of employees' working hours (including overtime) and the granting of scheduled days off and paid annual vacation time".
- d Honda has advised that 'Social Security' for permanent and non-permanent workers is covered in agreement with suppliers.
- e SR21-22 mentions SDG 8 is one of the focus areas, and human rights is one of the specific areas mentioned under SDG 8 (p.22)
- f SR21-22 states that "In its company-wide risk assessment activities, Honda has set up a category on human rights. Once a year, each department conducts a risk assessment in accordance with the Honda Group's common criteria. The department priority risks are then identified based on the assessment results and appropriate responses are implemented accordingly."... "In FY2022, this assessment was conducted for 111 bases."(p.116)

- g The Honda Supplier Sustainability Guidelines on the Confirmation of Compliance Status states "Honda may ask suppliers to submit supporting data, or complete a questionnaire which may be followed up with a site visit.
- h The Honda Supplier Sustainability Guidelines on the Non-Compliance states "If a compliance violation occurs or is discovered, Honda requests the supplier to immediately report full details of the non-compliance incident. Suppliers are expected to carry out a full investigation, root-cause analysis and appropriate countermeasures must be implemented to prevent reoccurrence. Until corrective countermeasures are applied, Honda may temporarily suspend new requests or quotes (RFQs) to the supplier or take other action as appropriate."
- i With respect to monitoring and audit for 'Decent Work', Honda has advised that "Honda is covering Decent Working in ESG Activity (Environment Society & Governance)"
- j Honda has advised that the ESG Audit tool covers the following points for permanent and non- permanent workers of the supplier
 - Working hours
 - Social Security
 - Safe working conditions
- k Honda has advised that "HMSI has organized a Sustainability & ESG awareness program on 22nd,24th and 26th of May with all suppliers for effective implementation at Tier1 suppliers and requested to implement the same at all tier suppliers"

9. Does the OEM map its deeper supply chain to be able to improve safety for workers in its deeper supply chain?

- a During SN'22 discussions, Honda had advised that "Honda supply chain is mapped based on direct and indirect suppliers." Honda has advised that they have mapped all Tier 2 suppliers
- b Honda advised that "HMSI would check the legal considerations with regard to mapping of supplier information in public domain and take the required decision accordingly.

10. What are the actions taken by the OEM to prevent accidents in its deeper supply chain?

- a SR21-22 has the mechanism for ESG Inspection for Suppliers where it states that "Honda has distributed a checklist to suppliers requesting independent inspection in order to confirm the status of initiatives relative to guidelines." ... "The inspection is now carried out globally". The process is explained as "Distribute a check sheet based on international standards; Confirm the compliance status of the guidelines; Promote improvement." (p.152)
- b During SN'22 discussions Honda stated that
 - "Safety checks were done according to Indian Standard IS 14489. In the current financial year, the total target of safety assessments at Tier 1 suppliers is 50".
 - "Regarding Tier 2 suppliers – 166 Tier 2 critical process suppliers having plating and painting processes will be assessed for fire and safety by the end of the year."
 - Honda has advised that with respect to 2(a) and 2(b), "audits for 10 suppliers were conducted in FY 2022-23 and another 10 suppliers will be audited in FY 2023-24"
 - "Training on health & wellbeing is being imparted to supply chain members by Honda Chief Medical Officer."
 - Honda has advised that with respect to 2(c), pilot training for non- permanent workers of the supply chain has been completed.
- c The Honda Supplier Sustainability Guidelines states "In order to ensure suppliers' compliance with these guidelines, Honda may ask suppliers to submit supporting data, or complete a questionnaire which may be followed up with a site visit. These activities will be carried out in the spirit of mutual support and open communication for the benefit of both sides."
- d Regarding suppliers being asked questions to assure OSH in supplier factories. e.g. accident reporting, Honda advised that "Honda expects from suppliers to comply as per Govt compliance."

11. Does the OEM monitor its Tier 1s (direct suppliers) for their actions to improve safety in their deeper supply chain?

- a With respect to monitoring its Tier 1s (direct suppliers) for their actions to improve safety in their deeper supply chain, Honda has advised that “Honda monitor its Tier 1 (direct suppliers) for their actions through ESG Audits and expects Tier1 to cascade down the line.”
- b There seems to be no evidence available in publicly available documents of Tier 1 suppliers cascading OSH practices to the deeper supply chain.
- c During SN’22 discussions, Honda had advised some positive steps taken by it, such as:
 - “Supplier Sustainability Guidelines is in itself is a monitoring mechanism based on which Tier 1 suppliers are monitored on various parameters, safety being part of it..”
 - Regarding the suppliers being audited for compliance with supplier sustainability guidelines, Honda has advised that the suppliers are audited “Through ESG Audits.”
 - “Safety assessment is conducted across suppliers Tier 1 & Tier 2.”
 - “Corrective action & preventive action is demanded from Supplier along with countermeasure explanation.”
 - “As per General Purchase Agreement (GPA) applicability, penalty is imposed on suppliers based on criticality of non- adherence to the Supplier Sustainability Guidelines.”
 - “Standard Format is under approval, which shall be circulated to all critical suppliers based on which data sharing of adherence to Guidelines shall be collected as declaration from suppliers as per set frequency”
- d However, SII could not find any information for any of the above mentioned initiatives of Honda to monitor its Tier 1s (direct suppliers) for their actions to improve safety in their deeper supply chain, in this year’s publicly available documents.
- e Honda has advised that “Some of our Major Tier 1 Supplier have uploaded their Sustainability Report on their website and available to all .”
- f Honda has advised that the standard format has been “initiated for all T1 Suppliers” and that they have “initiated the audits/Survey at some suppliers and have plan to complete at all suppliers.”

12. Grievance redressal mechanism for workers across supply chain to report unsafe work conditions

- a Honda has a Vigil Mechanism Policy – the “Business Ethics Proposal Line – Vigil Mechanism Policy”
- b The Vigil Mechanism policy lists “Substantial and specific danger to associate safety and health.” as part of its scope.
- c During SN’22 discussions, Honda had advised that “contract/casual/temporary workers and trainees/apprentices are covered by VMP and can report under the VMP for OSH issues.”
- d Honda has advised that it expects its suppliers to have similar grievance redressal mechanism/whistle blower policies for their own workers (both permanent and non-permanent) and expects its suppliers (Tier 1s)to have similar grievance redressal mechanism/whistle blower policies for their suppliers

Hyundai Motor India Limited (Hyundai)



Section 1: Publicly declared policies applicable to the OEM's own factories

1. Does the OEM have publicly declared OSH Policy for its own factories?

a Yes, Hyundai Korea has an OSH Policy in public domain, called 'Hyundai Motor Company Occupational Health & Safety Policy', which is not available on the India website.

b However, Hyundai advises

- "Hyundai Motor group policy is applicable to all the overseas plant of Hyundai including India. The same is available on their website."
- "Hyundai Motor India has its own dedicated OHS policy as per the Factories act, 1948 Sec 7 approved by the Managing Director."
- "Hyundai Motor India's OHS policy is made available to all their stake holders. This is updated from time to time and re-circulated as necessary."

▪ However, SII could not find this policy in the public domain.

2. Does the publicly declared OSH policy of the OEM include OSH for non-permanent workers (contract/casual/temporary/flexible workers, trainees, apprentices, workers) i.e. they are at par with permanent employees?

a During SN'21 discussions, Hyundai team had confirmed to SII that the company's safety practices cover all (including non-permanent workers) those working inside Hyundai factory.

b However, since the OSH policy is not in public domain, we cannot confirm if there is a categorical mention.

c Hyundai Korea OSH Policy does not categorically mention this.

d Hyundai advises this year, "HMI OSH policy is inclusive. It is applicable for its own employees, workers, contractors, vendors, interested parties, stakeholders and neighboring communities."

3. Does the OEM have a Human Rights policy, is it in the public domain and does it cover non-permanent workers and supply chain?

a Hyundai does not have its Human Rights Policy on India website.

b Hyundai Motor Company Korea has two documents 'Human Rights Policy of Hyundai Motor Company' and 'Human Rights Charter' in the public domain and it categorically mentions that it applies to all employees, including part time workers.

c Human Rights Policy of Hyundai Motor Company states,

- "The Policy applies to all employees and executives working for Hyundai Motor Company and is comprehensively applied to all individuals, corporates, agents, brokers, invested companies, and supply chains engaged in a working relationship with HMC as well as to business and investment activities."

d Hyundai Motor Company Human Rights Charter states

- "Charter applies to all employees (including part-time workers) of Hyundai at all our domestic and overseas manufacturing plants...."
- "All its stakeholders in business relationships are encouraged to respect the Charter as well."
- "Hyundai Motor Company should operate a channel to receive the report from ... persons or organizations (reporters) that suffer a human rights violation or perceived human rights risk." (p.5)
- "Hyundai Motor Company is encouraged to share information pertaining to the Charter for Human Rights, its implementation plan, and the human rights risk assessment process and associated outcomes, not only within Hyundai Motor Company, but also with suppliers, sales/service organizations and other organizations with which have trading relationships."

■ Policies and procedures missing or inadequate

■ Policies and procedures need improvement

■ Existence of clear and adequate policies and procedures



- “Executives and employees of Hyundai Motor Company follow this Charter for Human Rights when collaborating with suppliers, sales and service organizations, and furthermore, we recommend that all stakeholders under the transaction relations respect this Charter for Human Rights.” (p.1)
- e Hyundai Motor Company, Korea Sustainability Report states
 - “We also conducted human rights risk assessments at our overseas business sites in North America, Latin America, Europe, India, and China in addition to business sites in Korea. As a result, some potential risks, such as lack of awareness of the Human Rights Charter at two of the 16 overseas branches, were identified. In response, we are planning to distribute the Group Human Rights Charter to overseas business sites to help employees increase the importance and understanding of employee human right protection.”
- f It is not clear if both Human Rights Policy and the Charter are applicable at all levels within the company, its subsidiaries etc.

Section 2: Publicly declared policies applicable to OEM's deeper supply chain

4. Does the OEM have an OSH policy/guidelines for their Tier 1 suppliers?

- a Hyundai Motor Company, Korea has ‘Hyundai-Kia Motors Supplier Code of Conduct’ [SCoC] in the public domain, which has a dedicated section (section 5) for OSH, which is also applicable for India but is not on Hyundai’s website.
- b Hyundai advises, “SCoC is applicable to all T1 vendors and all major companies have signed on the same.”
- c The SCoC states,
 - “Suppliers should have programs to measure industrial accidents and illness... Suppliers should investigate the causes of industrial accidents or illness and endeavor to provide relevant improvement plans to reduce their incidence.”(SCoC, p.10).
 - “Suppliers should regularly inspect and evaluate hazardous or otherwise dangerous machines, equipment, and tools in the workplace.”(SCoC, p.9)
 - “Suppliers should, for the purpose of determining if employees are exposed to risk factors, regularly conduct workplace safety assessments. Assessment results should be disclosed to employees and suppliers should improve machines, equipment, and tools in accordance with the results.”(SCoC, p.10)
 - “Suppliers should provide employees with information on accident risks and factors based on a risk factor assessment. This information should be disclosed in understandable language and displayed in accessible places.”(SCoC, p.10)
 - “Suppliers should endeavor to identify ethical, environmental, labor/human rights, safety/health risks associated with their business operations.” “Suppliers should develop and implement measures to mitigate risks if significant risks are discovered.” (SCoC, p.12)
- d Hyundai advises,
 - “OHS guidelines for T1 vendors are provided in the Supplier Code of Conduct.”
 - The SCoC mandates that all T1 vendor have to report any accident to HMI.
 - These activities are being monitored by HMI vendor collaboration team.
 - “there is a tacit understanding that T1 suppliers cascade this (similar guidelines) down to T2 vendors and ensure that they follow the safety practices.”
- e On the question if suppliers are expected to have grievance redressal mechanisms for their permanent and non-permanent employees, it advises,
 - “All our vendors companies are operating with the concept of “Workers Committee” – an internal worker representatives selected by the workers.”
 - “Any Grievance related to Welfare, Safety will be addressed by the Workers Committee (WC).”
 - “WC & Management will discuss up on the issues and will bring in a better solution.”

5. Does the OEM have an OSH policy/guidelines for their deeper supply chain (Tier 2/3/4)?

- a As noted in SN'22, It is not clear if Tier 1 suppliers are required to make SCoC principles contractually binding for their own suppliers (i.e. OEM's Tier 2 suppliers).
- b Hyundai advises,
- "There isn't any separate policy for deeper supply chain but current Supplier code of conduct recommends that T1 vendors to implement the provision of SCoC in their sub vendors as already mentioned"
 - "As per the provision of the SCoC we recommend it to be implemented in deeper supply chain" It also advises that, "OSH policy of T1 are checked and monitored through audits conducted by the Hyundai's vendor collaboration team, whereas Policy of T2 is monitored through audits conducted by the T1 vendors on their respective Sub Vendors."
- 3 SCoC has stated
- "All suppliers may recommend other business entities in the supply chain, including lower-tier suppliers and subcontractors, to comply with the provisions contained within this Supplier Code of Conduct." (p.3)
 - "Suppliers should recommend that subcontractors with contractual obligations in planning, designing, selling and manufacturing goods and services should manage ethical, environmental, labor/human rights, safety/health factors." (p.13)
 - "Suppliers should strive to recommend that their subcontractors improve violations or risks concerning ethical, environmental, labor/human rights, and safety/health laws and provisions when they identify such violations or recognize such risks." (p.13)

6. Is there consistency in the OSH policies enforced in the supply chain in OEM's Indian and international operations?

- a Parent company OSH policy states that its coverage includes, "Hyundai Motor Company's entire domestic production plants, overseas production subsidiaries, sales corporations, and research institutes shall be subject to this health and safety management policy".
- b Parent Company SCoC mentions "All suppliers may recommend other business entities in the supply chain, including lower-tier suppliers and subcontractors, to comply with the provisions contained within this Supplier Code of Conduct." (p.3)
- c Hyundai advises that,
- "HMC policy is applicable to all the overseas plant.", which includes OSH policy and SCoC.
 - "Hyundai Motor India OHS policy is based on the HMG OHS policy and same is enforced with India based Suppliers. Mandating the Suppliers to have ISO 45001 Certification by 3rd Party (Policies and Compliance) are part of Certification Process."
- d Therefore, it appears that there is consistency in the OSH policies enforced in the supply chain in Hyundai's Indian and international operations.

7. What is the Business Responsibility Reporting on NGRBC Principles 1, 3, and 5 in BRR.

Note: NGRBC states "It is expected that all businesses investing or operating in India including foreign multinational corporations (MNCs) will follow the guidelines."

- a There is no reporting for P1, P3 and P5 specifically for India, and as was also noted in SN'22, Hyundai advises it "does not do BRR (SEBI) reporting as it is a private limited/unlisted company in India"
- b Hyundai advises, "This report has been mandated to be submitted by listed companies only in FY 22-23. HMI is not a listed entity. However, as a responsible corporate, HMI is making available all necessary information that is mandated to be disclosed, in the public domain.



- c Hyundai Motor Company Sustainability Report, reports on
- training hours for its employees including safety, Human Rights, ESG, training, audits to examine status of employees practice of code of ethics, reporting on work related illness (108) and zero work related deaths.
 - In 2021, a human rights impact assessment was conducted in 90.4% of Hyundai's business sites, out of which 8.4 % were business sites with risks. (SR22, p.41)
 - In 2021, human rights impact assessment was conducted in 20% of Hyundai's Tier 1 supplier sites, out of which 5 % were business sites with risks. (SR22, p.41)

d However, it is not clear if reporting for Hyundai in India are included in these figures.

Section 3: Publicly declared procedures to ensure safety across the supply chain

8. What are the OEM's procedures for monitoring supply chain sustainability (specifically OSH) in accordance with Decent Work (as defined by ILO) and with reporting of accidents as per SDG Indicator 8.8?

a Hyundai advises this year,

- "Decent Work indicators such as working hour, safe work environment and social security are defined as per The Tamil Nadu Factories Rules and other Indian Act."
- "These parameters are followed and monitored through audit and other Monitoring Mechanisms."

b On reporting of Indicator 8.8 of SDG 8, Hyundai advises, "As per SCoC, vendors have to report the accident within 48 hours to govt authorities and to the HMIL procurement team. Same is incorporated in Risk Management Score."

c Top 5 priorities in supply chain management strategies do not include OSH (SR22, p.47)

d However, following observations are made based on the findings of SR 22:

- "We operate an ESG evaluation process for suppliers to diagnose and resolve risks related to ethics, environment, labor, human rights, safety, and health that may arise in the process of procuring auto parts and raw and subsidiary materials while asking high-risk suppliers to establish improvement plans and take improvement measures. We also help suppliers strengthen their ESG capabilities so that they may secure sustainable competitiveness on the global stage. Supply chain ESG management status and related performance were reflected in the KPI of the executives incharge, and is reported to the C-level leaders and Sustainability Management Committee (under the Board of Directors)." (SR22, p.45)
- "Hyundai operates an ESG evaluation system to diagnose and resolve ESG risks that exist in its supply chain so that it can operate a sustainable supply chain."(SR22, p.46)
- "it has developed supplier ESG evaluation indicators for major ESG issues such as ethics, environment, labor, human rights, safety, health, and management system, based on domestic and foreign laws and regulations, the OECD Due Diligence Guidance, the Responsible Business Alliance, and major initiatives in the automotive industry (Drive Sustainability, etc.) to achieve more accurate supply chain ESG diagnosis and make necessary improvements."(SR22, p.46)
- Supply Chain Sustainability Goals: Expansion of tier1 suppliers ESG risk assessment range to 100% by 2024 and Support safety device installation to prevent suppliers' accidents, which is a new project, to 100% by 2024 .
- SR: "operating a suggestion box for transparency and ethical practices so that its suppliers can voice their difficulties and propose various system improvements. We operate a suggestion box for tier-2 and tier-3 suppliers as a way to establish fair trade practices and strengthen transparency throughout the supply chain." (SR22, p.42)

9. Does the OEM map its deeper supply chain to be able to improve safety for workers in its deeper supply chain?

- a As reported in SN'22, Hyundai has advised to SII that Tier1 and Tier 2 companies in India are mapped.
- b On the question of mapping of Tier 3 and 4, Hyundai advises this year,
 - “We are approaching this stage wise with our primary focus being on entrenching robust systems in Tier 1 Vendors. Through them it will percolate to tier 2.”
 - “Parallely, our systems and processes are also being digitized which will help stream line the process better.”

10. What are the actions taken by the OEM to prevent accidents in its deeper supply chain?

- a Hyundai Motor Company Sustainability Report states
 - “We distribute various safety and environmental guidelines to suppliers so that they can manage their own safety and environment.” (SR22, p.47)
 - “Hyundai conducts ESG risk assessments for its Tier-1 and Tier-2 core suppliers who must respond to each evaluation index and submit related evidence (data, content, etc.). The information entered by suppliers serves as basic data for identifying supplier ESG risks and classifying/managing high-risk suppliers.”(SR22, p.46)
 - Hyundai advises, “ESG assessment has been done for all T1 vendors in India.” And “Labor Compliance Check like Wage, Child Labor, Human Rights has been done for vendors in Chennai.”
 - “Following the analysis of assessment results, Hyundai and a third party (evaluation agency) visit the sites of the suppliers with high or potential ESG risks, to verify the assessment results. In addition to on-site due diligence, the visit also serves to identify risks that could not be identified through written assessment. In addition, when visiting the site, the evaluation agency provides a consulting service to suppliers by suggesting improvement directions appropriate to supplier situations.”(SR22, p.46)
- b “Conducted a written assessment of 400 tier-1 and core tier-2 suppliers and an onsite due diligence of 10 high-risk suppliers” (SR 22, p.7)
- c Hyundai advises, “Till now 20% of T2 audits have been conducted By T1 vendors for the year. Scheduled 45% of Audits (2022-23)”
- d Expanded the scope of employee human rights risk management- Conducted a human rights impact assessment on employees at overseas business sites in Europe, Americas, India, and China(SR 22, p.7)
- e “In order to help our suppliers to improve their level of safety management, we support their safety training and run a reward system for suppliers with outstanding safety records in holiday work.” (SR 22, p.38)
- f Hyundai advises, “2000+ hours of online training session has been conducted for Supply Chain Employees. In each training session respective Sub vendor are also encouraged to participate in the Training.”
- g “Its management conducts on-site inspections on processes with risks of serious accidents. It continuously strives to prevent serious accidents by its suppliers. In 2022, it is planning to dispatch experts in safety diagnosis to its suppliers with records of serious accidents to share best practices of risk management with them.” (SR 22, p.38)
- h “In addition to providing training programs targeting tier-1 and tier-2 suppliers, the Center provides training facilities and instructors to suppliers in need of their own training.” (SR 22, p.43)
- i “The Center offers 18 tracks and some 450 training programs in five categories – future competitiveness, leadership, basic job training, global competency, and industry expert training – for its Tier-1 and Tier-2 suppliers.”(SR 22, p.43)



j Message from the Chairman says, “we strengthened human rights management; improved the safety and health of our employees; and bolstered ESG-oriented management of our supply chains and expanded support for the supply chains.”(SR 21-22, 03)

k However, it is not clear if OSH is part of ESG-oriented management in supply chain.

l On the question of if Tier-1 and Tier-2 suppliers encouraged/required to have systems to audit/raise sustainability standards at Tier 3/4 suppliers, Hyundai advises, “Currently the scope is limited only up to T1 & T2 vendors. T2 Control and Monitoring Scope Lies with T1 Vendors. T3, T4 are limited in number and are Negligible when compared to T2 Vendors.”

m On the question if Hyundai has created any knowledge sharing platform for supply chain workers to learn safety, it advises, “Yes. Hyundai Motor India is planning to develop learning management system exclusively for OHS training. (Desktop Based) This platform can be assessed by all vendors in HMI supply chain.”

n Hyundai also advises other actions taken by it to prevent accidents in deeper supply chain include,

- “Other Measures like Mock Drills, awareness camps etc. at Sub vendors”
- “Tier 1 Vendors : Roof Barricade, appointment of Safety Ambassador, Culture Captain and so on.”
- Data on audit,

Issues	Reporting for 2022	Planning for 2023
Press Safety Mgmt audits	73% Press Safety Self Audit Completed	90%, Reverification Scheduled for Critical Vendors
LOTO Mgmt	Implemented LOTO System for 10 vendors	LOTO System Planned for 20 Vendors
Mock Drill	Mock drill 100% completed, 55 Vendors	Planned for 50 vdrs
(Hazardous)	No of improvements- 85	Plan for '23- 102
Safety improvements	80% improvement	Fire safety audit conducted for 58 Vdrs, Review U/ progress.
Fire safety audits	80% improvement	Fire safety audit conducted for 58 Vdrs, Review U/ progress.

11. Does the OEM monitor its Tier 1s (direct suppliers) for their actions to improve safety in their deeper supply chain?

a Hyundai advises,

- “Mandatory Sub Vendors Audit by T1 Supplier Quality Team and by Safety Team also introduced. Same is being Monitored.”
- In 2022, 112 such T2 Audit by T1 SQA +Safety Officer were conducted.
- For 2023, the plan is to do 300 such T2 audits.

b It is not clear if Tier 1 suppliers are contractually bound to ensure quality implementation of OSH policies in deeper supply chain.

c It is not clear if OSH is part of ESGQ parameters.

12. Grievance redressal mechanism for workers across supply chain to report unsafe work conditions

a SN’21 and SN’22 reported on Hyundai Grievance redressal system.

b It is not clear

- If suppliers are expected to have grievance redressal mechanisms for their permanent and non-permanent employees.
- If Tier 1 suppliers are expected to promote grievance redressal mechanism down the deeper supply chain
- How Hyundai monitors the grievance redressal mechanism at the suppliers end

Mahindra & Mahindra Ltd. (Mahindra)



Section 1: Publicly declared policies applicable to the OEM's own factories

1. Does the OEM have publicly declared OSH Policy for its own factories?

a Yes, Mahindra has an OSH Policy in the Public domain.

2. Does the publicly declared OSH policy of the OEM include OSH for non-permanent workers (contract workers, trainees, apprentices, casual workers, temporary, flexible workers) i.e. they are at par with permanent employees?

a OSH policy doesn't categorically mention non-permanent workers at par with permanent workers.

b It states, "Involve all employees in implementation of this policy" (p.2)

c Mahindra's updated Code of Conduct and its definition guide also does not define Employees.

3. Does the OEM have a Human Rights policy, is it in the public domain and does it cover non-permanent workers and supply chain?

a Yes, Human Rights in Economic Decision-making Policy, revised on 17th August 2022 and now called Human Rights Policy, is in public domain which now covers non-permanent workers and is also a part of supplier selection process. Both the versions are in public domain.

b Human Rights Policy states that it is applicable to "All permanent and contract employees of M&M Ltd"

c The BRR states that "However, Human Rights issues are also a part of the supplier selection process and are included in the contracts drawn up with them." (AR 21-22, p.198 BRR)

d Articles 3,5,19,24,25 of UNHRC are not included in the Policy.

e 'Safe and healthy working environment/conditions', is not among "the International Labour Organisation's core labour conventions in our policies" (SR 21-22, p.87)

f Grievance redressal mechanism and Whistle Blower policy are mentioned in the Human Rights Policy but it is unclear if they are applicable for the employees in the supply chain.

Section 2: Publicly declared policies applicable to OEM's deeper supply chain

4. Does the OEM have an OSH policy/guidelines for their Tier 1 suppliers

a Yes, Mahindra has a Supplier Code of Conduct in the public domain.

b To promote ethical behaviour, the Supplier Code of Conduct version 2.0 was launched in FY 2020- 21 for suppliers to declare conformity with the M&M Supplier Code of Conduct. By spend, more than 78 percent of suppliers have signed the code of conduct till date." (AR 21-22, p.195)

c SCoC is applicable to all suppliers, and it includes OSH compliance – "Suppliers shall maintain and provide a safe and healthy work environment for all personnel that meets or exceeds applicable legal standards for occupational safety and health. Suppliers will comply with all applicable laws regarding working conditions, including worker health and safety, sanitation, fire safety, risk protection and electrical, mechanical structural and machine safety." (SCoC 2021, p.4)

d Accident monitoring and reporting and near misses by supplier is not included in the SCoC.

5. Does the OEM have an OSH policy/guidelines for their deeper supply chain (Tier 2/3/4)?

a No, there is no separate policy for Mahindra's deeper supply chain.

■ Policies and procedures missing or inadequate

■ Policies and procedures need improvement

■ Existence of clear and adequate policies and procedures

- b It is also not clear if Tier 1 suppliers are required to make SCoC principles contractually binding for their own suppliers (i.e. OEM's Tier 2 suppliers).
- c SCoC states, "M&M expects that all its Suppliers will also do business with parties who uphold similar values." (p.2)
- d SCoC also states that "Suppliers need to exercise due diligence with regard to social and environmental responsibility when sourcing materials and parts. Suppliers are urged to have their own suppliers, agents, and affiliates conduct the same due diligence to enable compliance throughout their supply chain." (p.6)

6. Is there consistency in the OSH policies enforced in the supply chain in OEM's Indian and international operations?

- a Yes, Mahindra's SCoC is consistent for Indian and international operations.
- b SCoC is "applicable to all suppliers, i.e. domestic and international" and it includes OSH compliance.

7. What is the Business Responsibility Reporting on NGRBC Principles 1, 3, and 5 in BRR.

Note: NGRBC states "It is expected that all businesses investing or operating in India including foreign multinational corporations (MNCs) will follow the guidelines.

- a As per the table on p.197 of BRR "there is no formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders". (AR 21-22, p.197)
- b Reporting on P1: CoC "applicable to all the Company's Directors as well as all employees.".... "also covers all dealings with Suppliers"
 - "The Company also has a Code of Conduct for Suppliers and Vendors."
 - No mention of "promoting Principle 1 to value chain" mentioned in BR policy, in P1 BRR Reporting.
- c Reporting on P3: "83% of Casual/Temporary/Contractual Employees were given safety & skill up-gradation training in the last year" (AR 21-22, p.197)
- d Total contract employees lost day rate due to injuries is 11.46 in the year 21-22 compared to 0 of permanent employees lost day rate. (Safety Dashboard, SR, p.98)
- e Board's Report states:
 - "To strengthen the safety best practices, the Company continues to focus on theme-based safety topics arising out of OHS hazards and immediate corrective action as well as permanent corrective actions are implemented. with agility. Continuous drive is taken to enhance Behavior Based Safety (BBS) (AR 21-22, P.62)"
 - "Your Company has followed the assessment by evaluation for implementation through The Mahindra Safety Way (TMSW). For this evaluation process, total 25 parameters are assessed for the Mahindra Group companies across all the plants. (AR 21-22, p.62)"
- f Reporting on P5: "Business Responsibility Policy covers the aspects on Human Rights for the Company"
 - "Human Rights issues are also a part of the supplier selection process and are included in the contracts drawn up with them." (AR21- 22, p. 198)
- g However, no provisions are mentioned in BRR to require Mahindra suppliers to do the same with their suppliers down the supply chain as required by NGRBC .

Section 3: Publicly declared procedures to ensure safety across the supply chain

8. What are the OEM's procedures for monitoring supply chain sustainability (specifically OSH) in accordance with Decent Work (as defined by ILO) and with reporting of accidents as per SDG Indicator 8.8?

- a The components of "Decent work" i.e. 'Safe Working Environment' and 'Decent Work' seem to be covered in contract with suppliers/stakeholder based on the publicly available documents. (SCoC, p.4-6)

- b However, it is unclear if the third component, i.e., 'social security' is covered in contracts with stakeholders/suppliers.
- c It is unclear if Mahindra expects its suppliers to do accident reporting on Indicator 8.8 of SDG 8 based on publicly available documents.

d Supplier facilities were assessed based on revamped Sustainability Assessment Check Sheet under six categories, 45 checkpoints in line with GRI standards, ISO standards, legal and other requirements." (SR 21-22, p.75)

e However, it is unclear what components of 'Safe Working Environment', 'Decent working time, and 'social security' and accident reporting are included in the check sheet.

- f SUPPLY CHAIN PERFORMANCE SNAPSHOT (Table on P.4 SR21-22)
 - "GRI Parameters: 13 Parameters Monitored on an average by 63 supplier partners
 - Human Rights Training: 50% to 100% Workforce coverage reported by 50 supplier partners.
 - Sustainability Report: 18 of 69 Suppliers prepare Sustainability Reports, 2 of 9 suppliers reported in public domain and 9 published internal reports as per GRI standards/guideline/ISO 2600"

9. Does the OEM map its deeper supply chain to be able to improve safety for workers in its deeper supply chain?

a As also reported in SN22, based on the publicly available documents, it is still not clear to SII whether Mahindra has mapped its supply chain or not.

10. What are the actions taken by the OEM to prevent accidents in its deeper supply chain?

a "To ensure a safe working environment in the supply chain, in FY 2020-21 the Company began third-party supplier safety audits, with feedback offered to suppliers for improvement. The scope of safety audits was expanded in FY 2021-22, with a total of 317 vendors covered by the end of the financial year". (AR 21-22, p.195)

b "These suppliers receive management and technical support in order to train them on best practices and procedures that will boost productivity, quality, cost, delivery, safety, and morale (PQCDSM)."

c "Initiatives such as Supplier Business Capability Building (SBCB), Mahindra Supplier Evaluation Standard (MSES), Technical Capability Building programmes, Supply Risk Mitigation & Management (SRMM), Safety Training & assessments, technical support for special processes during new product development, VAVE (Value Analysis Value Engineering) activities, and Associate Value Specialist Program for suppliers, among others, are used to achieve the above.

d Mahindra has a Green Supply Chain Management Policy and a Supplier Code of Conduct that has been shared with all suppliers, through which the Company is committed to increasing awareness of legal compliances, increasing eco-efficiency, and promoting employee health and safety initiatives, among other things in the supply chain. (AR 21-22 p.195-196)

e The Board's Report/ Chairman's/ CEO's & MD's message does not mention Health and Safety in the supply chain.

11. Does the OEM monitor its Tier 1s (direct suppliers) for their actions to improve safety in their deeper supply chain?

a As also reported in SN21 and SN22, based on publicly available documents, Mahindra does not appear to monitor its Tier 1s (direct suppliers) for their actions to improve safety in their deeper supply chain in the view of following observations.

12. Does the OEM have grievance redressal mechanism(s) for all its workers and systems to promote the same across deeper supply chain to report unsafe work conditions?

- a Yes, Mahindra has grievance redressal mechanisms for workers across the deeper supply chain to report unsafe work conditions in the view of the following observations, in addition to the observations made in SN'21 and 2022.
- b "Significant Safety" is one of the subjects included in the "Corrupt or Illegal" conduct of whistle-blower policy. (p.4)
- c The Company has put in place an Ethics helpline managed by an external agency to ensure that any violations to its Code of Conduct (including violation of Human rights) are addressed objectively. (AR 21-22, p.198)
- d "M&M has ... Grievance Redressal Machinery available at each plant for workmen through which grievances are tracked and addressed." (AR21- 22, p. 198)
- e "to address Human Rights violations in for blue collared workmen (Permanent & Flexible workforce), a Grievance Register has been kept at Time Office to raise concerns" (AR21- 22, p. 198)

- f SCOC does not state categorically for suppliers to have Grievance redressal mechanism for all workers including non-permanent workers.





Maruti Suzuki India Limited (Maruti)

Section 1: Publicly declared policies applicable to the OEM's own factories

1. Does the OEM have publicly declared OSH Policy for its own factories?

- a Yes, Maruti has an OSH policy in the public domain, called Occupational Safety and Health Policy.
- b The policy can be downloaded from any search engine however it's not on Maruti's website.

2. Does the publicly declared OSH policy of the OEM include OSH for non-permanent workers (contract workers, trainees, apprentices, casual workers, temporary, flexible, non-regular workers) i.e., they are at par with permanent employees?

- a OSH policy doesn't categorically mention non-permanent workers at par with permanent employees.
- b However, during SN'21 discussions, Maruti had advised that "contract/temporary/casual workers are covered by the OSH Policy"
- c "24,000+ Free medical consultations availed by employees and their families. 9,300+ Employees and their spouses availed the Company's periodic health check-up scheme" (AR 21-22, p.56)
- d "The Company provides following benefits for regular and non-regular employees.
 - a. Medical Reimbursement Policy for regular employees and their dependants.
 - b. Coverage of contractual employees under the Government's Employees' State Insurance Corporation's social security and health insurance schemes." (AR 21- 22, p.108)
- e "Health & Safety Performance is always one of the parameters of evaluation for all, even contractors, transporters, suppliers and vendors at Maruti Suzuki." (AR 21- 22)

3. Does the OEM have a Human Rights policy, is it in the public domain and does it cover non-permanent workers and supply chain?

- a No, Maruti does not have a human rights policy though there was a mention of the policy in the AR 20-21 and recorded in SN'22. AR 21-22 does not mention Human Rights policy. It is also not in the public domain.
- b "The Company not only takes measures to respect human rights at the workplace, but also promotes fair employment practices among suppliers. According to the Company's Basic Purchase Agreement with suppliers, it is mandatory for suppliers to abide by the below rules and regulations:
 - No child labour should be engaged by the Supplier for carrying out its operations.
 - Supplier shall form and implement a suitable policy to prevent the instances of sexual harassment at work place.
 - Supplier shall ensure a safe and secure work environment in all its workshops, showrooms and office premises to prevent any loss to employees." (AR21-22, p.78)

Section 2: Publicly declared policies applicable to OEM's deeper supply chain

4. Does the OEM have an OSH policy/guideline for their Tier 1 suppliers?

- a No, Maruti does not have a Supplier code of conduct in public domain, though there was a mention of SCoC in the AR 20-21 and recorded in SN'22. AR 21-22 does not mention SCoC. It is also not in the public domain.

■ Policies and procedures missing or inadequate

■ Policies and procedures need improvement

■ Existence of clear and adequate policies and procedures



b However, the OSH mentions for Tier 1 suppliers are observed as below: “The Company collaborates with suppliers to help them improve their occupational health and safety practices. 89% of Tier-1 suppliers have implemented ISO 45001 Occupational Health and Safety Management Systems” (AR 21-22, p.54)

c “We work closely with our supplier partners and dealers to ensure that they also adopt the best practices in respect of employee safety, health and adopting practices that would minimize risk of any damage from fire or other accidental causes.” (AR 21-22, p.29)

d The definition of supplier is not mentioned in the documents accessed.

e It is not clear if Tier1 contracts include the clause to report accidents to Maruti.

5. Does the OEM have an OSH policy/guidelines for their deeper supply chain (Tier 2/3/4)?

a No, there is no separate policy for OSH in Maruti’s deeper supply chain and OSH policy does not categorically state that the deeper supply chain is covered.

6. Is there consistency in the OSH policies enforced in the supply chain in OEM’s Indian and international operations?

a “Around 95% of Tier-1 suppliers are located in India and around 80% of supplier plants in the country are within 100 km of the Company’s manufacturing facilities.” (AR 21-22, p.100)

b However, it is unclear if there is consistency in the OSH policies enforced in the supply chain in its Indian and international operations.

7. What is the Business Responsibility Reporting on NGRBC Principles 1, 3, and 5 in BRR.

Note: NGRBC states “It is expected that all businesses investing or operating in India including foreign multinational corporations (MNCs) will follow the guidelines.

a Reporting on P1:

- “No complaints of sexual harassment was received” (AR 21-22, p.85)
- “All the complaints received under Whistle Blower policy relating to previous financial year(s) were duly resolved.” (AR 21-22, p.85)

b Reporting on P3:

- Number of regular employees: 16259, Number of non-regular employees including ‘outsourced employees’: 23028 (58.61%). (AR 21-22 P.107)
- Maruti also has a “grievance redressal mechanism related to the policy / policies to address stakeholders’ grievances related to the policy / policies”
- No complaints on sexual harassment.
- No reporting of complaints on child labour or forced labour.

c Reporting on P5: As reported in 2 above point 2.

d The following may be noted

- In the description of regular employees, the name/designation by which regular workers are known is not clear.
- It’s not clear which category of employees or workers are included under the name ‘outsourced employees’.
- There is no statement in the BRR or Annual Report for cascading of NGRBC principles down the supply chain.
- It is not clear if Maruti monitors its Tier 1s for BRR if applicable to them.
- It is not clear if the reporting includes non-permanent workers.

Section 3: Publicly declared procedures to ensure safety across the supply chain

8. What are the OEM’s procedures for monitoring supply chain sustainability (specifically OSH) in accordance with Decent Work (as defined by ILO) and with reporting of accidents as per SDG Indicator 8.8?

a It is not clear if laws pertaining to components of ‘Decent Work’ i.e., ‘Decent working time, safe working environment and social security’ are covered in contracts with stakeholders/suppliers.

- b It is not clear if there is a mechanism to monitor and report the components of “Decent Work” viz. ‘Decent working time’ and ‘social security’.
- c However, ‘safe working environment’ seems to be monitored for Tier 1 suppliers but not for deeper supply chain.
- d It appears that Maruti has not explicitly defined parameters and targets to report on indicator 8.8 of SDG 8.
- e It is not clear if Maruti expects its suppliers to do accident reporting on indicator 8.8 of SDG 8.

9. Does the OEM map its deeper supply chain to be able to improve safety for workers in its deeper supply chain?

- a “The upstream segment of the Company’s value chain consists of a complex multi-tiered supply chain network providing components, raw material and consumables. It consists of 465 Tier-1 suppliers, including 17 JV companies and over 1,750 Tier-2 suppliers.” (AR 21-22, p.100)
- b Therefore, it seems Maruti has mapped its Tier 1 and Tier 2 suppliers.

10. What are the actions taken by the OEM to prevent accidents in its deeper supply chain?

- a Maruti has reported for the first-time that 700 mini-Dojo centres have been started at Tier 2 locations.
- b “Out of the 650 Tier-2 plants involved in sheet metal production and plastic moulding that were identified as having a high potential risk of accidents, around 350 plants have been audited till date.” (AR 21-22, p.102) “...to identify the gap areas and necessary countermeasures were implemented.” (AR 21-22, p.54)
- c “Accident investigation and implementation of corrective and preventive actions are closely monitored. Monthly safety performance reports are submitted by Tier-1 suppliers as per a specified framework.” (AR 21-22, p.102)
- d “The Company also promotes a culture of safety across its value chain and carries out a periodic risk assessment of fire safety, waterlogging and human injuries at its supplier and dealer facilities.” (AR 21-22, p.192)
- e It is not clear how Maruti monitors how all Tier 1 suppliers are cascading this culture of safety down the supply chain.
- f It is not clear if social security for workers is included in the sensitisation and whether the suppliers top management are expected to cascade ensuring social security (like ESIC) down the supply chain (Tier 2/3/4...n)
- g It is not clear if Maruti has developed/promoted SOPs for the deeper supply chain.
- h Board’s report does not mention anything about health and safety in the supply chain.

11. Does the OEM monitor its Tier 1s (direct suppliers) for their actions to improve safety in their deeper supply chain?

- a Maruti does not seem to monitor its Tier-1s for their actions to improve safety in their deeper supply chain.
- b “78% Tier 2 suppliers have achieved the desired performance standards” [Comprehensive excellence standards which include OSH]
- c It is not clear if Maruti monitors all its T1 suppliers cascading and monitoring OSH practices to all their Tier 2 suppliers and the deeper supply chain.

12. Grievance redressal mechanism for workers across supply chain to report unsafe work conditions

- a Yes, Maruti has grievance redressal mechanisms for workers to report unsafe work conditions. However, its Whistle blower policy does not mention deeper supply chain.
- b However, AR states, "To address any grievance of its workforce including those among the temporary workforce, the Company has a well-structured grievance redressal mechanism. Periodic grievance redressal camps are organised to address their issues." (AR 21-22, p.195)
- c "Dedicated grievance redressal helpdesk 'Samadhan' for shop floor employees" (AR 21-22, p.109)
- d "During the CEO sensitisation workshops, suppliers' top management is sensitised by the Company's Managing Director and top management regarding the importance of good HR practices in business operations. All suppliers have been covered under this initiative till date." (AR 21-22, p.103)
- e It is not clear if Grievance redressal for permanent and non-permanent workers is part of the good HR practices for CEO Sensitisation Workshops.





Tata Motors Limited (Tata)

Section 1: Publicly declared policies applicable to the OEM's own factories

1. Does the OEM have publicly declared OSH Policy for its own factories?

a Yes, Tata has an OSH policy called 'Safety & Health Policy' in the public domain.

2. Does the publicly declared OSH policy of the OEM include OSH for non-permanent employees and workers (contract/casual/ non-regular/temporary/flexible workers, trainees, apprentices, or other than permanent workers as stated in Tata documents) i.e., they are at par with permanent employees?

a The publicly declared OSH policy still does not categorically mention OSH for non-permanent workers at par with permanent employees.

b It says, "We are committed to being an injury-free organisation, ensuring the safety and health of the employees, contractors and visitors in our operations."

c Tata advises, "Term "Employee" Includes every workmen working inside factory premises."

d Tata advises Safety for all contract workers inside Tata Factories is at par with permanent employees and there is no difference. Tata Chairman has reiterated this stand and requested all to ensure safety irrespective of the kind of work they do.

e To improve contract workers' safety (a) same PPE as permanent (b) Tata own "people" are accountable for contract workers and do not leave this responsibility to contractors, and (c) include contractors in the internal permit system (eg. safety stewarts), 5/10 meetings a day on themes including safety, (d) compulsory ESIC registration.

f "Safety is a part of the induction programme for all employees working in operations." (AR21-22, p.96)

g "Special Attention was given to impart training to new joinees to improve their risk perception." (AR21-22, p.114)

h "For Blue Collar Employees, we have AECT programme (Actions Employee Can Take), in which workmen report unsafe acts and situations in their respective areas." (AR21-22, p.96)

i "Video films have been made in local language for blue collar employees to have better understanding." (AR21-22, p.96)

j "Job Qualification exercise ensures that every employee is qualified in a job before he/she actually performs it." (AR21-22, p.96)

k In materiality mapping, Occupational Health & Safety is given high Significance. (AR21-22, p.71)

3. Does the OEM have a Human Rights policy, is it in the public domain and does it cover non-permanent employees and workers and supply chain?

a SII is unable to find Tata's Human Rights policy in public domain.

b SN'22 reported that the company had formulated a policy on Human Rights as mentioned in AR20-21. However, SII could not find any mention in AR21-22.

c Tata advises, "Tata Code of conduct (TCOC) specifies principle on Human rights- 'We shall respect the human rights ...'. TCOC principle are binding all Tata Group companies."

d TCoC states, "We shall respect the human rights and dignity of all our stakeholders... We do not (a) employ children at our workplaces. (b) use forced labour in any form."

e SCoC states, "The Suppliers shall not (a) employ children at their workplaces (b) use forced labour in any form."

■ Policies and procedures missing or inadequate

■ Policies and procedures need improvement

■ Existence of clear and adequate policies and procedures



- f As reported in SN'22, contractors and suppliers' work "contract includes clauses in relation to human rights protection" (AR21-22, p.139)
- g As reported in SN'22, Sustainability Policy states, "we shall.....ensure protection of human rights in the value chain."
- h Tata advises,

- "Tata Motors SCOC guiding principle for all suppliers it does business with. TML SCOC covers aspects related to Human rights at stakeholders sites."
- However it is still not clear if Tier 1 suppliers are expected to have similar expectations from their suppliers.
- It is also not clear if human rights of non-permanent workers of suppliers are protected.
- "TCOC mandates principles to be applied to everybody who works for Tata Motors."
- However, it is not clear how Tata ensures protection of human rights in the value chain, especially deeper supply chain i.e., Tier 2/3/4 suppliers.
- "Grievance redressal by all stakeholders is managed through TCOC." And TCOC includes "our employees, or those who work with us,..... our value-c,,n partners, including suppliers, contractors, , intermediaries and agents" in its scope.

Section 2: Publicly declared policies applicable to OEM's deeper supply chain

4. Does the OEM have an OSH policy/guideline for their Tier 1 suppliers?

- a Tata has a Supplier Code of Conduct in Public domain.
- b It says, ""Supplier" here means any business, company, corporation, person or other entity that provides, sells or seeks to sell, any kind of goods or services to TML, including the Supplier's employees, agents and other representatives."
- c "The Suppliers shall strive to provide a safe, healthy and clean working environment for its employees."
- d Tata advises,
 - "Term employee encompasses all employees working at site".
 - "SCoC is contractually binding on the suppliers".
 - "Accident reporting by Tier 1s is already included in SCoC".
 - However, SII could not find any mentions of accident reporting in Tata's SCoC.
 - "Supplier audit include various aspects related to Occupational health and safety."
- e Tata advises, "All Tier-1 suppliers are audited by Tata motors every year which conform compliance to SCOC."
- f During SN'21 and SN'22 discussions, Tata advised that "SHP[OSH] and SCoC... is applicable to business partners. TML recognises safety as an integral part of its operations and purchase and supply chain process. It engages with suppliers through training and audits."

5. Does the OEM have an OSH policy/guideline for their deeper supply chain (Tier 2/3/4)?

- a As reported in SN'21 and SN'22, publicly available SCoC does not have any categorical mention of OSH policy/guideline for deeper supply chain (Tier 2/3/4).
- b However, Tata advises, "Tata Motor expects its Tier-1 suppliers to extend SCOC principles to their supply chain."
- c "We have established 'Sustainability Guidelines for Suppliers' covering key topics like... occupational health and safety, labour and human rights. We further this initiative downstream by initiating the Dealers Sustainability Initiative in FY19" (AR21-22, p.100)
- d This year, Tata advises, "Tier-1 suppliers are counselled on these principles."

e As reported in SN'22, although Tata advised during SN'21 and SN'22 discussions that supply chain includes deeper tiers than Tier 1 suppliers.

f However, it is still not included in any publicly available document.

6. Is there consistency in the OSH policies enforced in the supply chain in OEM's Indian and international operations?

a TCoC states, "TML follows the Tata Code of Conduct (TCoC) globally and expect all Suppliers to adhere to the same principles of TCoC".

b Tata advises, "Supply chain includes all. "Supplier" here means any business, company, corporation, person or other entity that provides, sells or seeks to sell, any kind of goods or services to TML, including the Supplier's employees, agents and other representatives."

c During SN'22 discussions, although Tata had advised that "supply chain includes deeper tiers than Tier 1". However, it is not yet explicitly mentioned in any of the publicly available documents if suppliers include deeper supply chain.

7. What is the Business Responsibility Reporting on NGRBC Principles 1, 3, and 5 in BRR.

Note: NGRBC states "It is expected that all businesses investing or operating in India including foreign multinational corporations (MNCs) will follow the guidelines.

a Tata has reported on the NGRBC Principles 1,3, and 5 in the BRR format given by SEBI.

b Tata advises that its upcoming integrated report will have BRSR reporting.

c "The Company engages with its suppliers and channel partners on BR initiatives through Sustainable Value Chain Program... to raise awareness on sustainability topics such as health, safety, ... The suppliers and dealers situated across all locations participate in these sustainability initiatives." (AR21-22, p.137)

d However, there is no mention for Tier 1 suppliers to cascade NGRBC principles down the supply chain.

e Reporting on Principle 1:

- "The Company has adopted the TCoC that outlines commitment to ethical conduct.... The Company ensures compliance to TCoC by suppliers and contractors through appropriate clauses in their work contracts to which they are obligated... The Company has an ethics helpline where employees can place anonymous complaints of alleged ethics violations." (Ref. BRR Q1) (AR 21-22, p.139)

f Reporting on Principle 3:

- Percentage of employees that were given safety & skill up-gradation training in the last year (Ref. BRR Q8), "Safety is a part of induction programme for all the Company employees working in operations"
"A refresher training is organized by divisional safety coordinators / shop heads to impart training to employees."
- In FY 2021-22, the Company achieved...13,734 hours of training on TCoC.

g Reporting on Principle 5:

- "The Company encourages and set expectations for its suppliers, dealers, contractors, service providers and other business partners to adhere to principles of human rights laid out in TCoC, Supplier Code of Conduct, Dealer Code of Conduct." (AR 21-22, p.143)
- "In FY 2021-22, 121 stakeholder complaints (TCoC concerns & POSH complaints) have been received, of which 93 were satisfactorily resolved as on 31.03.2022." (AR 21-22, p.143)

Section 3: Publicly declared procedures to ensure safety across the supply chain

8. What are the OEM's procedures for monitoring supply chain sustainability (specifically OSH) in accordance with Decent Work (as defined by ILO) and with reporting of accidents as per SDG Indicator 8.8?

a 'Safe Work Environment' in supply chain is covered by Tata's publicly available policies/guidelines such as SCoC, TCoC, OSH policy, etc.

b Tata advises,

- TML Suppliers are mandated to follow SCOC which include “Decent Working Time” and “Social Security”.
- Supplier audits and disclosures cover some of these aspects of monitoring and reporting on three indicators of decent work i.e. Decent Working time, Safe Work Environment and Social Security’ to ensure supply chain sustainability (specifically OSH)

- However, there is no categorical information available on reporting and monitoring of ‘Decent Working time, and Social Security’.

c It is not clear if Tata expects its suppliers to do accident reporting on Indicator 8.8 of SDG 8.

d During SN’22 discussions, Tata had advised that “SDG 8 is a priority. And initiatives are planned with industry body in FY22-23 to address the issue in deeper supply chain.”

e However, SII is not able to locate the initiatives actually taken to address the issue in deeper supply chain.

f However, Sustainability Policy states, “we shall... Integrate sustainability considerations into all business decisions, functions and work processes, with the aim of creating value and contributing to sustainable development”

g However, it is not clear how this will be done.

h “We continue to work with our suppliers through the Sustainable Supply Chain Initiative...” (AR21-22, p.100)

i However, it is not clear if OSH is a part of Sustainable Supply Chain Initiative.

j Tata advised to SII during SN’23 discussions,

- “Sample audits are performed in the deeper supply chain to understand OSH issues, further work is in progress.”

- Tata’s plan to integrate sustainability considerations into deeper supply chain business decisions is a work in progress.

- Tier 2/3/4 suppliers are included in ‘Sustainable Supply Chain Initiative’.

- OSH is a part of Sustainable Supply Chain Initiative

9. Does the OEM map its deeper supply chain to be able to improve safety for workers in its deeper supply chain?

a Tata advises,

- It has mapped all Tier1 suppliers.
- It maps Tier 2/3/4 suppliers on sample basis.

b During SN’22 discussions, Tata advised that it was under progress on pilot basis. However, SII could not find any mention about it in AR21-22.

10. What are the actions taken by the OEM to prevent accidents in its deeper supply chain?

a It is not clear/conclusive from the publicly available documents because the actions taken by Tata to prevent accidents in deeper supply chain such as, audits, etc. are not categorically mentioned.

b In materiality mapping Supplier Social Assessment is given Low Significance. (AR21-22, p.71)

c Tata advises,

- “TML ensures OSH best practices and outcome at its supply chain by audits, Knowledge sharing etc.

- For deeper supply chain we have initiated sample audits to assess OSH status with help of Tier-1 suppliers.

- Further work is in progress.
- TML expects its supplier to handhold deeper supply chain partner on OSH issues”
- “Deeper supply chain audits are conducted sample basis.”

11. Does the OEM monitor its Tier 1s (direct suppliers) for their actions to improve safety in their deeper supply chain?

- a It is not clear that Tata monitors its Tier 1s (direct suppliers) for their actions to improve safety in their deeper supply chain because there is no categorical mention of monitoring and reporting such as, audits by Tier 1s.
- b Although during SN'22 discussions, Tata had advised that, “this is being done” but SII is yet to find examples of it.
- c During SN23 discussion, Tata advises the same points as Q10 above.

12. Grievance redressal mechanism for workers across supply chain to report unsafe work conditions

- a Tata has a Whistle Blower policy in public domain.
- b Whistle blower policy states that its scope extends to “All employees, directors and stakeholders of the Company”
 - ““Employee” means every employee of the Company (whether working in India or abroad), including contractual employees and the directors in the employment of the Company.”
 - ““Stakeholders” means and includes value-chain partners like suppliers, service providers, sales representatives, contractors,....”
 - “We encourage our employees, customers, suppliers and other stakeholders to raise concerns or make disclosures when they become aware of any actual or potential violation of our Code, policies or law.”
- Tata advises that this policy is applicable to workers (both permanent and non-permanent) of suppliers/value chain partners.
- c However, OSH is not categorically mentioned as a subject/situation for making complaints under the whistle blower policy.
- d Third-party Ethics Helpline, Toll free helpline number, and Web portal are the channels for making protected disclosures.
- e Tier 1 suppliers are not required to have similar grievance redressal mechanism for their own non-permanent employees and workers and for the employees of their suppliers i.e., Tier2/3/4. Tata says that they can have it on voluntary basis.



TVS Motor Company (TVS)

Section 1: Publicly declared policies applicable to the OEM's own factories

1. Does the OEM have publicly declared OSH Policy for its own factories?

a As reported in SN'21 and SN'22, OSH statement as part of 'Vision Statement' is in the public domain.

b BRR21-22 states that TVS has "Environment, Occupational Health and Safety policy".

c As reported in SN'22 "Environment, Occupational Health and Safety Policy" is mentioned in BRR21-22, but it still appears to not yet been approved by the Board.

2. Does the publicly declared OSH policy of the OEM include OSH for non-permanent workers (contract/casual/ non-regular/temporary/flexible workers, trainees, apprentices, etc.) i.e., they are at par with permanent employees?

a OSH statement does not appear to categorically include OSH for non-permanent workers at par with permanent employees.

b It says, "We are committed to:

- Provide safe work environment, prevent injury and ill health at the workplace.
- Involve employees in driving the improvement of environment, occupational health and safety.

c BRR21-22 states, "100% of contract workforce is also provided health and safety orientation periodically. In addition, regular and scheduled role-based, process-based health and safety programme are conducted for employees." (p.12)

d However, it is not clear if other categories of non-permanent workers are included in this.

3. Does the OEM have a Human Rights policy, is it in the public domain and does it cover non-permanent employees and workers and supply chain?

a SII is unable to find TVS' Human Rights Policy in public domain.

b "The Company has put in place a Code of Conduct that covers Human rights issues and is applicable to all employees to adhere and uphold the standards contained therein". "All categories of employees viz., Permanent / Contract & Casual are covered by the Human Rights Policies." (BRR21-22, p.17)

c As reported in SN'22 TVS' Code of Business Conduct and Ethics still does not make any mention of human rights.

d "All contract agreements with stakeholders have clauses pertaining to Industrial & labour laws compliance, which takes care of human rights." (BRR21-22, p.17)

e However, it is not clear if Human Rights mentioned by TVS in contract agreements cover UNHRC Articles 3, 5, 19, 24, and 25.

f SN'22 reported, "a separate Human Rights Policy is being drafted", which doesn't find mention in AR 21-22.

Section 2: Publicly declared policies applicable to OEM's deeper supply chain

4. Does the OEM have an OSH policy/guideline for their Tier 1 suppliers?

a SII is unable to find TVS's SCoC in the public domain.

b However, the OSH statement in TVS Vision Statement says, "Support suppliers, dealers and contractors in adopting sound EHS practises."

■ Policies and procedures missing or inadequate

■ Policies and procedures need improvement

■ Existence of clear and adequate policies and procedures

5. Does the OEM have an OSH policy/guideline for their deeper supply chain (Tier 2/3/4)?

- a As reported in SN'21 and SN'22, SII is still unable to find TVS' SCoC in the public domain or any mention of OSH policy/guideline for safety in supply chain in BRR21-22 or CoC.

6. Is there consistency in the OSH policies enforced in the supply chain in OEM's Indian and international operations?

- a As reported in SN'21 and SN'22, it is still not clear/conclusive from the documents in the public domain because the subject is not categorically covered/stated.

- b "94% of the input is sourced from local vendors (within India). 8% of the input is sourced from MSME suppliers." (BRR21-22, p.15)

It appears to SII that most of TVS's procurement is done from Indian suppliers.

7. What is the Business Responsibility Reporting on NGRBC Principles 1, 3, and 5 in BRR.

Note: NGRBC states "It is expected that all businesses investing or operating in India including foreign multinational corporations (MNCs) will follow the guidelines.

- a Although TVS does not report in BRR format, prescribed by SEBI. It reports on essential and leadership indicators of NGRBC guidelines for all Principles.

- b Reporting on Principle 1:

- "100 % of the suppliers- Covered by awareness programmes for the Guidelines" (NGRBC) (p.7).

- However, it lists no examples to cascade the NGRBC to its Tier 1 suppliers and down the supply chain to Tier 2/3/4.

- c Reporting on Principle 3:

- "There is no case of engaging child labour during the reporting period." (BRR21-22, p.12)

- "No cases reported of forced / involuntary labour identified to date" (BRR21-22, p.12)

- "During the last financial year (2021-22), the Company has delivered 100+ role-based competency training programme to 900+ employees across the functions covering 82% of role-based competencies" (BRR21-22, p.13)

- "The details of training to employees, suppliers, service providers and visitors ...:

i Employee's skills training: 4,525 people

ii Employee's redeployment: 434 people

iii Suppliers' skill training: 263 people" (BRR21-22, p.13)

- "All welfare measures viz., .. medical facility are provided to non-permanent at par with permanent employees." (BRR21-22, p.14)

- d Reporting on Principle 5:

- "100% of business agreements are reviewed so as to ensure protection of Human Rights." (BRR21-22, p.17)

- However, it is not clear if Human Rights of non-permanent employees and workers of suppliers are protected through these business agreements.

- "Suppliers and service providers are included in the certificate of registration which is a government issued document and hence child labour is NIL at all its establishments. Need based audits are also conducted at supplier end" (BRR21-22, p.17)

- "Percentage of contractual employees and value chain partners that have been made aware / provided training on human rights issues - a. In the year; b. Total to date:

i Contract workforces are engaged through professional service providers.

ii Contract agreements contain compliance to all statutory labour laws including PoSH.

iii Service providers and contract workforce are periodically provided with orientation on human rights aspects" (BRR21-22, p.17)

iv However, percentage of contractual employees and value chain partners that have been made aware / provided training on human rights issues are not given.

- "100% of stakeholders have been made aware of the grievance mechanism for any issues including human rights with clear redressal process" (BRR21-22, p.17)
- "The grievance committee meets periodically to review complaints raised if any through e-mail ID provided or otherwise from any of its stakeholder groups viz., employees, visitors, suppliers, and service providers etc.," (BRR21-22, p.17)

Section 3: Publicly declared procedures to ensure safety across the supply chain

8. What are the OEM's procedures for monitoring supply chain sustainability (specifically OSH) in accordance with Decent Work (as defined by ILO) and with reporting of accidents as per SDG Indicator 8.8?

a It is not clear to SII if laws pertaining to 'Decent working time, safe working environment and social security' are covered in contracts with stakeholders.

b It is not clear if there is a mechanism to monitor and report the components of "Decent Work" viz. 'Decent working time and social security'.

c However, monitoring and reporting of 'safe working environment' is done through audits.

d It is not clear if TVS expects its suppliers to do accident reporting on Indicator 8.8 of SDG 8.

e Annual report states, "TVS Motor Company became the First Indian 2W & 3W maker to have become a signatory to the world's largest sustainability initiative, the United Nations Global Compact (UNGC). This will ensure enhanced collaborations and actions towards wider development of goals, particularly the sustainable development goals (SDGs)" (p.14)

f It is not clear to SII how sustainability principles are taken down the supply chain.

g "100 % of the suppliers had responsible / sustainable business policies in place" (BRR21-22, p.7)

h SII could not find TVS responsible/sustainable business policy.

9. Does the OEM map its deeper supply chain to be able to improve safety for workers in its deeper supply chain?

a TVS appears to have started to map its supply chain.

b "94% of the input is sourced from local vendors (within India). 8% of the input is sourced from MSME suppliers." (BRR21-22, p.15)

10. What are the actions taken by the OEM to prevent accidents in its deeper supply chain?

a Annual report states, "Towards improving the safety awareness and safety performance of the suppliers, identified Tier-1 suppliers have been covered under scheduled audit by certified OHS professionals through sharing of best practices, identifying hazards and implementing control measures." (p.22)

b "In reporting year, 41 numbers of suppliers/recyclers in orange and red categories of industries were audited." and "Total to date, 93 (last 4 years)" social and environmental audits are done. (BRR21-22, p.7)

c " , around 7 suppliers & service providers were awarded for their excellence in safety performance." (BRR21-22, p.12)

d "100% of the suppliers and service providers" were assessed for adherence to health and safety practices. (BRR21-22, p.14)

e As also reported in SN'22, "key fabrication suppliers were assessed on occupational health and safety requirements. Towards sharing the best practices and in identifying hazards and to implement control measures, 8 suppliers (Tier-1) have been covered under scheduled audit by OHS professionals." (BRR21-22, p.14)

- f “An exclusive task force towards “Supplier Excellence” was formed to support suppliers for their holistic development in their business performance viz., Safety, Productivity, Quality, by establishing sustainable manufacturing systems.” (BRR21-22, p.16)
- g “Audits were conducted and support provided on process, safety practices, environment compliance and social aspects for ensuring sustainable improvement for the suppliers.” (BRR21-22, p.16)

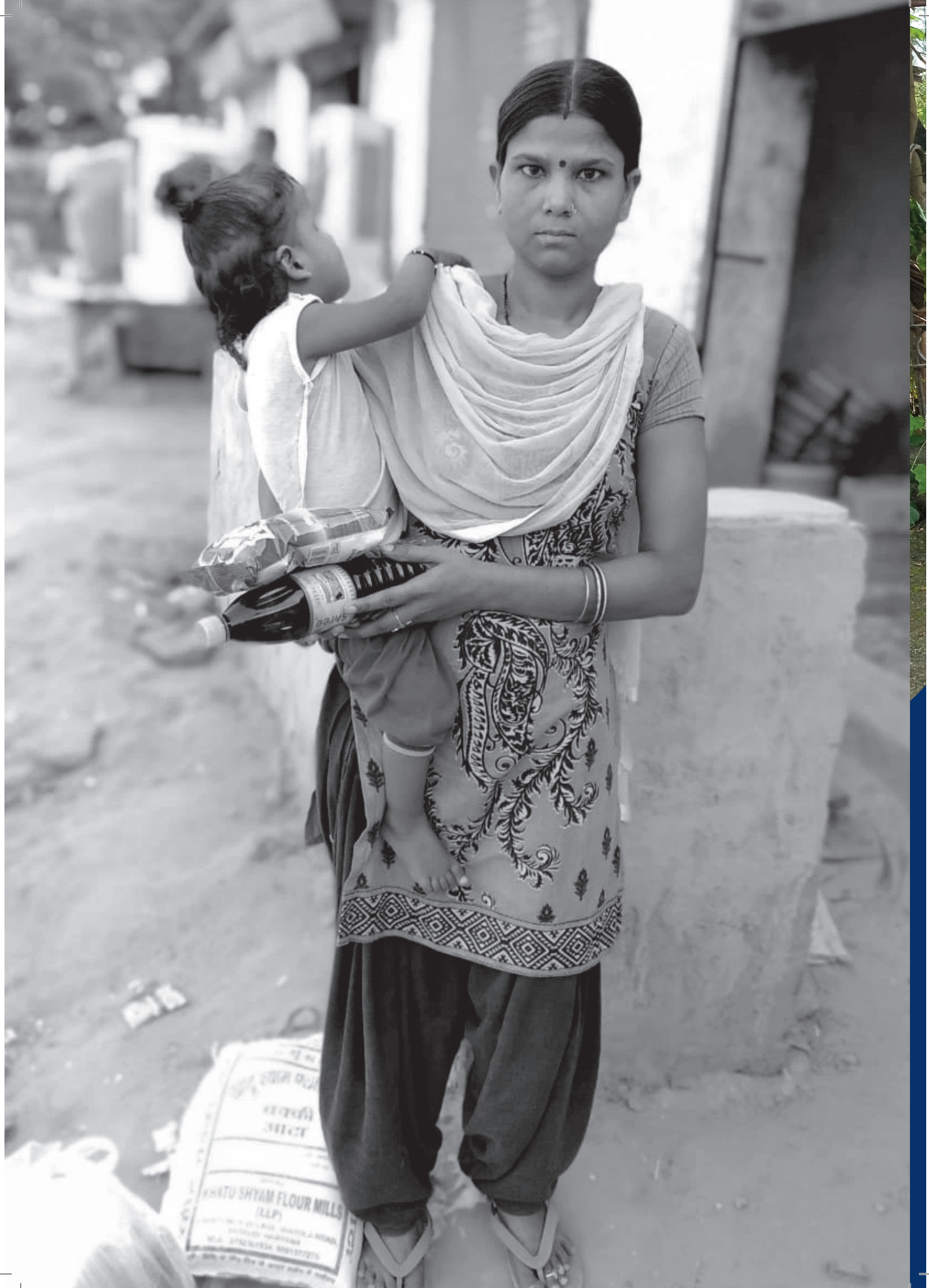
11. Does the OEM monitor its Tier 1s (direct suppliers) for their actions to improve safety in their deeper supply chain?

- a As reported in SN'22, it is still not clear from the publicly available documents if TVS monitor its Tier 1s (direct suppliers) for their actions to improve safety in their deeper supply chain.

12. Grievance redressal mechanism for workers across supply chain to report unsafe work conditions

- a TVS has a Whistle Blower Policy in the public domain.
- b It states,
 - ““Whistle blower(s)” means TVSM’s stakeholders including its **employees or employee representative bodies, director(s), investors and customers/ vendors** of the Company making a Protected Disclosure in terms of this Policy.”
 - “The Policy is applicable to all investors, employees (**including permanent and on contract**), directors, customers and suppliers/ vendors of the Company.”
 - “**Negligence causing substantial and specific danger to public health and safety**” is one of the subjects under the policy.
 - “**suppliers or agencies (or any of their employees)**” are included in the stakeholders that are eligible to make Protected Disclosures under the Policy.
- c “The Board’s Audit Committee oversees the functioning of this policy.” (AR 21-22, p.77)







CHAPTER: 7

Key Recommendations for OEMs, ACMA and SIAM

7.1 Top 5 OSH Policy recommendations to OEMs:

The following recommendations have been consistently made in both SafetyNiti and CRUSHED series of reports and are repeated here for completeness. SII welcomes feedback from auto sector to fine tune these recommendations based on their recommendations.

ST : short-term, MT: medium-term, LT: long-term

Table 7.1: Top five policy recommendations to OEMs to prevent accidents in the auto sector's deeper supply chain.

SN	Top five policy recommendations to OEMs	Suggested next steps/explanations with indicative time scale prioritisation/additional information e.g., best practices known
1	Publish a comprehensive OSH policy in public domain, which should	<ul style="list-style-type: none"> a categorically include non-permanent workers at par with permanent workers under the same policy. (ST) b Define the term Employees and Workers in appropriate OEM documents (ST)
2	Create, publish, and implement a Supplier Code of Conduct (SCoC)/ SCoC/ Supplier Sustainability Guidelines in the public domain with	<ul style="list-style-type: none"> a a contractually binding clause for the suppliers to abide by it (ST) b Definition of 'suppliers' to include deeper supply chain, even if that starts with Tier 2. (ST) c Requirement from Tier 1 suppliers to have their OSH Policy in public domain and enforceable to all permanent and non-permanent workers of Tier 1 and 2 suppliers (MT) d Accident monitoring and reporting including near misses by Tier 1 suppliers to OEMs. (ST) e Requirement from Tier 1 suppliers to make OSH principles contractually binding for their own suppliers (i.e., Tier 2suppliers) (ST) f Cascading of all core elements of 9 NGRBC Principles down the supply chain including the deeper supply chain. (MT) g Mechanism to monitor adherence to SCoC and NGRBC guidelines byTier 1 and 2 suppliers. (MT) h Include compliance with OSH legislations, such as Factories Act- 7A (3), which requires each company to have a written OSH statement/policy which covers permanent and non-permanent workers. (ST) i State consistency of all policies including OSH and human rights policies in supply chain factories of the Indian and international operations. (ST) j The Board must support SIAM in creating an industry-wide joint platform to address OSH in the auto sector supply chain especially since OEMs often share their suppliers (ST)
3	Create, publish, and implement a Standard Operating Procedure (SOP) for Tier 2 supply chain factories	<ul style="list-style-type: none"> a Develop simple SOPs for Tier 2 in partnership with Tier 1s/ ACMA to begin with. Deeper supply chain of Tier 2/3 can follow, (MT) b Include the status of deeper supply chain mapping in next year's reports. (ST) c Ensure effective implementation of OSH policies with real impact (specifically of ISO 18000/45000 companies) on OSH conditions on the factory floor. (ST) d Include evidence of Tier 1 suppliers cascading OSH practices to the deeper supply chain in next year's reports. (ST)
4	Report annually on Indicator 8.8 of SDG8 (the only SDG indicator about worker safety)	<ul style="list-style-type: none"> a Define Decent work (Safe working Environment, Decent working time, Social Security) for all workers permanent and non-permanent. (ST)

- b Start reporting under SDG8.8 (link below) which is concerned with labour safety, for India operations; (ST)
- c Report on GRI403 framework for India operations (link below), as it includes supply chain worker safety. For these, you will need to adopt ILO Decent Work Principles (link below) to define the same for your own factories and for your supply chain. (MT)
- d In view of BRSR leadership indicators (which will be applicable from FY 22-23) requiring reporting on health and safety practices and working conditions for value chain / deeper supply chain partners,(ST)
- e Ask publicly listed suppliers to report on SEBI BRSR for the top 1000 listed companies. (MT)
- f Encourage and support suppliers to follow NGRBC guidelines, even if done in phases.
- g Include OSH in supply chain sustainability risk assessment, if not already included.
- h Encourage Tier 1/2/3/4 suppliers to have similar policies for their permanent and contract workers and include OSH in the scope of these policies. (ST)

5 **Demand minimum compliance from the supply chains (e.g., all workers should be covered by ESIC from their first workday)**

- a We had recommended a number of measures for compliance in the deeper supply chain for all in Tier 1 (ST) and Tier 2/3 (MT)
 - letter of employment
 - health examination
 - double payment for overtime
 - ESIC registration and making an ESIC Card available to all workers on the date of joining.



7.2 Top 5 Operational recommendations to OEMs:

Table 7.2: Top five operational recommendations to OEMs to prevent accidents in the auto sector's deeper supply chain.

SN	Top five operational recommendations to OEMs	Suggested next steps/explanations with indicative time scale prioritisation/additional information and a few best practices
1	OEM Boards to take responsibility for worker safety in their deeper supply chain.	<p>The Boards must:</p> <ul style="list-style-type: none"> a Start including supply chain safety on their agenda (also as a requirement of NGRBC Principle 1,3,5, SDG 8 (Indicator 8.8) and GRI 403). (ST) b Ask for the creation of a distinct MIS/report covering data on supply chain safety, which covers accidents and near-misses in Tier 1s to start with, quickly followed by the same in Tier2/3/4 in phases, and to reflect progress on initiatives suggested below. (ST) c Insist on commercial contracts with Tier 1 suppliers to include (and monitor) OSH for their suppliers and principles of supplier code of conduct once designed and communicated as below. (ST) d Ask for linkages between worker safety and quality/ productivity. (MT)
2	Create a joint industry-level task force with SIAM (with some participation from SII)	<p>The Boards must:</p> <ul style="list-style-type: none"> a Approve working with SIAM to create a joint industry task force (ST) b Create mechanisms for improving the whole industry together for maximum impact and for a level playing field – e.g., a guiding supplier code of conduct (SCoC), standard operating procedures (SOPs), etc. (MT)
3	Map the deeper supply chain	<p>All recommendations that follow are for the relevant executives in OEMs to consider/implement and we suggest their progress included in the Board MIS as recommended above:</p> <ul style="list-style-type: none"> a Map all Tier 1 (if not already done) and Tier 2 suppliers immediately and (ST) b Follow the same for Tier 3/ 4 in phases over the next 6-18 months. (MT)
4	Improve transparency and accountability of accident reporting in the supply chain, weed out habitual offenders and reward safest factories, commercially	<ul style="list-style-type: none"> a Increase transparency of the OSH problem in the supply chain to the board, which will help accelerate change. (ST) b Improve OSH accountability, including weeding out habitual offenders in the supply chain and rewarding safer suppliers, especially in Tier 2s to start with and Tiers 3, 4 to follow. (MT)
5	Initiate ground-level actions, e.g., honest worker safety audits and worker training	<p>We have made a number of recommendations in this area in our reports, which we suggest are highlighted to the Board. Specifically:</p> <ul style="list-style-type: none"> a Conduct/ask Tier 1s to conduct and report on safety audits in deeper supply chain (ST) b Worker training in deeper supply chain (ST) c Create an industry level training system especially for migrant/contract workers (MT) d Set up a grievance redressal mechanism in deeper supply chain (ST) e Web portal for simplified OSH materials for supply chain workers, supervisors, managers, owners (ST) f Develop cost-benefit case of OSH for suppliers (ST) g Set up OSH technical helpline/advisory for deeper supply chain questions on issues/best practices/etc (ST) h Support ASDC on prior learning project with SII (ST)

7.3 Top 5 recommendations for Society of Indian Automobile Manufacturers (SIAM) and Automotive Component Manufacturers Association (ACMA)

SII's recommendations to SIAM and ACMA have been consistent since 2019 and are listed below in table 3.

Table 7.3: Recommendations to SIAM and ACMA to prevent accidents in the auto sector's deeper supply chain.

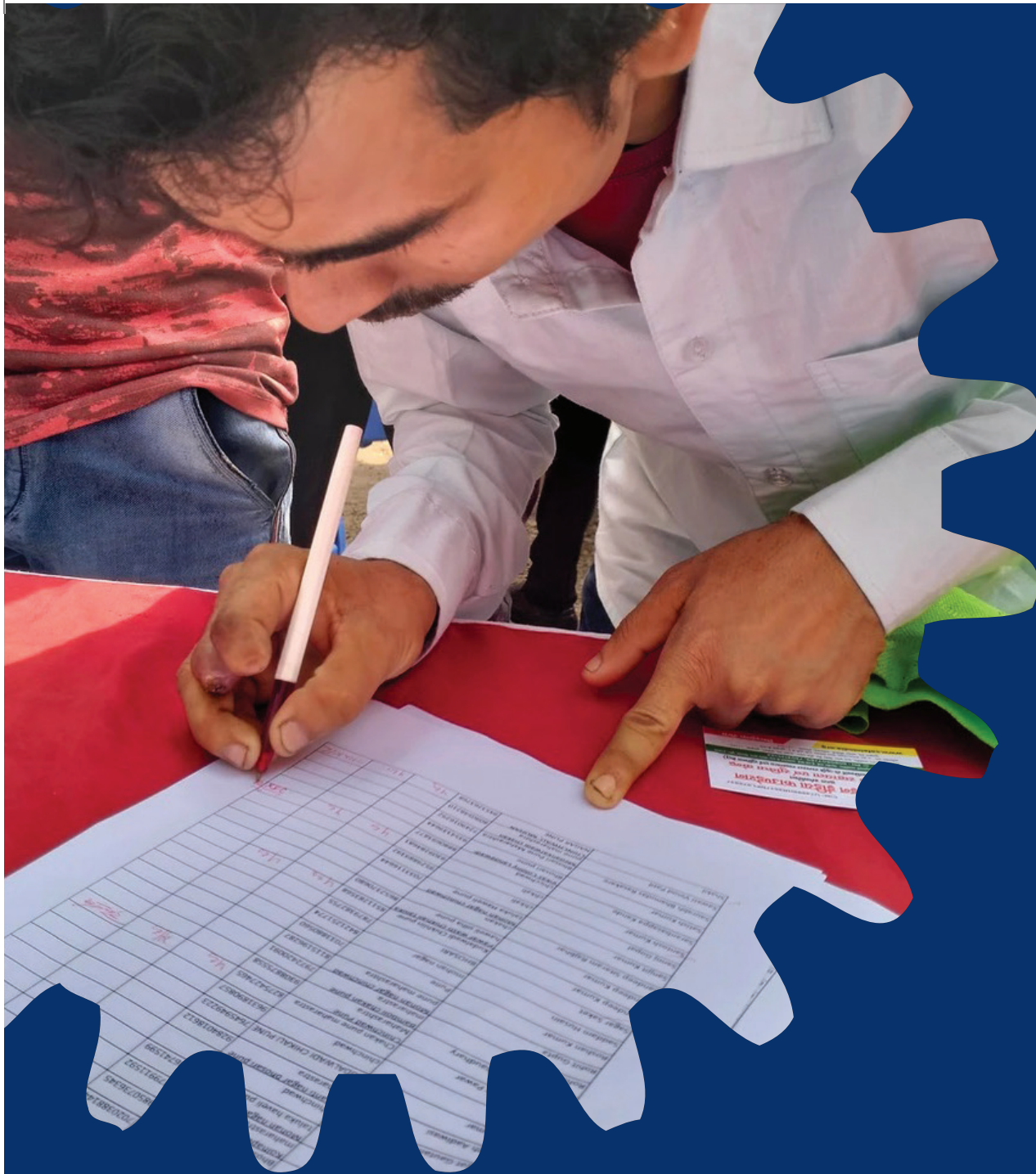
SN	Top five recommendations to ACMA and SIAM	Suggested next steps/explanations with indicative time scale prioritisation/additional information and a few best practices
1	Bring the auto industry suppliers and relevant experts together to create a joint task force to prevent accidents in the auto sector deeper chain, while also improving productivity.	Organise meetings/workshops for members, OSH/technical experts, and SII to discuss SII reports, findings, and recommendations, and agree possible practical next steps. (ST)
2	Set up a permanent joint safety team/working group of SIAM and ACMA, with SII's participation as required, to showcase good practices and sensitize members on strategic and tactical costs of accidents and how to reduce them.	Form a task force with SIAM-ACMA and SII, which can start by e.g., agreeing next steps, possible communication to suppliers from SIAM and ACMA, champion with OEMs to bring together industry expertise to create a business case for safety, and evaluate good practices highlighted by SII and any other channels. (ST)
3	Establish industry standards for safety in auto sector manufacturing.	<p>a Create a model SCoC with any assistance from SII and/or industry experts. (ST)</p> <p>b Organise a joint meeting with ACMA and a set of SIAM/ACMA members to set standards for Safety and Standard Operating Procedures (SOPs) for the deeper supply chain. (MT)</p> <p>c Complete the business case study.</p> <p>For ACMA (ST)</p> <p>a Initiate joint working between ACMA, SII, ASDC Minimum Training certification for machine operators which are nationally recognized. (ST)</p> <p>b Initiate ACMA-proposed programme of developing digital/animated safety modules and making it available through all media options</p>
4	Integrate worker safety and health as core organisational values of its members.	<p>a Start a series of webinars/seminars to inform members of the issues, possible solutions targeted as 'safety is good for business' and initiate discussions around SII recommendations as appropriate, e.g., below: (ST)</p> <p>b Having an OSH policy in the public domain. Specifically mention inclusion of contract/temporary/casual workers in all factory premises. (ST)</p> <p>c Worker training in own factories including contract workers and deeper supply chain. (ST/MT)</p> <p>d Creating an industry-level training system especially for migrant/contract workers. (MT)</p> <p>e Start designing of a web portal for simplified OSH material for supply chain workers, supervisors, managers, owners. (ST/MT)</p> <p>f Developing the cost-benefit case of OSH for suppliers. (MT)</p>

- g Setting up OSH technical helpline/advisory for deeper supply chain questions on issues/best practices/etc. (MT)
- h Supporting ASDC on prior learning projects with SII. (ST)

5 **Support SIAM and ACMA members in complying with NGRBC for long-term business success and compliance.**

- a Organise webinars/seminars to inform members of NGRBC principles which include: (ST)
- b Setting up a grievance redressal mechanism in the deeper supply chain. (MT)
- c OSH for workers in their own factories and cascading the same in the deeper supply chain. (ST/MT)
- d Protection of Human Rights in own factories and cascading the same in the deeper supply chain. (ST/MT)





CHAPTER: 8

Findings and Recommendations for the Government and its Agencies

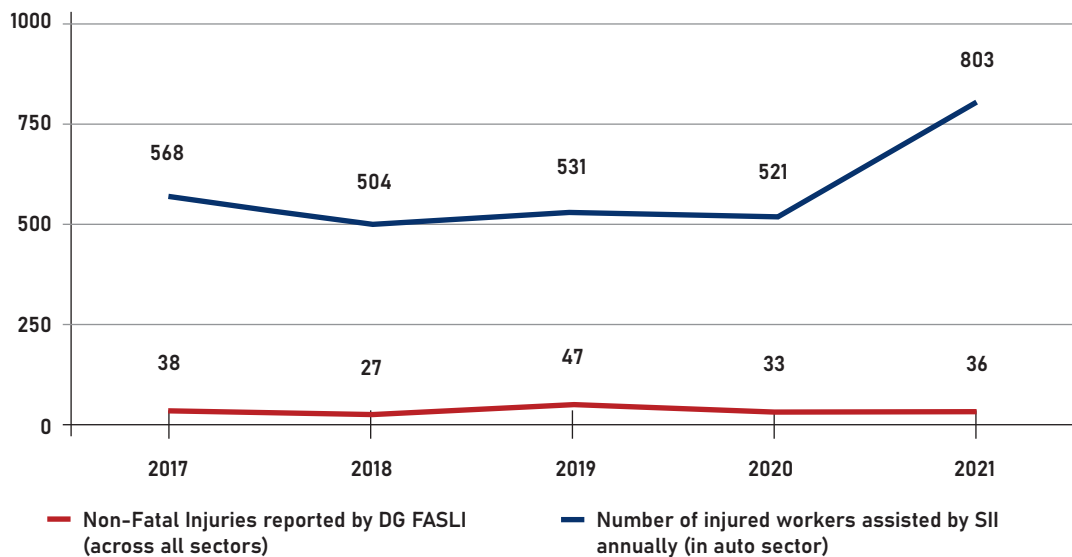
8.1. Findings:

Finding 1: Continued large under-reporting of factory accidents in government databases does not help solve the problem.

Accident Data in Haryana: The DGFASLI Standard Reference Notes based on the data collected from the Chief Inspector of Factories of the states seem to underreport accident numbers for at least a decade. In Haryana, the reported injuries in the DGFASLI reports for the 2017 to 2021 period non-fatal injuries) were only 6% of the workers assisted by only SII operating only in Faridabad and Gurgaon^{50,51}.

Figure 8.1: Non-fatal accidents in Haryana: Reported by SII and DG FASLI

Haryana state-reported accident numbers are not even 6% of what SII reports.



Source: DG FASLI Standard Reference Note, 2021

Finding 2: Accident data in Maharashtra appears underreported too, though not as much as Haryana

Maharashtra reported 932 non-fatal accidents in 2020, significantly more than Haryana and this is likely due to better reporting than worse working conditions (Please refer to Pune vs Haryana working conditions comparison made in CRUSHED2022). Since commencing operations in December 2022, SII has identified around 50 industrial accidents every month only in the auto sector in Pune and expects to find 500 injured workers per annum only in Pune.

Considering that Pune accounts for only 24% of the state's factory workers according to the Directorate of Industrial Safety & Health data⁵², it can be postulated that there may be significant underreporting in Maharashtra too.

Finding 3: Factory inspections have reduced across both Haryana and Maharashtra

As reported in CRUSHED 2022, there has also been a steady reduction in factory inspections⁵³ though Maharashtra has again seen a small improvement in 2020, unlike Haryana.

⁵⁰ Table 8.24- Fatal and Non-Fatal Injuries in Factories in the DGFASLI Standard Reference Note 2018 (p.71), 2019 (p.98), 2020 (p.84), and 2021 (p.103)

⁵¹ CRUSHED 2022 5d022b_0a5d9d689e8e4946b59a89f44f686192.pdf (safeinindia.org)

⁵² Directorate of Industrial Safety and Health, Maharashtra (https://mahadish.in/statistical_info_registered_factories)

⁵³ DG FASLI (Standard Reference Note, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021)

Figure 8.2: Reducing number of Industrial Safety and Health department's factory inspections in Haryana

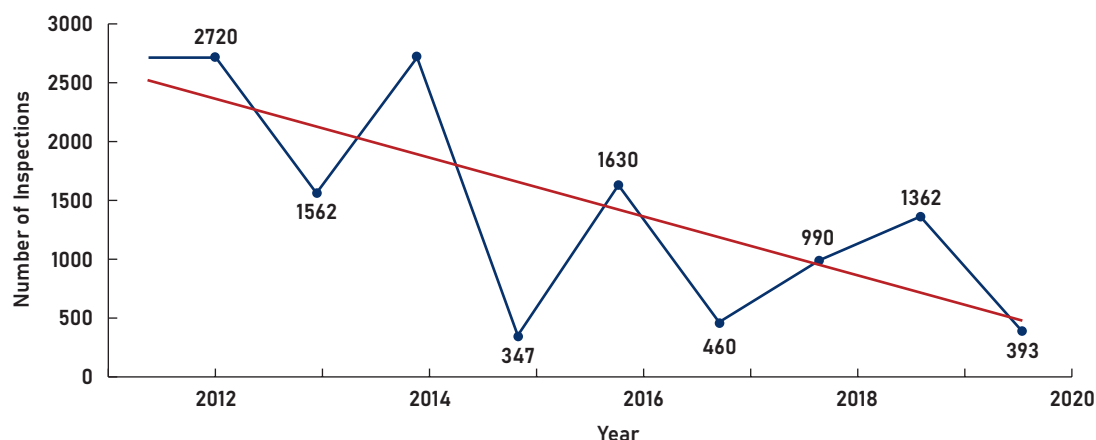
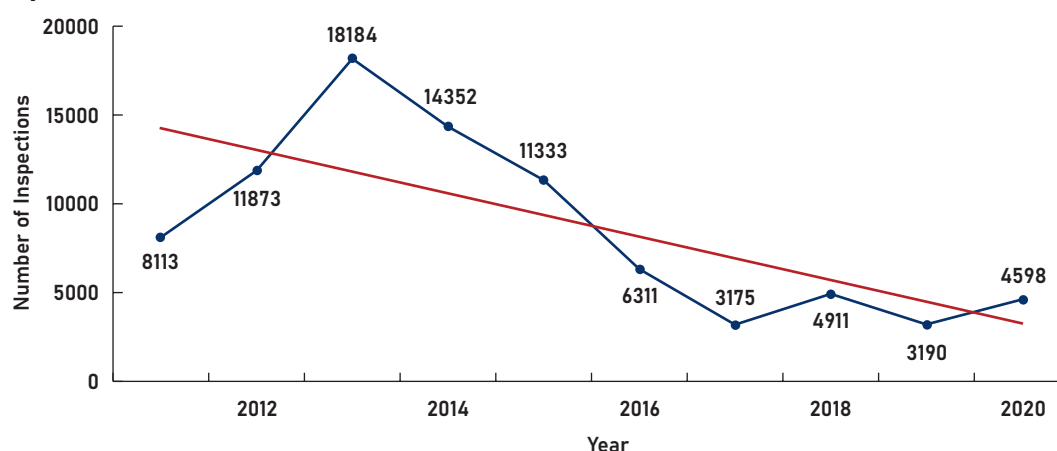


Figure 8.3: Reducing number of Industrial Safety and Health department's factory inspections in Maharashtra



Finding 4: Rules for OSH&WC Labour Code not yet notified but there appears to be confusion in the States

Some business-friendly parts of the codes (e.g. working hours) are being seen as acceptable already, while some labour-friendly parts are not being implemented.

The rules for the 4 Labour Codes (the Code on Wages, Industrial Relations Code, Social Security Code and the Occupational Safety, Health and Working Conditions Code) are not yet notified. 25 states & union territories have pre-published the draft rules for the codes.

Karnataka and Tamil Nadu governments had passed bills to allow for increasing the number of hours of work from the existing nine to up to 12, i.e., The Factories (Karnataka Amendment) Bill, 2023 and the Factories (Amendment) Act 2023. Although both bills were later withdrawn, SII believes that the 12 hours shifts without the weekly cap may now be seen as more acceptable/legal by industry and less punishable by Authorities. Almost all injured workers assisted by SII had worked 12-hour shifts already, and the general sense is that it is now legal with no cap of the 48 hours per week in the new Codes.

A similar sense seems to prevail for new sections on easier dismissal of workers with the increase in threshold to 300 for permission for layoff, retrenchment, and closure in industrial establishments and decriminalization of most offences with criminal provisions being reduced from 1,500 to 22. This also extends to provisions on trade unions with the requirement of 51% worker membership for recognition as the sole union and the increase in the notification required for strikes to 60 days from 14 days.

The new labour codes have some worker-friendly sections e.g., annual health check-ups, consent for overtime work, restricting the engagement of contract labour/third-party employees in certain core activities and social security for workers in the unorganised sectors. SII has seen no evidence of any of these being implemented with the same rigour as the quick acceptance of the 12-hour shift mentioned above.

Finding 5: No visible progress in the implementation of OS&H measures by the Central Government, i.e., on the Expert Committees & Online Data Portals and Dashboards.

The Government of India had constituted four Expert Committees in 2021 for the purpose of framing standards on provisions relating to Safety, Health and Welfare as under Sections 18, 23 and 24 of the Occupational Safety, Health and Working Conditions Code, 2020 pertaining to Factories, Dock Works, Building & Other Construction Works and Fire Safety⁵⁴. However, SII could not find the Reports or proceedings of the Expert Committees in the public domain. In this regard, in 2021 SII has given its recommendation to the Chair of the Committee⁵⁵.

DGFASLI, in liaison with the IT Cell, Ministry of Labour and Employment, announced the development of an Online Portal for the collection of qualitative and quantitative Occupational Safety and Health (OSH) Data from the office of the Chief Inspector of Factories (CIF)/Directorate of Industrial Safety and Health (DISH). The quantitative OSH data was to include details of the establishments, manpower, prosecutions and convictions, medical and welfare facilities, onsite emergency plan, quantitative data related to accidents, dangerous occurrences, notifiable diseases etc. and was to be provided by the CIF/ DISH/ Regulatory Authorities on an annual basis. The real-time OSH data like detailed reports of accidents, dangerous occurrences and notifiable diseases were to be collected online on a real-time basis⁵⁶. However, SII has been unable to find the said portal.

Finding 6: NITI Aayog's SDG India Index and Dashboard 20-21 has no state-wise update on 'promote safe and secure working environment' and has not included this in the target justification table either as part of SDG 8.

UN SDG 8 has ten indicators of which indicator 8.8 states "Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment."

The NITI Aayog's SDG India Index & Dashboard 2020-21 includes the percentage of regular wage/ salaried employees in non-agriculture sector without any social security benefit as part of SDG 8.8.

The Index & Dashboard does not include any data on indicators related to 'promote safe and secure working environment' under SDG 8. The Target Justification table also doesn't include the indicator of 'promote safe and secure working environment' under SDG 8.8⁵⁷.

Finding 7: Ministry of Statistics & Programme Implementation's National Indicator Framework on SDG now includes number of accidents in factories

This is good progress although it has, suprisingly, removed number of workers covered under ESI Act in the version 3.0 document.

The Ministry of Statistics & Programme Implementation (MoSPI)'s National Indicator Framework on SDG was to be the basis for the development/refinement of sub-national

⁵⁴ p.4, Standard Reference Note 2021

⁵⁵ SII letter to DGFASLI dated June 1, 2021, available at <https://onedrive.live.com/view.aspx?resid=2BA1D2A8985A3180!18071&authkey=!AFXCSXS8jeCeFQ>

⁵⁶ p.4, Standard Reference Note 2021

⁵⁷ NITI Aayog's SDG India Index 2020-21 (p.130) https://sdgindiaindex.niti.gov.in/assets/Files/SDG3.0_Final_04.03.2021_Web_Spreads.pdf

level monitoring frameworks for SDGs to track the progress of SDGs at the sub-national level.

Version 3.0⁵⁸ (dated 31.03.2021) as well as the NIF Progress Report 2020⁵⁹ has included 3 indicators under Indicator 8 of SDG 8 (table shared below). It has however inexplicably excluded a fourth indicator that was included in Version 1.0, i.e., the number of workers covered under the Employees State Insurance (ESI) Act.

Table from NIF Progress Report 2020

Target 8.8: protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment		
8.8.1: Percentage of households receiving social protection benefits under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	Ministry of Rural Development	Annual
8.8.2: Percentage of migrant workers	Office of the Registrar General, India, Ministry of Home Affairs	10 Years
8.8.3: Number of accidents in factories	Ministry of Labour and Employment	Annual

Finding 8: The schedule of the public release of India's National Action Plan on Business and Human Rights (NAP) remains unclear.

The Ministry of Corporate Affairs has published a Zero Draft of the National Action Plan on Business and Human Rights (updated in March 2020 on the Ministry website). The NAP lists among its action points the following:

1. Multi-stakeholder consultations with representatives from state governments, businesses, trade unions and civil society organisations.
2. Comprehensive study on the implementation of UNGPs in India
3. Identification of key priority areas
4. Preparation of time-bound policy actions
5. Articulation of responsibilities of ministries and departments.

However, the progress on the action points and schedule for the release of the final draft of the NAP is unclear.

UNDP Progress Report 2022 on B&HR in Asia reported the following for the Indian NAP "A final draft of the NAP is currently under consideration by the government for an impending public release, though the contours of that release remain unclear."

⁵⁸ Version 3.0 of the NIF (p.23) <https://mospi.gov.in/sites/default/files/NIF.pdf>

⁵⁹ NIF Progress Report, 2020 (p.161 & 162) https://www.mospi.gov.in/sites/default/files/main_menu/Sustainable_Development_Goals_National_Indicator_Framework_Progress_Report_2020_Version2.1.pdf

Finding 9: The timeline for the BRSR requirement being extended to unlisted companies above a specified threshold of turnover or paid-up capital and BRSR Lite rollout for unlisted companies remains unclear.

Business Responsibility and Sustainability Report (BRSR) is mandatory from FY 2022-23 for the top 1,000 listed companies by market capitalisation.

The 2020 Report of the Committee on Business Responsibility Reporting⁶⁰ recommended that MCA extend the BRSR reporting requirement to unlisted companies above a specified threshold of turnover or paid-up capital. Further, the Committee recommended that smaller unlisted companies below this threshold may, to begin with, adopt the Lite version of the format on a voluntary basis.

However, SII was unable to find a schedule from MCA for extending BRSR requirement to unlisted companies or for the rollout of BRSR Lite.

Finding 10: The education effort for BRSR and NGRBC by financial Institutions is improving and is noticeable.



The poster is for the 'IICA Certified BHR Professional' program. It features logos for the 75th Azadi Ka Amrit Mahotsav, the Government of India, G20 India 2023, IICA (Indian Institute of Corporate Affairs), and BHR (Business Human Rights). The text reads: 'School of Business Environment, Indian Institute of Corporate Affairs, Ministry of Corporate Affairs, Govt. of India presents A Three-Month Online Learning & Certification Programme. IICA Certified BHR Professional. "Enabling Business Sustainability by Respecting Human Rights". Foundation Batch Commencement Date 29 April 2023. Registration Closes on 25 April 2023. Visit us at: https://iica.nic.in/cpbhr/'. The background is a light blue and green gradient.

The Indian Institute of Corporate Affairs (IICA), a constituent of the Ministry of Corporate Affairs, has conducted multiple capacity-building and training programmes for Independent Directors, Executive Directors, key managerial personnel, lawyers, practising professionals, and students on the NGRBC guidelines⁶¹. NGRBC and BRSR are part of IICA's three months Online Certificate Course on Responsible Business Conduct.

Since September 2020, Institute of Chartered Accountants of India (ICAI) has been running a 5-day Certificate Courses on Business Responsibility and Sustainability Reporting for its members.

Institute of Company Secretaries of India (ICSI) now includes BRSR as a part of the curriculum for students. ICSI has included social security legislations and OSH (but not specifically supply chain OSH) in the curriculum.

IICA, MCA, GoI's 3-month training programme on BHR.



⁶⁰ P.31, Report of the Committee on Business Responsibility Reporting https://www.mca.gov.in/Ministry/pdf/BRR_11082020.pdf

⁶¹ Indian Institute of Corporate Affairs newsletters

8.2. Recommendations to the government and its relevant agencies:

The following recommendations are consistent with previous reports and have been sent to these government departments since 2021/22.

8.2.1. Recommendations to the Ministry of Labour, Government of India and State Labour Departments.

Sl. No.	Recommendations to the Ministry of Labour	Suggested next steps and explanations
1	Create a working committee	<p>a Committee should take into account, all accidents related information from different sources like worker helplines, ESIC, civil society, media reports etc. and work to:</p> <ul style="list-style-type: none"> ▪ Minimise accidents in industries to improve the condition of workers. ▪ Focus on strengthening institutional partnerships and actions to prevent accidents in supply chain especially MSME factories. ▪ Formulate steps to meet the International commitments of SDG 8 (specific indicator 8.8), ILO labour standards, and the UN Human Rights Convention
2	Central Government Direct DGFASLI to support MSMEs improve their OSH	<p>a Develop a simple OSH policy format that can be used by MSMEs in accordance with Sec 7A (3)</p> <p>b Create and implement standard formats for safety audit checklists, and templates for the recording of parameters, e.g., temperature, dust and fumes depending on the sector and size of establishments.</p> <p>c Simplify inspections and/or safety audit protocols based on the size/sector of establishments by:</p> <ul style="list-style-type: none"> ▪ Suggesting equipment required for safety and working condition audit, which should be such that they can be read by workers. ▪ Suggesting the location of measurement equipment within the factory to measure the correct status. <p>d Put in the public domain technical solutions to make machines safe based on risks of accidents.</p> <p>e Put OSH studies commissioned by the Government conducted in the public domain.</p> <p>f Commission safety surveys and studies, especially for India's auto-sector supply chain in the top 5 auto sector hubs in the states of Haryana, Maharashtra, Tamil Nadu, Karnataka, and Gujarat.</p>
3	As OSH is now FPRW Introduce practical policies and mechanisms for safety training of contract and migrant workers	<p>a Introduce policy for safety training of workers, especially contract and migrant workers.</p> <p>b Start worker assistance centres in industrial zones to conduct safety training of workers specifically contractual and migrants, educate workers on government norms/schemes for working conditions, social security schemes, and legal rights and duties regarding OSH, provide legal aid if needed and support identification of workers to help them in distress situations.</p> <p>c Design and cascade safety messages to small factories in regional languages digitally</p>

4	Accident reporting should be strengthened and inspections to be based on accident reporting	<ul style="list-style-type: none"> a Create a reliable accident/injury reporting and governance system. b Use ESIC data on worker accidents, injuries, deaths, and work-related illnesses <ul style="list-style-type: none"> ▪ to determine the selection of factories for inspection and to conduct safety surveys and Studies ▪ identify OSH hotspots and improve working practices through targeted action. ▪ increase inspections of unsafe factories and reduce inspections of good factories.
5	Partner with OEMs/ Brands to improve safety in ancillaries in deeper supply chains.	<ul style="list-style-type: none"> a In 2021, Haryana ISH (Industrial Safety and Health) agreed to set up a joint ISH-Maruti-Honda-Hero-SII discussion platform which has now conducted 30 audits of Tier 2 suppliers as part of a cluster safety assessment. Similar engagements with the OEMs across geographies and working across all Tiers in the supply chain can improve safety in MSMEs'
6	Make OSH rules & information accessible to workers	<ul style="list-style-type: none"> a Publish rules for Acts/Labour Codes, Standards in simple and pictorial language/regional languages for workers specifically those related to working conditions and health and safety
7	Regulate machine manufacturers	<ul style="list-style-type: none"> a Put in place effective mechanisms to ensure machine manufacturers produce and sell machines with safety features.
8	Increase transparency on exemptions from inspections	<ul style="list-style-type: none"> a Put in the public domain, the names of factories which are exempt from inspections.
9	Set up a confidential helpline for workers	<ul style="list-style-type: none"> a Set up a confidential helpline for workers to report unsafe conditions and accidents in factories.

8.2.2. Recommendations to NITI Aayog, Government of India

Sl. No.	Recommendations to NITI Aayog	Suggested next steps and explanations
1	OSH is now FPRW, Set & measure targets for workers' safety in NITI Aayog's SDG India Index	<ul style="list-style-type: none"> a In addition to the existing indicators on social security benefits, define and set targets for workers' safety (also under Indicator 8 of SDG 8) and subsequently break it down for each sector e.g., the auto-sector or manufacturing MSMEs,
2	Launch a national scheme for improving worker safety linking it with improvement in MSME manufacturing productivity	<ul style="list-style-type: none"> a Design and launch a national scheme for improving worker safety, especially in MSMEs and linking it to productivity and professionalism considering the Indian government's ambition of 'Make in India' (may we add 'Make in India safely') and global competitiveness on not only low-labour cost production.
3	Define 'Decent Work' for manufacturing. –	<ul style="list-style-type: none"> a Define 'Decent Work' for manufacturing, especially MSMEs including those specifically for the auto sector supply chain given the large number of accidents in it.

8.2.3. Recommendations to the Ministry of Corporate Affairs, Government of India

Sl. No.	Recommendations to the Ministry of Corporate Affairs	Suggested next steps and explanations
1	Update and release NAP and include OSH for small enterprises	<ul style="list-style-type: none"> a Create a phased action plan to establish OSH practices as non-negotiable in the value chain/SMEs for all sectors, specifically manufacturing as b Create transparent monitoring systems for all core elements of NGRBC and SDGs including OSH in the value chain of businesses
2	Publicise NGRBC principles including those on worker safety	<ul style="list-style-type: none"> a Initiate a broad communication exercise to all (first large and in phases MSMEs with simplified messaging) businesses and ask for its implementation, even if done in a phased manner. b Create a distinct section in MCA's website to hold all circulars related to NGRBC, NAP, and guidance documents of BSE on ESG disclosures. etc. for easy access and consistency.
3	Develop a guiding document on human rights in the manufacturing sector, including the value chain	<ul style="list-style-type: none"> a Publish a guiding document which explains how respect for human rights manifests itself in the company and value chain, ideally sector-wise, including examples of violations that should be put together against each article of the UN Human Rights Convention.
4	Ensure adoption of BRSR Lite for MSMEs and supply chain companies	<ul style="list-style-type: none"> a Ensure implementation of the BRSR Lite version for MSMEs/supply chain companies in manufacturing, introducing voluntary reporting followed by enforcement.
5	Extend requirement of BRSR to large unlisted (in India) MNCs	<ul style="list-style-type: none"> a All businesses including unlisted MNCs with a defined minimum turnover threshold should be required to publish Business Responsibility Reports. It is a good practice that not only promotes transparency, accountability, and sustainability but importantly also creates a level playing field for all MNC and Indian businesses.
6	Build clarity on role of government agencies in NGRBC	<ul style="list-style-type: none"> a Define and clarify the role of various government agencies in implementing NGRBC. E.g., MSME Ministry.
7	Define "Workmen" clearly	<ul style="list-style-type: none"> a Define "Workmen" clearly in the NGRBC and hence its interpretation in the BRSR format.

8.2.4. Recommendations to the Ministry of MSME, Government of India

Sl. No.	Recommendations to the Ministry of MSME	Suggested next steps and explanations
1	Ensure compliance with existing laws	a Ensure legal compliance by MSMEs in line with OSH Policy 2009, The Factories Act 1948 (Section 7a(3) requires OSH policy for each factory).
2	Develop simple safety audit protocols	a Develop and ensure adoption by MSMEs of simple safety audit protocols in line with ILO guidelines.
3	Ensure adoption of NGRBC by MSMEs	a Ensure the adoption of simplified NGRBC for MSMEs, which emphasises on employee wellbeing and upholding of human rights
4	Simplify, contextualise and educate on the general safety standards	a Make the currently long list of general safety standards for all machines, industries, and sizes of factories simpler and more specific to different types and sizes of factories—for example, a simple checklist for a power press in MSMEs that is practical to use. b Educate MSMEs on the importance of preventive maintenance of machines to prevent accidents and ensure long operating life of machines/Equipment.
5	Implement studies on safety and professionalism in MSMEs	a Institute sectoral studies on safety and professionalism for improving MSME productivity: a well-run power press shop can be more productive than a badly run one despite some investment in safety.
6	Develop safety checklists and SOPs for MSMEs	a Safety checklists and SOPs to be made in simple language with minimum words and with easy pictorial representation for workers with low or poor literacy.
7	Enforce accident reporting mechanism for MSMEs	a Enforce systems for “Near Miss” and accident reporting, their analyses, and corrective actions taken by MSMEs
8	Define ‘Decent Work’ under SDG 8	a Define ‘Decent Work’ under SDG 8, Indicator 8.8 for MSMEs

8.2.5. Recommendation to the Ministry of Statistics & Programme Implementation, Government of India

Sl. No.	Recommendations to the MoSPI	Suggested next steps and explanations
1	As OSH is now a FPRW, define and set additional targets for workers’ safety in National Indicator Framework on SDG	a In addition to the “number of accidents in factories”, add targets for measuring Occupational Health & Safety (OSH) measures b Reintroduce the parameter of “number of workers covered under Employees State Insurance (ESI) Act”.

8.2.6. Recommendations to SEBI

Sl. No.	Recommendations to SEBI	Suggested next steps and explanations
1	Publish the Business Sustainability Responsibility	a Include data analysis and publish the Business Sustainability Responsibility Index, as suggested in the Report of the Committee on Business Responsibility Reporting, in the public domain.
2	Improve access to information and communication on BRSR	b Create a section in SEBI's website to hold all Responsible Business communication/circulars, for easy access and consistency.
3	Define "Workmen" and "Employee" clearly	c Define "Workmen" and "Employee" clearly in the BRSR format.

8.2.7. Recommendation to NSE

Sl. No.	Recommendations to NSE	Suggested next steps and explanations
1	Include NSE GRI Disclosure 403-9 and 403-10	Add the following from the GRI Disclosure 403-9 and 403-10 "All workers who are not employees and whose workplace are not controlled by the organisation, but the organisations operations, products or services are directly linked to significant occupational health and safety impact on those workers by its business relationships." As GRI 403 clearly states that the standard covers the above subset of workers also.



सेफ इन इंडिया फाउंडेशन

द्वारा संचालित

श्रमिक सहायता एंड कानून केंद्र

(ESIC पंजीकृत श्रमिकों से जुड़ी समस्याओं के समाधान के लिए)

www.safeinindia.org





CHAPTER: 9

About Safe In India Foundation and its next steps

9.1 About Safe In India Foundation (SII):

“मेरा एक्सीडेंट मई, 2022 में हुआ था। मैं एक साल तक ठेकेदार को बोलता रहा, मेरे छुट्टी के पैसे दिलवाने के लिए और वो कर दूंगा बोलता रहा पर कुछ नहीं किया। उसके बाद मुझे किसी ने SII के बारे में बताया और मैं अप्रैल, 2023 में SII की टीम से मिला। क्योंकि मेरे डॉक्यूमेंट्स गायब हो गए थे इसलिए ESIC ब्रांच ऑफिस ने मेरा केस रिजेक्ट कर दिया था। SII ने ना सिर्फ मेरा केस एक्सेप्ट करवा कर मुझे मेरे छुट्टी के पैसे वापस दिलवाये बल्कि मेरा मेडिकल बोर्ड भी करवाया। मेरा डिसेिशन लेटर भी आ गया है और जल्दी ही पेंशन भी आ जाएगी। मैं जीवन भर SII का आभारी रहूँगा।”

सुन्दरलाल
रेवाड़ी, हरियाणा

I kept requesting my contractor for a year to arrange for my Temporary Disablement Benefit, promising that he would get it done, but he did not take any action. After that, someone told me about SII, and I met with one of the team members of SII in April 2023. Because my documents had gone missing, the ESIC branch office had rejected my case. SII not only helped me get my case admitted and get leave payment but also facilitated my medical board process. My decision letter has arrived, and my pension will be processed soon. I will be forever grateful to SII throughout my life.

Sunder Lal,
Rewari, Haryana

Thousands of workers lose their hands/fingers in Indian auto sector supply chain while operating unsafe machines and working in poor working conditions every year; many struggle to get appropriate healthcare and compensation. The scale of this problem was hidden until SII's start. Since 2015, the Safe in India Initiative (“SII”), has been working on these relatively ignored areas of ‘Industrial safety’ for 10m+ workers in the auto-sector supply chain and ‘ESIC service delivery’ for 35m+ Indian workers and their families.

To achieve this, SII operates four pillars of activities:

Pillar 1: Free support to injured workers for obtaining their ESIC healthcare and compensation.

In December 2016, SII opened its first Worker Assistance Centre (WAC) in Manesar, Gurugram; followed by its second WAC in Faridabad in December 2021; and the third, in December 2022, in Pune. The fourth, a Gurugram Centre will open in August 2023.

Through these WACs, SII has now supported 5,541 injured workers (as at March 2023) and helped them obtain Rs 45 crore+ (c.USD6m+) of ESIC compensation value. Of these 4,465 (c.80%) were injured while working in auto sector supply chain factories. SII will soon broaden its ESIC-assistance services to non-injured workers.

Figure 9.1: Injured Workers assisted by SII for their ESIC healthcare and compensation

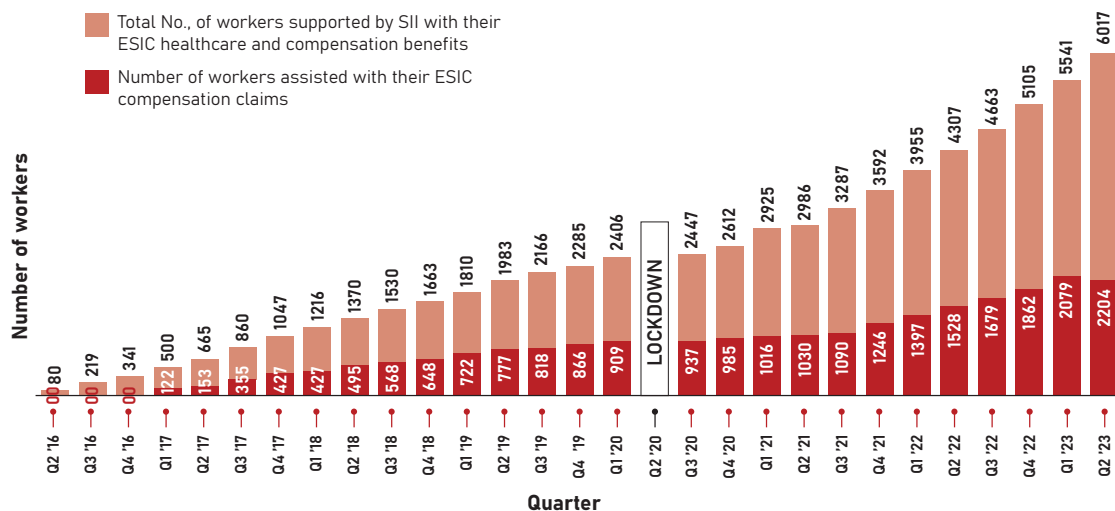
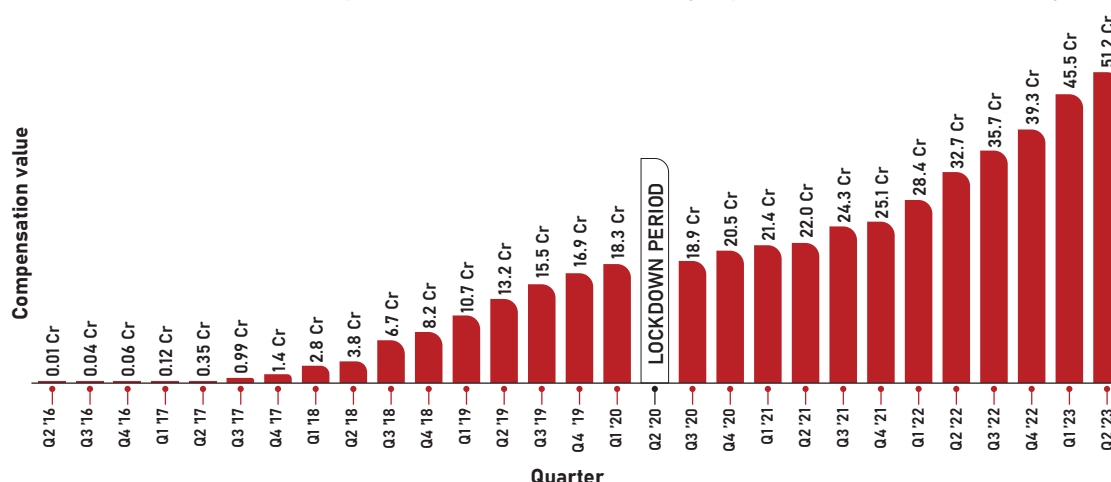
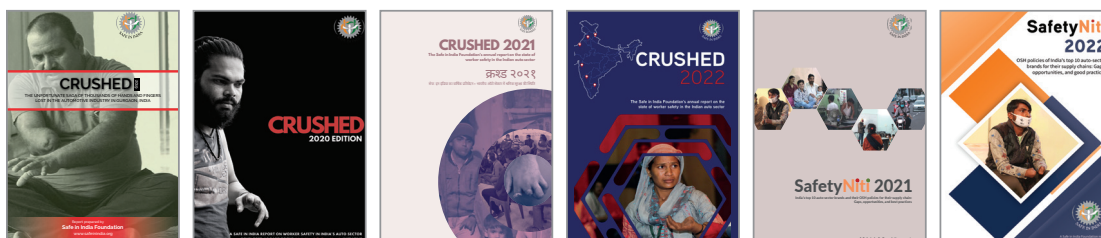


Figure 9.2: Total ESIC compensation value obtained by injured workers assisted by SII



Pillar 2: Helping improve workplace safety (and thereby worker-productivity) in national auto-sector supply chain that employs 10m+ workers

SII's Pillar 2 endeavours to drive change through evidence, published through two annual series of reports – CRUSHED and SafetyNiti, which form the bases of constructive engagement with key stakeholders in the Auto Industry and Indian Government.



These engagements, expectedly challenging and often resisted, since 2018, despite the interim hurdles of Covid19 lock down and slow down, have led to a start of a positive movement. This, hitherto unknown, disregarded and/or ignored issue is now firmly on the map though there is still a very long way to go. Details of results and the challenges of these engagements are presented in our CRUSHED series of the report, however, a brief of it is also given in chapter five here.

Pillar 3: Helping improve ESIC's health and compensation services nationally for c.140m Indians

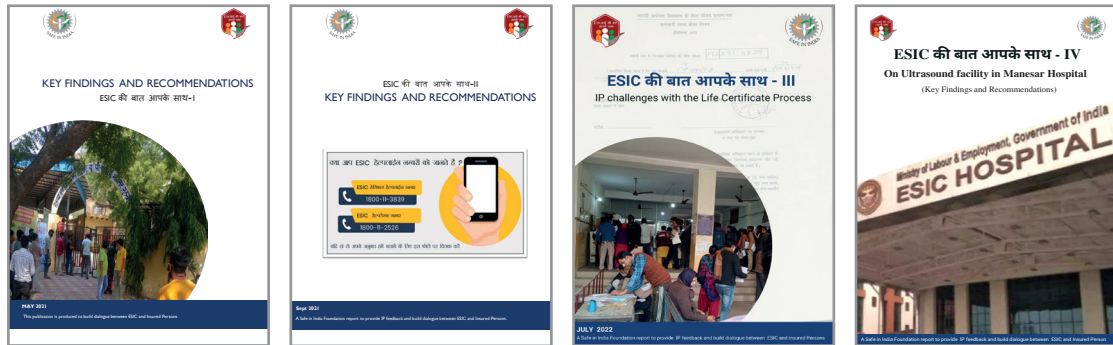
SII engages constructively with ESIC, regionally and nationally, to help improve the design and implementation of their services to workers, ESIC's insurance-premium-paying customers, and their dependents, much in line with Vision ESIC 2.0. These improvements have the potential to help over 34 million IPs (ESIC Insured persons) and the total beneficiary population of 132 million⁶², who depend on ESIC for healthcare and compensation in case of injuries, sickness, maternity, death, etc.

In May 2021, SII also started a series of worker surveys called "ESIC Ki Baat, Aap Ke Saath" to make worker voice reach ESIC's top executives/board – currently a missing link in ESIC – despite SII's recommendations to ESIC and CAG, which sought SII's advice for their last audit.

⁶² International Labour Organisation, India (2022). Accessing medical benefits under ESI Scheme: A demand-side perspective. https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-new_delhi/documents/publication/wcms_841438.pdf

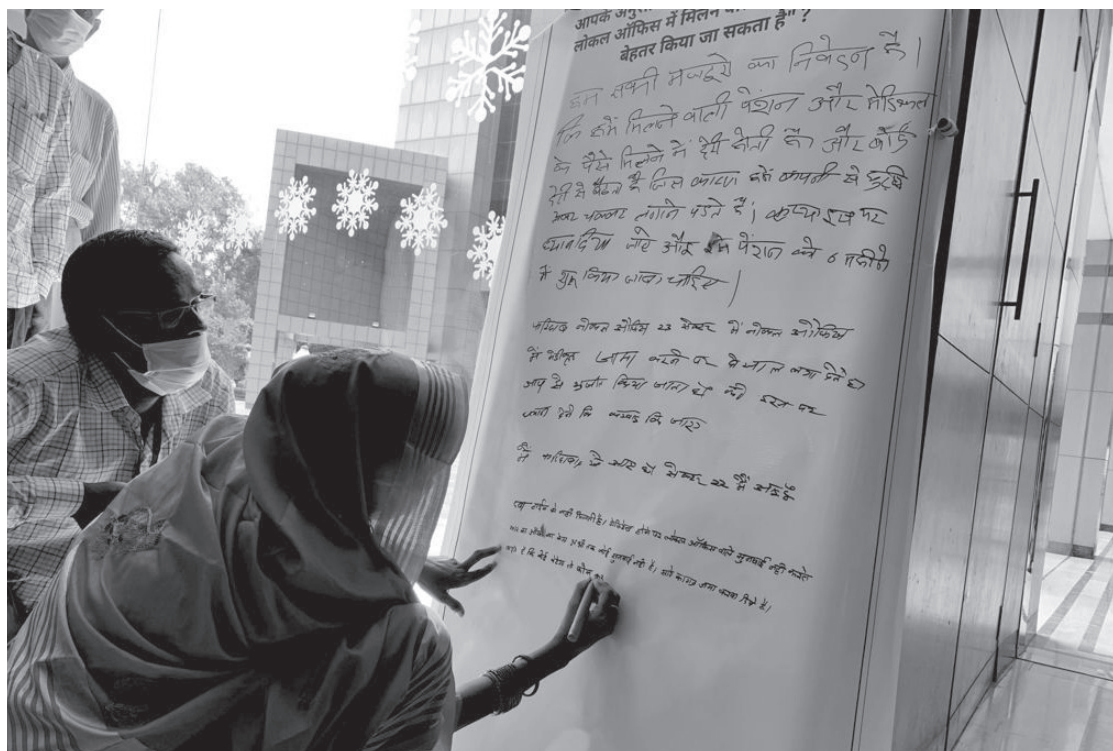
These surveys have brought to light several on-the-ground issues and possible actions to improve the situation. Their findings and recommendations are reported on SII website.

Since 2017, ESIC has issued 10+ national notifications based on SII's recommendations and materially improved its Covid19 unemployment scheme resulting in increase of disbursements from c.Rs 1 crores in its first 6 months to c.Rs80 crores on its second six months. SII also won Indian Labour Minister's national award for assistance to ESIC during Covid19. Several others SII recommendations are under discussion. SII is grateful to ESIC for these improvements.



Pillar 4: Empowering workers through knowledge of ESIC and workplace safety

To empower workers through knowledge, SII leverages in-person interactions (including monthly worker support group meetings and community outreach), distributes print collateral, and at-scale outreach through social media. 2,500+ workers have so far attended SII's support group meetings. SII's Hindi Facebook page⁶³ for workers now has 55,000+ followers, has an annual reach of c.4 million, with 50,000+ engagements per quarter now.



⁶³ www.facebook.com/safeinindiafb

Gang of Shramikpur: SII's YouTube edutainment series to empower workers with ESIC knowledge:

About half of SII assisted workers have smart phones and they prefer consuming short-form videos. This has led SII to create video content.

Gang of Shramikpur is an immersive and intimate account of an injured worker, Vijay, and his journey in availing compensation benefits from ESI after his injury in a factory. The series dramatically unfolds multiple challenges that a worker might face in the process of getting his ESI compensation. Vijay's struggle is presented in four c.15 minute episodes available on YouTube, which has had 20,000+ views by now.



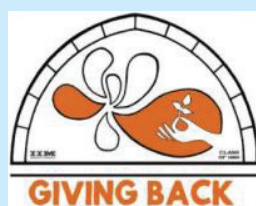
SII's latest annual review of 2022 and past updates are at www.safeinindia.org/blog.

9.2 Next steps for Safe in India Foundation

SII will continue to:

1. Champion worker safety in auto sector supply chain that employs 10m+ workers in India: Make rigorous efforts to prevent accidents in the auto sector supply chain by highlighting the evidence nationally – through its two annual reports CRUSHED and SafetyNiti – and work constructively with all stakeholders including the auto industry, the Central and State governments and their relevant agencies and indeed the workers.
2. Champion improvement in social security for 140m+ through ESIC: Help injured workers with their ESIC and Healthcare and compensation and work constructively with ESIC to improve its service delivery to all the Insured workers and their families under ESIC.
3. Improve workers' and public's awareness of these issues and their solutions.
4. Welcome partners who can join SII in the above pursuits.
5. Develop Shramik Saathis (worker volunteers) who own this agenda gradually and constructively engage in reaching the objectives of SII.

Join hands to save hands



Safe in India Foundation – founded by IIMA91 alumni and supported by the batch – is funded only by Indian citizens and foundations/corporates. SII does not accept CSR or other funding from auto sector OEMs to avoid any clash of interest. SII welcomes other financial supporters and partners to improve workplace safety, social security (ESIC) and knowledge of Indian workers.



"Safety is an integral part of quality. We cannot achieve quality without safety."

— Sanjay Pant

DDG, Bureau of Indian Standards during the National Webinar on
"Indian Standards on Safety on Power Press"

"We need our businesses to have safety as the number 1 priority. Just like India has worked towards the elimination of Polio with the involvement of the government and other stakeholders, safety is a hygiene factor for which everyone should share the responsibility."

— Dinesh Vedpathak,

CEO, Skilling, and Mentoring, Automotive Component Manufacturers Association of India
during the launch of CRUSHED 2022

"Employers view these accidents just as an issue of paying a fine or paying compensation to the concerned workers. Then it is brushed under the carpet. Some accidents are reported, and some are not reported. At times inspections are done. Inspectors do not hold any dialogue with the workers. So, their (workers') take on why the accident has occurred or what remedial measures should be taken is not taken into consideration."

— Ramapriya Gopalakrishnan

Advocate, Tamil Nadu High Court during the launch of CRUSHED 2022

"When the auditors arrive, the factory management locks us all in a separate room. Only a few specially chosen workers stay in the workshop."

— Ram Prakash

a worker who suffered nerve damage in the left forearm while working at a factory
manufacturing headlights & taillights for Tata and Mahindra

"The machine's sensor wasn't working for years at the time of the accident. But immediately after I injured my fingers in the accident, they repaired or replaced the sensor"

— Ritesh Jain

a worker who lost two fingers while working on the power press machine
at a factory manufacturing parts for Maruti Suzuki



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This report is based exclusively on information disclosed in the public domain by the companies mentioned and any information provided by the seven companies that interacted with us. All this information is taken at face value and has not been validated through independent assessments or investigations. It is possible that some of the information available in the public domain has been missed despite our best efforts, especially for the three companies that did not respond to our numerous requests. All documents used for this analysis are listed in section 4.2. We hope that these companies provide us with any information needed to correct any data points/analysis in the report as soon as possible and more importantly, act on the recommendations here to make their OSH policies better to reduce these factory accidents.