



SafetyNiti 2021

India's top 10 auto-sector brands and their OSH policies for their supply chain:
Gaps, opportunities, and best practices

A Safe in India Foundation report



मैं आपसे यही कह रही हूँ कंपनी पर दबाव रखा जाये सेफ्टी रखी जाये की क्यों कटती है ऊँगली |

I say to you that there should be pressure on the companies to improve their safety standards. Why should workers lose their fingers?

- Neetu Devi, 37,
lost three fingers in a factory accident

————— ❁❁ —————

The report is a most timely reminder of the urgent need for companies in the auto sector to independently and collectively implement the human rights-related requirements of the UNGPs and the NGRBC's including due-diligence of their supply chains.

- Viraf Mehta,
CEO, Partners in Change

————— ❁❁ —————

Safety and health of workers has a direct and positive impact on productivity and economic & social development...Workplace safety is therefore very important and the Indian Automobile Manufacturers and SIAM are fully committed towards safety and wellbeing of workers.

- Rajesh Menon,
Director General, SIAM, on CRUSHED 2020

————— ❁❁ —————

Value chain of the automotive Industry is very long and winding. ...[India's] auto Industry is poised to among the top 3 in the world, it cannot be world class and have workers lose their limbs.

- Vinnie Mehta,
Director General, ACMA,
during the launch of CRUSHED 2020

For an industry to survive and thrive, they need to take care of their workers.

- Sanjay Srivastava, IAS,
ex-Labour Under Secretary

————— ❁❁ —————

Though significant strides have been made in ensuring safe workplaces, this report by SII related to a cluster in the automobile industry in India starkly exposes the "unfinished agenda" concerning occupational safety and health (OSH). OSH is an existential right for workers and people at large. ITUC has even asked that OSH be declared as a fundamental right by ILO. It is time to prioritise OSH at all levels.

- Prof. K.R. Shyam Sundar,
Professor, XLRI, Jamshedpur

————— ❁❁ —————

The reports produced by Safe in India generate and offer unique insights on issues of labour vulnerabilities and exploitation hidden under several layers of supply chains in the ubiquitous and powerful automotive sector. Occupational safety and health issues in general in India need urgent attention and prioritisation by all influential actors of society, and particularly the private sector and the government. Kudos to Safe in India and its passionate team for their incisive analysis and highlighting the issues of societal relevance.

- Dr. Bimal Arora,
Reader in Enterprise, Centre for Enterprise,
Manchester Metropolitan University, U.K. &
Chairperson, Centre for Responsible Business
(CRB), India



THE TIMES OF INDIA

How many lost hands behind new cars? Survey shows a grim picture



Poor safety mechanism, work pressure maims thousands in auto sector: Report



Tuesday, June 8, 2021 | Updated 00:52 IST

The dark side of India's vibrant auto industry; 1,369 injured in 4 years in trail of grave losses



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Despite Injuries To Thousands of Workers, the Auto Sector's Safety Standards Remain Poor

THE TIMES OF INDIA

Haryana government sets up committee on factory accidents maiming workers



Can The Indian Auto Industry Truly Become World-Class While Its Workers' Are Losing Limbs?

One-third of these accidents can be prevented relatively easily by auto-brands creating awareness and some pressure in their supply chain. Here is a significant opportunity for the growing Indian automotive industry to improve worker safety and their productivity and quality in their supply chains



INDUSTRIAL SAFETY

Your car has been built on an assembly line of broken fingers

Accidents that crush limbs are taking place at an alarming rate in the automobile industry in Haryana. Twenty cases show up daily in a single hospital.



HOME CARS BIKES REVIEWS INDUSTRY PHOTOS VIDEOS EV CV MOTORSPORT

Thousands get injured every year working in auto factories in Gurugram: Report

FOREWORD

The Safe in India Foundation's SafetyNiti 2021 report on the Occupational Health and Safety (OSH) practices of India's 10 top auto-sector brands holds a mirror to India's industry leaders. It reveals their values and their business practices.

India's auto companies produce world-class products and have made India proud. They have generated employment for millions of people in their extensive supply chains from which they receive parts for assembly in their own professionally run factories. The selling and servicing of their products generates even more employment around the country. Thus, the auto brands influence business practices and also help to shape the values of many thousands of enterprises around the country.

This report shines a spotlight on the OSH policies of the auto-sector OEMs for their suppliers. It reveals a disrespect for the lives of workers and the conditions in which they work. The companies may publicly espouse respect for human beings and their rights. The reality, as the report reveals, is different. Safety of workers is not cared for, with tragic and life-long consequences for workers and their families.

The question that leaders of business organizations must ask themselves again and again is what is the "purpose" of their organizations? Because if the purpose is limited to producing "business" results, in terms of production of good-quality products that customers are willing to pay for, and also profits for investors in the business, costs to the lives of human beings in their supply chains will be lost sight of in practice. Businesses cannot operate with a selfish purpose of only doing business. They must serve all round needs of society. At the very least, they must cause no harm to human beings in their pursuit of business goals. As the report reveals, even India's best business leaders must stretch themselves much further to save the lives of human beings employed in their supply chains.

Even within their factories, the OEMs have not fulfilled their responsibilities to all the humans who work in them and contribute to the production of the company's profits. Large, "formal sector" employers have been "informalizing" their own workforces to reduce their costs and risks to their profits in business downturns. This strategy, of shifting risks to the lives of workers to reduce risks to the profits of large companies, extends further to outsourcing of production to suppliers, and then even further to small "informal" enterprises.

It raises fundamental questions of business ethics. The OEMs are role models. They must set very high standards within their own factories. They must also demand respect for human safety in all enterprises in their extensive supply chains. Because the right to make profits cannot trump the right to live. All employers, large or small, formal or informal, must ensure that all human beings working in and around their premises stay healthy and safe even if it reduces their profits.

Arun Maira
Former Member, Planning Commission of India



Safe in India Foundation

India's auto-sector brands hold the key to a safer and more productive supply chain and a more professionalized manufacturing sector.

Our efforts to improve worker safety in India's auto-sector supply chain began in 2016 with grassroots-level assistance to workers severely injured in factory accidents—most that we assist are migrant workers and on contractual employment. In just four years, which included the COVID lockdown period, our small team has found and assisted 2,700+ such injured workers in the Gurgaon-Faridabad region.

We strongly believe, as do 80%+ respondents to a public opinion poll we conducted in 2020, that the auto brands (OEMs, or original equipment manufacturers) hold the main responsibility for improving working conditions in their supply chain. After all, they have created and are the main beneficiaries of this supply chain. They also have the most commercial influence to drive the safety culture in these factories. Their influence over creation and implementation of government labour policies is obvious.

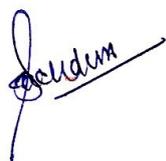
Our annual CRUSHED reports provide a bottom-up evidence of these factory accidents and injuries to workers. We now present, for the first time, SafetyNiti 2021, which reports a top-down analysis of the publicly available OSH policy documents of the top 10 auto brands in India. **While we do not wish to be overly critical in this first edition of SafetyNiti since the information we have collected and analysed for the first time will need further investigation and confirmation, the big picture is clear: The auto brands' OSH policies and practices are currently inadequate to promote and ensure worker safety in their deeper supply chain.** Without improving these policies and their implementation urgently, we cannot expect a reduction in these accidents that are maiming thousands of workers every year. On the other hand, if we can get this right, given that the Indian auto sector is about half of the Indian manufacturing GDP, this will have a positive spillover effect on all Indian manufacturing and thereby on Indian labour productivity, which, ranked at 115, is one of the lowest in the world.

To bring about intentional changes and replicate best practices, this report also lists recommendations for the industry, individual OEMs, relevant government bodies, ILO, trade unions, and customers. Investors in the auto sector all claim responsible investing; they also need to take note of the issue.

A number of people deserve praise and gratitude for this report: Chitra Khanna, our Head of Safety Initiative, painstakingly found and analysed more than a hundred OEM documents that she discussed with many OEMs ad nauseum. Our advisors Dunu Roy, Sanjay Srivastava, Prof Shyam Sundar, IV Rao, Viraf Mehta, Namit Agarwal, Prof Bimal Arora, and others who wish to remain anonymous have provided invaluable feedback. The efforts of the entire SII team and our priceless volunteers and patrons are the rock we stand on. We are proud of this great team effort!

It would be remiss to not mention the six OEMs—Eicher, Honda, Hyundai, Maruti-Suzuki, Tata Motors, and TVS—who engaged with us in varying degrees throughout this exercise. We also received some unhelpful responses, but overall it is heartening to see ongoing constructive responses, and agreement on actions, from parts of the industry and from the Central and Haryana State governments and their agencies; we hope the rest join soon.

We look forward to releasing this report with SIAM and ACMA. There is still a long way to go, and we know we will have found the beginnings of success when we are able to report reduced accident numbers and when auto-sector workers acknowledge improvements in their working conditions.



Sandeep Sachdeva
Co-Founder & CEO
5 July 2021



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An injured worker at the door to his house in the worker tenements in Gurgaon

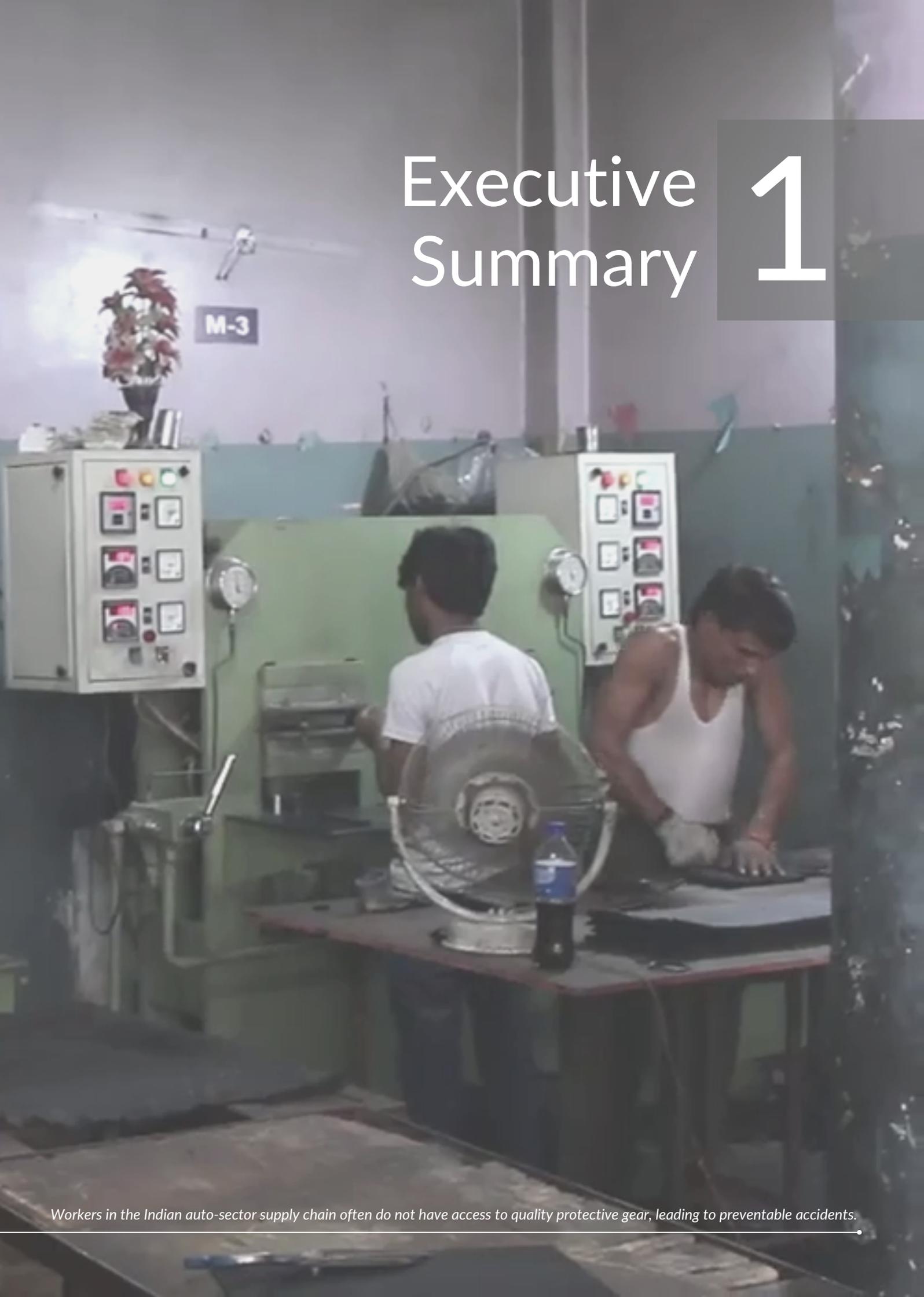


Abbreviations and Acronyms

A	ACMA	Automotive Component Manufacturers Association
	AIAG	Automotive Industry Action Group
	AR	Annual Report
B	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
	ESIC	Employee State Insurance Corporation
	EU	European Union
G	GDP	Gross Domestic Product
	GRI	Global Reporting Indicators
	GSSB	Global Sustainability Standards Board
H	HRDD	Human Rights Due Diligence
I	IIRC	International Integrated Reporting Council
	ILO	International Labour Organisation
M	MCA	Ministry of Corporate Affairs
	MNC	Multinational Corporations
N	NAP	National Action Plan
	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
R	RBA	Responsible Business Alliance
S	SASB	Sustainability Accounting Standards Board
	SCoC	Supplier Code of Conduct
	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
	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
W	WBCSD	World Business Council for Sustainable Development

Executive Summary

1



Workers in the Indian auto-sector supply chain often do not have access to quality protective gear, leading to preventable accidents.



State of safety in the Indian auto-sector supply chain factories

Accidents in the auto-sector supply chain injure and disable thousands of workers every year. In only four years, the Safe in India Foundation (SII), which operates in just the Gurgaon/Manesar/Faridabad auto-sector hub, has found and assisted 2,700+ such injured workers. A majority (70%) of them had lost their hands or fingers, disabling them for life.

These injuries also curtail the workers' potential of a full working life and take a devastating financial and psychological toll on them, their families, and their social networks. Shyam Dev¹, a worker that the SII team assisted, lost two fingers at a factory accident at 21. Over a year later, he is yet to find another job, suffers from depression, avoids social interactions, and has even lost his passion to sing.



Image 1: Shyam Dev's life was not the same after his injury. He does not have a job yet and is dependent on others even to carry out everyday tasks.

The accidents add to the precarity that many auto-sector supply chain workers, who already belong to a vulnerable demographic, face: Like Shyam, nearly 90% of the injured workers that SII assisted are migrants from UP, Bihar or Odisha. 65% of them are contract workers. Such workers are disproportionately impacted by events such as COVID-19: The plight of migrant workers grabbed attention globally during the March 2020 lockdown. During the recent second wave of the pandemic, it is mostly the contract workers who have been losing their jobs first.

These worker injuries also have an economic impact: **They result in the loss of skilled labour and therefore labour productivity to India.** However, accidents have continued to happen despite the stellar growth of India's auto industry. The industry grabbed a top 4 spot globally and contributes 7% to India's Gross Domestic Product (GDP). In contrast, **India's labour productivity is ranked 115th**, among the lowest in the world, potentially also due to poor working conditions.

Importance of OSH policies and OEMs' role

Appropriate occupational safety and health (OSH) policies and their enforcement—led by the auto-sector brands (OEMs)—are a much-needed starting point to help mitigate preventable workplace accidents.

In this first edition of its OSH policy review report - SafetyNiti 2021 - SII analyses publicly available OSH policy and procedural framework of the top ten Indian auto-sector OEMs for the deeper supply chain. These ten OEMs include the top eight NSE-listed OEMs² based on market capitalization as on March 31, 2020, and the two largest unlisted MNC OEMs. Additional details on the methodology are in Section 5.

By analysing the OSH-relevant OEM policy documents against international and national OSH-relevant laws and guidelines, SII highlights the gaps, opportunities, and current best practices of these ten OEMs—which are representative of the whole industry—and offers recommendations for improvement.

In this multi-stakeholder issue, SII continues to maintain that it is the OEMs that should take the lead to improve worker safety in their supply chain due to their leverage over their own supply chains, their expertise, their influence on creation and implementation of government policies and because they are the direct beneficiaries of improvements to labour productivity.

This view was also echoed in a poll that SII conducted in October 2020: 80%+ of around 130 respondents to the poll opined that the OEMs have the main responsibility toward worker safety.

1 www.youtube.com/watch?v=1yvBEot9BL0&t=2s

2 www.nseindia.com/regulations/listing-compliance/nse-top-1000-companies

That is not to say that other stakeholders have no responsibility: The Recommendations Section that follows lists specific suggestions for the government, trade unions, the International Labour Organization (ILO), and customers.

Key findings

Details, including findings for individual OEMs, in Section 7

The following findings are based on SII's review of the publicly available relevant documents 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, and TVS Motor Company Ltd.**

SII expresses its appreciation of the six of the above ten OEMs that engaged with it actively, to discuss these findings. In the absence of inputs from other OEMs, despite several reminders, the analysis for those OEMs is included without their input.

 OSH policies of most OEMs **do not** explicitly state that they cover contract/casual/temporary workers in their own factories.

 Seven out of ten OEMs **do not** appear to have policies and processes to ensure OSH in the deeper supply chain (especially Tiers 2/3/4).

 Seven out of ten OEMs **do not** appear to have a Supplier Code of Conduct (SCoC) to align with National Guidelines for Responsible Business Conduct (NGRBC) and as recommended in BSE's Guidelines.

 **None** of the OEMs appears to have a stated human rights policy in the public domain, although they mention "respect human rights" or similar language in some of their other documents.

 **None** of the OEMs appears to have a standard operating procedure (SOP) or an OSH implementation plan for their deeper supply chain.

 Although many OEMs report against Sustainable Development Goals (SDGs), their documents show **inadequate** reporting of SDG 8 and specifically Indicator 8.8 of SDG 8.

SII also identified replicable best practices across many of the 10 OEMs.

- **Maruti Suzuki** acknowledged the presence of the deeper supply chain in its Annual Report 2019-20. The report also has examples of Tier 2 audits and machine modifications to improve safety.
- **Mahindra** has a stated policy to enhance sustainability in its supply chain. Its Business Responsibility Policy includes all nine NGRBC principles.
- **Bajaj** has a Charter of Fair and Responsible Workplace Practices for Contract Workers. It states: "135 of [Bajaj's key vendor] members are ISO 14001/OHSAS 18001 certified and the Company plans to make such certifications a prerequisite for all BAVA members in the future, except for assembly and 3PL logistics vendors".
- **Hyundai India** claims to follow the human rights policy and supplier sustainability guidelines of its parent company in Korea, which states: "Supplier shall disseminate these guidelines fully to sub-tier suppliers throughout the supply chain."
- **Tata Motors** and **Mahindra** each have an SCoC covering OSH.
- **Eicher's** Sustainability Report (SR) identifies supply chain as a risk. It states that Eicher conducts supplier audits, which include safety amongst other parameters.



- **Hyundai's** policies state: "Specific danger to Health and Safety is included in unethical practices in Hyundai India's whistle blower policy."
- **TVS** in its Business Responsibility Reports (BRR) states that 100% of the contract workforce is provided with health and safety orientation periodically and 100% suppliers and service providers are assessed for adherence to health and safety practices.
- **Ashok Leyland's** supplier onboarding ratings include labour practices and review of OSH and legal compliances.

SII could not find any relevant best practices in the available policies of Hero.

Of the ten OEMs, SII found the publicly available OSH-relevant policies of **Maruti Suzuki, Tata Motors, and Mahindra** to be relatively better in their coverage of OSH, though they too have considerable ground to cover, particularly with regard to their deeper supply chain. SII expects that the sequel to this report will have more data from OEMs to rank them better.

Early progress with OEMs during SII's discussions with them

- **Maruti Suzuki** has assured that their "Supplier Code of Conduct is now under preparation and it will include (a) advise to its Tier 1s to educate and handhold their suppliers down the supply chain, and (b) Principles of SDG8 (including Indicator 8.8) and NGRBC."
- **Maruti Suzuki** has also started its Human Safety Programme, reported in its Annual Report 2018-19, after the draft CRUSHED2019 report was shared with them in December 2018.
- **Tata** has confirmed explicit inclusion of contract workers in their Safety & Health Policy and that the Safety & Health Policy and the Supplier Code of Conduct are applicable to the supply chain as recommended by SII.
- **Honda** confirmed that (a) it will communicate to its Tier 1s to take safety down the supply chain and monitor their Tier 2s and (b) it commits to conducting training and workshops with its suppliers on OSH.

There are other anecdotal improvements that SII has observed but are not included here for want of evidence. SII expects to include them in an upcoming edition of its CRUSHED or SafetyNiti series.

Key recommendations

Details in Sections 7 and 8

For the auto-sector industry

As reported in CRUSHED2019/2020, SII recommends making the most of economies of scale, by having all/large OEMs work together to ensure labour welfare in their often common supply chains, **protect** workers from accidents, and provide **remedy** to those sick and/or injured by creating common high-level policies and procedures as recommended for individual OEMs below. In addition, OEMs should use their influence with the government policymakers and implementors in the Centre and in states to improve OSH for workers, rather than aiming to cynically and myopically maximise profits at the cost of Indian workers and productivity.

Society of Indian Automobile Manufacturers (SIAM) and Automotive Component Manufacturers Association (ACMA), as apex bodies, are well-positioned to play an important part by coordinating the implementation of recommendations and enabling the transfer of **best practices across the industry**.

While the above industry-level action is coordinated, SII recommends each **auto-sector OEM** to:

- Have their OSH policies for the **deeper supply chain and implementation plans** in the public domain and on their board agenda.



- Ensure that these OSH policies specifically and explicitly include **contract/casual/temporary workers in their own factories** to begin with.
- Ensure that these OSH policies specifically include the **deeper supply chain**, even if implemented in phases.
- Publish clear **SCoC and SOP** for the deeper supply chain (as also stated in BSE ESG guidelines).
- **Report against SDG 8.8** (and **GRI 403**, which includes supply chain workers). This recommendation applies to auto-sector OEMs and large Tier-1s.
- Demand from their supply chain that:
 - All workers have a **letter of employment**
 - All workers above 45 years undergo a **health examination**
 - All workers get paid double for **overtime**
 - All workers in establishments that have over 10 staff be **ESIC registered** and their ESIC Cards be made available on the day of joining

For the Indian Government and its agencies

SII has been recommending and pushing for:

- Improvement in the **design and implementation of OSH policies**, specifically section 7A(3) of The Factories Act, 1948, in Labour Codes, Rules, and in the transparency of reporting and actions taken (addressed to the Labour Ministries).
- Inclusion of **appropriate OSH mechanisms for the supply chain** as intended under NGRBC and declaring a target for Indicator 8.8 of SDG 8 in the forthcoming Rules under the Occupational Safety, Health and Working Conditions (OSH & WC) Code (addressed to the Labour Ministry/Niti Aayog/Ministry of Corporate Affairs [MCA]).
- Improvement in the **communication and implementation of NGRBC** and **reporting on NGRBC compliance** (addressed to MCA/Securities and Exchange Board of India [SEBI]).

For the ILO and trade unions

SII has presented its CRUSHED series of reports since 2019 to the ILO to raise the issue in its tripartite forums and champion actions specifically for the auto-sector supply chain. Also use this report to:

- Include the **voice of non-unionised workers** in tripartite discussions in the OSH agenda.
- Reach out to Micro, Small and Medium Enterprises (MSME) Ministry and MSMEs to understand and **mitigate challenges** they face in improving safe working conditions, specifically in the auto-sector supply chain.

The Central Trade Union (CTU), apart from their role in ILO's tripartite discussions, can champion OSH much more than now and help the non-unionised workforce by **striving for the universalisation of OSH** and including participation of non-unionised workers in the OSH agenda.

For the customers

Customers of the auto sector can help by asking before making a purchase: "Were there any serious injuries to workers when making this vehicle?"

Next steps

SII will share this report with the industry and release future editions informed by additional and ongoing industry inputs. SII will also advocate the recommendations listed above and those in its annual CRUSHED reports, and calls upon industry stakeholders—the auto-industry OEMs in particular—to consider, prioritise and adopt them, individually first and then jointly, to help reduce the human and economic impact of injuries on Indian workers and India's labour productivity.

2 About the Safe in India Foundation



Through stakeholder engagement - including with workers, as seen in this image - SII aims to help improve worker safety



The Safe in India (SII) initiative was formed in 2015, and SII Foundation registered in 2017, to work on the relatively neglected area of industrial safety and ESIC service delivery, focusing on four key areas:

Pillar 1: Assisting injured workers

Since setting up its first Worker Assistance Centre in December 2016, SII has provided free-of-cost assistance to 2,700+ injured auto-sector workers in distress—over 80% of them from the auto sector—by helping them obtain better ESIC healthcare and INR 230 million value in ESIC compensation, including disablement benefits for 648 workers. In January 2021, SII opened its second Worker Assistance Centre in Faridabad. The team is exploring options to add support for other work-related injuries/sicknesses in the auto sector in the future.

Pillar 2: Improving workplace safety (and productivity) in manufacturing, with focus on the national auto-sector supply chain

Drawing on the experiences of workers it assists, SII engages with large OEMs, their apex bodies (SIAM and ACMA) and the government to help improve safety practices in their supply chain, which employs over 10 million people. Several initiatives have been agreed with the auto sector and the government. The Central and Haryana governments have also created working groups in response to SII's call for change. SII's CRUSHED and SafetyNiti report series provide evidence to inform and influence industry stakeholders on specific areas of improvement and to champion change.

Pillar 3: Improving ESIC's health and insurance payment services nationally

SII engages with ESIC regionally and nationally to help improve the design and implementation of their healthcare and compensation services to workers, who are ESIC's insurance-premium-paying customers. These changes have the potential to help over 45 million workers and their families, who depend on ESIC for healthcare and compensation in case of injuries and sickness. ESIC has issued more than ten national notifications based on SII's recommendations, and several others are under discussion.

Pillar 4: Increasing awareness among workers of safer work practices and ESIC services

To empower workers by educating them, SII leverages in-person interactions (e.g. monthly worker support groups and community outreach), print collateral, and at-scale outreach through social media. 1,000+ workers have attended SII's support group meetings. 5,000+ workers follow its Hindi Facebook page ³, which has reached more than 1 million people, with 10,000+ engagements and 10,000+ video views. SII's new participatory research approach is aimed at engaging workers to drive change and improve working conditions themselves.

COVID-19 relief:

During India's COVID-19 wave 1 lockdown, SII temporarily repurposed to support a time-sensitive need in the worker community around Manesar: As factories stopped production and workers lost their income and often homes, over five months, SII distributed 450,000+ adult ration units, 25,000+ masks, and helped 250+ workers get back home. During this period, SII also reported on the impact of the lockdown on workers' jobs and wages and worked with ESIC to push for Atal Bimit Vyakti Kalyan Yojana scheme (unemployment benefit) for wage loss compensation during the pandemic. Many SII recommendations were accepted by ESIC, helping streamline around INR 500 million in disbursements. SII has since helped 1,000+ workers apply to access the scheme. During COVID-19 wave 2, SII has embarked on a series of other relief initiatives for the worker community, such as providing desperately needed oxygen cylinders for ESIC hospitals in NCR, Bihar and Karnataka, which workers rely on; organizing vaccination camps; distributing personal protective equipment; and conducting a survey among the worker community on ESIC services.

More on SII's work at www.safeinindia.org/blog.

3 www.facebook.com/safeinindiafb

3

Report Objectives



This report is the first in a planned annual series, and SII hopes it accelerates change. While this analysis is subjective and is based on limited information available in the public domain, the overall aim is clear and is listed below.

To prevent the several thousand worker injuries that plague India's auto sector annually, robust policies and procedures – both their design and implementation – are key.

In this report, SII focusses on the OSH policy and procedural framework provided by OEMs for their multi-tiered supply chain. The objectives of this report are:

- Analyse publicly available **OSH policies** for the auto-sector OEMs' own factories and their supply chains for their **adequacy, clarity, and sufficiency** to prevent worker accidents.
- Check for **procedures** that OEMs have for their own factories and their supply chain to prevent accidents, learn from past accidents, and improve worker safety systemically.
- Highlight **replicable good practices**.
- Offer **recommendations to the industry/OEMs** to:
 - Improve their OSH policies and practices specifically for the deeper supply chain, which should translate into a reduction in the number of accidents across the supply chain.
 - Achieve parity between treatment of contract workers and permanent workers, especially regarding OSH, which is indicative of broader working conditions in auto-component factories.
 - Improve transparency in reporting of injuries, accidents, and OSH actions in the deeper supply chain.
 - Encourage a phased process of improvement and better safety culture in one of the largest sectors of the Indian economy.
- Enable OEMs to, over time, arrive at a **common set of OSH policies** at an industry level.
- Offer **recommendations to the government and its agencies** to improve the Labour Rules for supply chain workers in line with NGRBC and to improve the business responsibility reporting framework.
- Offer **recommendations to the ILO and trade unions** to raise the issue in tripartite discussions and leverage their cross-sectoral expertise to push for change in the auto-sector supply chain.
- Increase **awareness** among stakeholders (**OEMs, government, the ILO, trade unions, customers, and workers**) of the issue of inadequate OSH policies that OEMs have for their supply chain.

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This report is based exclusively on information disclosed in the public-domain by the companies mentioned here, and any information provided by the six 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 four companies that did not respond to our numerous requests. All documents used for this analysis are listed in section 5.2. 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.

4 The Issue



Migrant workers in trouble with the administration in Gurgaon.

Thousands of workers continue to be injured in India's fast-growing auto-sector supply chain every year.

Most are migrants and hold informal employment; they are among India's most vulnerable demographic as highlighted by COVID-19.

"Decent work is safe work⁴", says the ILO, and few would disagree. Yet, some 2.78 million people die worldwide from occupational accidents or diseases every year. Add to that hundreds of millions of non-fatal accidents and health conditions, and it is clear that the cost to society and the economy is large⁵.

In India, most industrial accidents occur while operating machinery, according to 2014-2017 data⁶ from IndustriALL, a global union of workers. On India's auto sector in particular, a 2014 media report⁷ presented a startling statistic: "20 workers lose their hands or fingers every day just in Gurgaon".

A National Medical Journal of India article from 2016⁸ concludes: "India has a large and complex manufacturing sector but with meagre occupational health services."

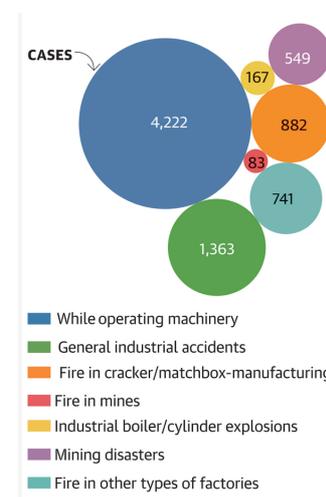


Image 2: From an Indian media report⁶ on reasons for industrial accidents during 2014 - 2017

SII has observed first-hand this dismal state of worker safety

The small, three-member outreach team at SII, which operates mainly in Gurgaon/Manesar and more recently also in Faridabad, has met and assisted 2,600+ such injured workers during 2016-2021. Around 70% of them have lost hands and/or fingers, disabling them permanently.

Clearly, the large number of worker accidents in the auto sector is indicative of the broader malaise in the Indian manufacturing sector's inadequate OSH practices.

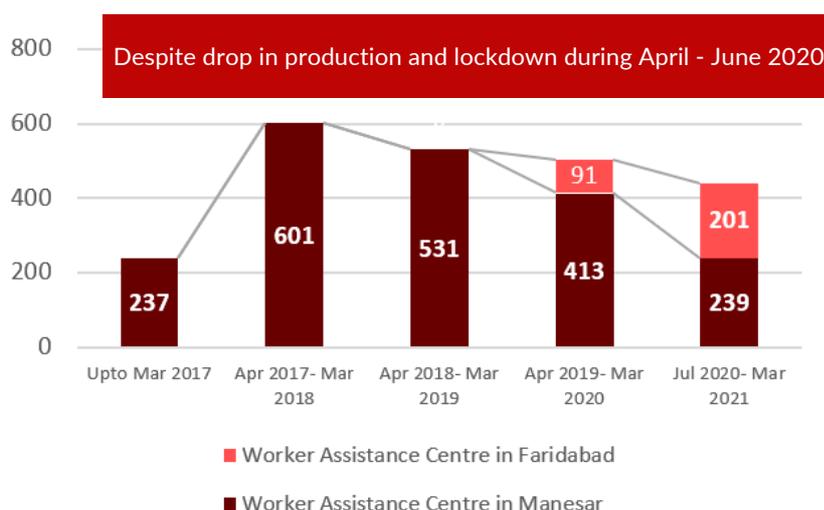


Image 3: Number of injured workers from the auto sector SII has assisted during 2016-2021. Although accident number identified at SII's Gurgaon/ Manesar centre is reducing since SII's CRUSHED2020 report, the causal relationship with positive actions is not yet established and the injury numbers remain high.

4 www.ilo.org/global/topics/safety-and-health-at-work/lang--en/index.htm

5 www.iso.org/news/ref2552.html

6 www.thehindu.com/data/industrial-accidents-claimed-over-6300-lives-between-2014-and-2017/article32040544.ece

7 www.scroll.in/article/692477/your-car-has-been-built-on-an-assembly-line-of-broken-fingers

8 www.nmji.in/temp/NatI MedJIndia295277-6665716_183057.pdf



A majority of these injured auto-sector workers in Gurgaon are from factories supplying to three main local OEMs

More than 90% of the auto-sector workers that SII has assisted report that they were injured in factories supplying to one or more of the three largest OEMs in the region: Maruti-Suzuki, Hero, and Honda. SII expects that improvements to OSH policies and practices directed by these large OEMs in their deeper supply chains will help reduce several workplace accidents—not just in NCR, where SII currently operates, but also nationally through their supply chains and will have a positive effect on the entire industry.

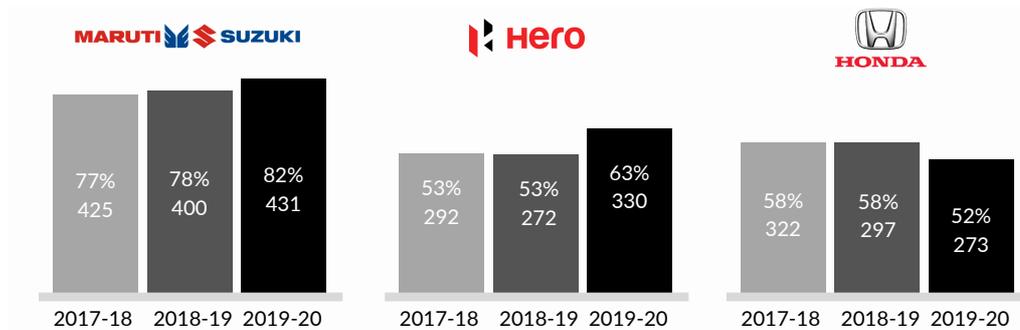


Image 4: Proportion of accidents (percentage and number) in Gurgaon and Faridabad for the three largest OEMs in the region over three years. Sum exceeds 100% since many factories serve multiple OEMs.

These workers are also from among the most vulnerable communities in the country

88% of the injured workers assisted by SII are migrants, mainly from UP, Bihar and Odisha. The quality of lives and work of Indian migrants is, therefore, intertwined with the quality of work offered by India's auto sector, which is indicative of the overall manufacturing sector. Without improving working conditions for these migrant workers—there are around 450 million⁹ of them in the country—we cannot achieve a decent work environment for workers or expect a thriving country that is equitable for all its citizens.

65% of the workers assisted by SII are on contractual employment

Contractual employment is precarious in nature, often receiving step-motherly treatment from manufacturers. SII found that around two-thirds of workers it assisted had no ESIC cards until the injuries occurred and were therefore not able to use ESIC facilities for healthcare before their accidents. It appears that although they were working in the formal sector—these factories are registered with ESIC—they were practically informal labour.

Ensuring access to a safe and decent workplace for all workers

The Status of Corporate Responsibility in India, 2020¹⁰ report states: “55% of the auto-sector companies have 51% to 75% contractual workforce and 10% of the companies have more than 75% contractual workforce”. As per ILO's 2019 working paper on Employment¹¹, the manufacturing sector is stated to have 84.6% informal workers in 2017-18. Without addressing the right of these workers to a safe and decent workplace, India will not be able to compete with faster professionalising countries.

9 www.ilo.org/newdelhi/whatwedo/publications/WCMS_763352/lang--en/index.htm

10 www.corporatewatch.in/statusofcorporateresponsibility2020

11 www.ilo.org/wcmsp5/groups/public/---ed_emp/---ifp_skills/documents/publication/wcms_734503.pdf



Migrant and contract workers get most adversely impacted during a calamity

During India's COVID-19 wave 1 lockdown, for instance, SII reported ('Berozgaari' June 2020¹²) 47% unemployment among the surveyed worker community in Gurgaon. Many of these workers, who had lost their jobs and wages, were evicted from their homes and had their phones and cycles confiscated by landlords in lieu of rent. In the more recent COVID-19 wave 2, contract workers were among the first to lose jobs. During this wave, SII expects 20-30% unemployment again.

Inadequate post-accident care results in potentially worse disabilities than should have been the case

59% of the injured workers supported by SII reported that they were first taken to smaller private hospitals for treatment immediately after the accident and only after 1-3 days to ESIC hospitals, potentially resulting in inadequate/inappropriate healthcare in the critical few hours after the accident. 81% of workers supported by SII received their ESIC Registration Card only after the accident, meaning they had not availed of ESIC medical care and cash entitlements (e.g. maternity benefits), which is also reflected in low penetration of several ESIC services among those insured.

95% of the injured workers supported by SII advise that they are not members of any union

The weakening of unions in the sector is a well-understood phenomenon and contributes to poor working conditions in the auto-sector supply chain. While CTUs negotiate terms in the public sector and big private-sector companies, workers in MSMEs remain largely unrepresented. SII has raised this issue with ILO given their tripartite mandate and prior work on OSH in MSMEs.

ILO works on tripartite basis and engages only with CTUs and CIE

In India, 12 major multi-state labour unions are recognized as CTU organizations: Bharatiya Mazdoor Sangh (BMS)¹³; Indian National Trade Union Congress (INTUC)¹⁴; All India Trade Union Congress (AITUC)¹⁵; Hind Mazdoor Sabha (HMS)¹⁶; Centre of India Trade Unions (CITU)¹⁷; All India United Trade Union Centre (AIUTUC) – formerly UTUC (LS); Trade Union Co-ordination Centre (TUCC)¹⁸; Self Employed Women's Association (SEWA)¹⁹; All India Central Council of Trade Unions (AICCTU); Labour Progressive Federation (LPF)²⁰; United Trade Union Congress (UTUC) and National Front of Indian Trade Unions – Dhanbad (NFITU-DHN)²¹. HMS, INTUC and SEWA are members of the International Trade Union Confederation (ITUC). AITUC is a member of the World Federation of Trade Unions (WFTU)²².

The Council of Indian Employers (CIE) is the ILO-constituent employers' organization and is affiliated to the International Organisation of Employers (IOE). CIE is the umbrella organization of three employers' bodies: the All India Organization of Employers (AIOE)²³, Employers' Federation of India (EFI)²⁴ and Standing Conference of Public Enterprises (SCOPE)²⁵.

12 www.safeinindia.org/berozgaari

13 www.bms.org.in

14 www.intuc.net

15 <http://aituc.in/>

16 www.hmsindia.org.in

17 <http://citucentre.org/>

18 www.tucc.forwardbloc.org/index.html

19 www.sewa.org

20 <http://lpf.org.in/>

21 <http://nfitu.org/>

22 www.ilo.org/newdelhi/areasofwork/workers-and-employers-organizations/lang--en/index.htm

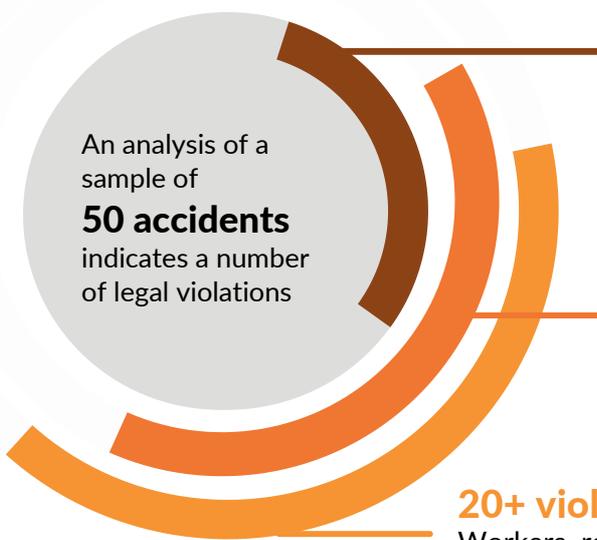
23 <http://aioe.in/>

24 www.efionline.in

25 www.scopeonline.in



59% of the accidents take place on a machine called the power press and the nature and number of accidents show poor implementation of laws



15+ violations

Workers asked to work on machine despite it being under “maintenance” due to mechanical faults and/or not being maintained (e.g. faulty “double strokes” in machines causing accidents).

Violates Indian Penal Code 1860, Section 287

20+ violations

Workers lose their hands/ fingers in power press accidents, pointing to poor working conditions they are exposed to in factories.

Violates the Indian Constitution, Articles 21, 42, 43

20+ violations

Workers report that fencing was not provided for the power press, exposing them to danger.

Violates the Factory Act 1948, Section 21. Also violates Punjab Factory Rules 1952, Rules 3, 4, 7, 8 (also applicable in Haryana).

In addition, worker feedback during SII's focus group discussions indicate that many work 12 hours every day for 6 days a week. This includes 4 hours of overtime a day for which they are often not paid full overtime wage.

In the discussions, 42% workers say their shift time is 12 hours. Although 14% say that their shift time is 8.5 to 10 hours, their entry and exit time range from 11 to 15 hours.

India's poor ranking on labour productivity is likely also due to poor working conditions (including OSH conditions)

Worker injuries have a human as well as an economic toll. This should concern India, which is ranked 115th in the world in labour productivity, much below countries such as Sri Lanka and Thailand and below all other leading auto markets in the world.²⁶

An India Ratings and Research analysis²⁷ of the data of Annual Survey of Industries indicates slowdown in labour productivity growth in the Indian organised manufacturing sector, which grew at an average annual rate of 3.7% during FY16-FY18 but fell to 2.6% and 2.9% in FY17 and FY18, respectively.

Labour Productivity Ranking	Country
95	China
98	Thailand
99	Sri Lanka
107	Indonesia
115	India
143	Vietnam
151	Bangladesh

Table 1: India's labour productivity ranking in the context of the region

²⁶ <https://ilostat.ilo.org/topics/labour-productivity/>

²⁷ www.indiaratings.co.in/PressRelease?pressReleaseID=39010&title=labour-productivity-growth-imperative-for-indian-manufacturing-sector



As the following study shows, only preventive maintenance, the lack of which is a major reason for accidents as reported in CRUSHED2019 and CRUSHED2020, can deliver significant productivity benefits.

Benefits of safer factory practices: UNIDO-ACMA Automotive Component Supplier Development Programme in India ²⁸

133 small- and medium-sized auto-component factories achieved up to **25% improvement in delivery time, up to 52% decrease in average lead-time, up to 30% reduction in machine downtime through preventive maintenance practices**. Companies made substantial savings in the consumption of energy and resources. Furthermore, accidents were reduced to practically zero and absenteeism among employees reduced by 51% since the implementation of the programme.

Improvements to worker safety in India's auto sector have the potential to benefit nearly 10 million people

Manufacturing holds a share of about 14% in India's GDP ²⁹. According to a SIAM report ³⁰, "the automobile industry is 7% of the country's GDP [which makes it about half of India's manufacturing] employing 8 million people directly and over 29 million people indirectly, through the backward and forward linkages. By 2026, the industry aims to be one of the 3rd largest in the world, contributing to 12% of India's GDP and employing an additional 65 million people, directly and indirectly."

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 for 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."

Auto-sector OEMs need to take the lead in improving safety and post-injury care for workers in the deeper supply chain

In this multi-stakeholder issue, SII continues to maintain that OEMs should take the lead for labour welfare in their deeper supply chain for at least three reasons:

- They have the best know-how, access to, and leverage over their own supply chains.
- They are the direct beneficiaries of these supply chains and of any improvements in labour productivity and quality of production in their supply chain.
- They influence relevant government policies and their implementation more than any other stakeholder.

28 www.unido.org/our-focus/advancing-economic-competitiveness/supporting-small-and-medium-industry-clusters/automotive-supplier-development/projects/india

29 www.financialexpress.com/economy/how-manufacturing-sector-drives-economic-growth/2122128/

30 www.siam.in/uploads/ar/21-21stAnnualReport2018-2019.pdf

31 www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/meetingdocument/wcms_741659.pdf



Defining 'labour welfare'

According to ILO, the term 'labour welfare' is understood to include such services, facilities, and amenities as may be established in or in the vicinity of undertakings to enable the persons employed in them to perform their work in healthy, congenial surroundings and to provide them with amenities conducive to good health and high morale. These will be over and above the wages of the workers.

Auto sector stakeholders, including SIAM and ACMA, acknowledged the importance of worker safety during the launch event of CRUSHED2020, SII's annual report for prevention of these accidents, and gave examples of industry initiatives.



There have been many cases and instances where Industry has come out with a voluntary code and has worked very closely with members to follow that code in terms of enforcement in some form. **There is a role which Industry can play [in preventing supply chain accidents]** and that is what we are committed as SIAM to work with SII.

- Rajesh Menon, Director General, SIAM



Value chain of the automotive Industry is very long and winding. ...[India's] auto Industry is poised to among the top 3 in the world, **it cannot be world class and have workers lose their limbs.**

- Vinnie Mehta, Director General, ACMA



In fact, 80%+ of around 130 respondents to an SII poll in October 2020 also opined that the OEMs have a higher responsibility toward worker safety than the government.

Auto Brands or the Government?

Auto brands should take the lead in making factories safer

87%



It's the government's responsibility

10%

Image 5: Response to the question 'Who should take the lead in preventing worker injuries?' from a poll that SII conducted in October 2020. Result based on 130+ responses.



Methodology and Engagement with Auto- Sector Brands (OEMs)

5

SII works on policy and procedural changes to ensure that factories such as this promote safe working practices.



5.1 Selection of OEMs

SII identified the top eight NSE-listed OEMs³² based on market capitalization as on March 31, 2020, for the study. Six OEMs out of these are also in the top 100 of the BSE listing. Two MNC OEMs are included as they are placed at the second position by sales in their respective product categories. Honda Motorcycles and Scooters India Pvt Ltd and its supply chain also constitutes 52% of SII's injured workers in Gurgaon. These ten companies represent the majority of the Indian auto-sector market and are therefore beneficiaries of majority of the auto-component manufacturing supply chains.

Sl. No.	NSE Rank as on March 31, 2020	Total Turnover in INR Crores	Name of the OEM
01	15	75,610	Maruti Suzuki India Limited
02	37	31,652	Bajaj Auto Limited
03	51	9,077	Eicher Motors Limited
04	53	45,487	Mahindra & Mahindra Limited
05	64	29,614	Hero MotoCorp Limited
06	93	42,963	Tata Motors Limited
07	139	16,423	TVS Motor Company Limited
08	147	17,467	Ashok Leyland Limited
09	Not listed	NA	Honda Motorcycles and Scooters India Pvt Ltd
10	Not listed	NA	Hyundai Motor Company India

Table 2: List of companies whose OSH policies and procedures are analysed by SII for this report

This analysis therefore is representative of the Indian auto-sector supply chain, and 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.

32 www.nseindia.com/regulations/listing-compliance/nse-top-1000-companies

5.2 Documents and policies referred to as part of this study

5.2.1 OEM policy documents

SII identified and analysed OSH-relevant documents, where available in the public domain, of the ten OEMs. There may be other relevant documents internal to OEMs and not available to SII. The following types of documents were reviewed, and the list reviewed for each OEM is in Table 3. The documents are available at: <https://bit.ly/3Ax2IJc>.

- Code of Conduct
- Supplier Code of Conduct
- Sustainability Report
- Safety and Health/OSH Policy
- Annual Report, including Business Responsibility Report
- Whistle Blower Policy
- Any other relevant documents that were accessible in the public domain or provided by the OEM during discussions

Sl. No.	Document	Ashok Leyland	Bajaj	Eicher	Hero	Honda	Hyundai	Mahindra	Maruti Suzuki	Tata	TVS
01	Code of Conduct	Y Insider Trading Only	Y	Y	Y	Y	N	Y	Y	Y	Y
02	OSH Policy (shared/public domain)	N	Y	N	Y	N	Y	Y	Y	Y	Y
03	Supplier Code of Conduct	N	N	N	N	Parent Company	Parent Company	Y	N	Y	N
04	Sustainability Policy	Y	N	N	N	N	N	N	N	Y	N
05	Business Responsibility Policy	N	N	N	N	N	N	Y	N	N	N
06	Business Responsibility Report	Y	Y	Y	Y	No as MNC	No as MNC	Y	Y	Y	Y
07	Annual Report	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
08	Sustainability Report	Y	N	Y 19-20	Y	Group	Parent Company	Integrated	Integrated	Y	N
09	Whistle Blower Policy	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Other Documents		(a)				(b)	(c)		(d)	(e)

Table 3: List of documents reviewed for each of the 10 OEMs by SII for this report

- (a) Charter of Fair and Responsible workplace Guidelines - contract workers
 (b) Parent Company Human Rights Policy
 (c) Building New Business Models Around Sustainability and Green Supply Chain Policy
 (d) Global Communication of Progress
 (e) Modern Slavery Statement



5.2.2 Relevant national/international policy documents, guidelines, and reporting frameworks for OSH in supply chains

SII also identified a few relevant international and Indian OSH policies, guidelines, and reporting frameworks.

India's national OSH-relevant policies, specifically for the supply chain:

- Constitution of India and Directive Principles therein
- The Factories Act
- OSH Policy of 2009
- Guidance Document on ESG Disclosures by BSE
- NGRBC of 2019
- SEBI Circulars for Business Responsibility Reporting and Integrated Reporting

A few **international commitments, guidelines, practices,** and reporting frameworks for sustainability and ESG reporting, which also mandate OSH:

- The Universal Declaration of Human Rights
- UN Guiding Principles for Business and Human Rights
- UN SDGs
- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy approved by the ILO Board
- GRI Standards

These documents and frameworks are described in Section 6 of this report.



Image 6: One of the many guideline documents that SII referred to for this report. On sustainability, BSE says in this document: "We are committed to promote sustainable practices in our markets with the belief that businesses will only be successful in the long run if their models respect the triple bottom line of "profit, planet and people".

5.3 The 12 OSH questions asked to every OEM

This analysis of the adequacy of OSH policies and procedures for each OEM is based on 12 questions under 3 broad categories:

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

- OSH policy for the OEM's own employees?
- OSH policy for the OEM for their own contract workers?
- Human Rights policy, as required by NGRBC Principle 5?

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

- OSH policy for the OEM's Tier 1 suppliers?
- OSH policy for the OEM's deeper supply chain (Tier 2/3/4)?
- OSH policies enforced in the supply chain in Indian and international operations?
- Business Responsibility Reporting on NGRBC Principles 1, 3, and 5?
- Policies to develop supply chain sustainability in OSH (e.g. Indicator 8.8 in SDG8)?



Publicly declared procedures to ensure safety across the supply chain:

- Mapping of the deeper supply chain to be able to improve safety?
- Actions taken by the OEM to prevent accidents in supply chain?
- Monitoring by Tier 1s (direct suppliers) to improve safety in their deeper suppliers?
- Grievance redressal mechanism for workers across supply chain to report unsafe working conditions?

Detailed analysis for each OEM is in Section 7 of this report.

5.4 Engagement with OEMs to verify SII's findings since November 2020

SII shared its findings against the 12 questions listed in Section 5.3 with each of the ten OEMs with a request to confirm and/or provide any missing information. Those OEMs that responded were sent revised and corrected findings to confirm over a period of four months.

Responses from the OEMs:

- Eight out of ten OEMs responded through written letters, emails, personal/online meetings, or telephonic discussions. No response was received from Ashok Leyland and Bajaj.
- Six of these eight engaged in varying detail with SII's analysis: **Eicher, Honda, Hyundai, Maruti Suzuki, Tata Motors, and TVS**. SII is thankful for their engagement and input.

The findings presented here have been informed by the OEMs' input where applicable, but the final analyses are based on SII's subjective assessment.

5.5 Limitations of the analysis

- As noted in Section 5.4, the findings in this report are informed based on inputs from six large OEMs in varying degrees. **SII believes its findings represent the issue and recommendations for the entire industry fairly, although there may be individual variations in each OEM.** For the other four OEMs, in the absence of any corrections and clarifications from the OEMs, the findings are unconfirmed by them. SII hopes to receive their clarifications for the annual sequel of this report.
- SII's analysis of OEMs' documents for the purpose of this report has been **limited to identifying the presence and quality** of 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. The analysis is **not** about the overall quality of these documents, including other content that these documents may have, which may or may not be adequate for other purposes of these documents.
- 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.
- SII is **unable to analyse evidence or quality of implementation of the stated policies** in this report. However, the large number of accidents that SII is aware of in Gurgaon and Faridabad indicates that these policies and/or their implementation are not adequate, at least for the OEMs that have supply chains in Haryana, which is the largest auto-sector hub in India, and potentially their supply chains across the country.

SII aims to address some of these limitations in the annual sequel to this report to the best of its capacity.



PRIME MINISTER OF INDIA



MESSAGE

Our motto 'Atika Saath Sabka Vikas' has been the cornerstone for pursuing welfare for all by ensuring that the benefits of government's growth strategy reach everyone. Business has primarily been seen as a means to create wealth that has the potential to go beyond that and induce inclusive socio-economic transformation. The Gandhian philosophy of trusteeship captures the business responsibility towards society.

The philosophy of trusteeship, which has also been embedded in traditional Indian businesses since time immemorial. In order to integrate this into the core business philosophy, the Government has obligated companies to contribute towards the wider development of the fiduciary duties of the trustees. Besides, in order to bring in a new class of companies, those meeting certain threshold in terms of turnover, network or net profit are obligated to set apart two per cent of their net profit for corporate social responsibility activities.

Responsible Business Conduct (RBC) is a concept founded on the idea that businesses can perform better when engaged in re-vitalizing the society from which they extract resources for production. The National Guidelines on Responsible Business Conduct, 2018 (NGRBC), which is an improvement over the existing National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business, 2011 (NVEGs), are a means of nudging businesses to contribute towards wider development goals while seeking to maximize their profits. The NGRBC is dovetailed with the United Nations Guiding Principles on Business & Human Rights (UNGPs). The NGRBC intends to not just make companies more responsible and accountable but also to create a whole ecosystem to 'Protect', 'Respect' & 'Remedy' as envisaged in the UNGPs.

I sincerely hope that the NGRBC would usher a new philosophy of responsible and sustainable business.

(Narendra Modi)

New Delhi
December 10, 2018

6 Extant OSH Policies, Guidelines, and Reporting Frameworks

There are several guidelines - such as India's NGRBC shown here - that call upon businesses to create a safe workplace.



In this report, SII analyses the OSH policies of the top 10 auto-sector OEMs in India for their supply chain in the context of the language and intent of Indian and international OSH policies, frameworks, and guidelines listed in this Section, all of which continue to evolve and are increasingly converging. The findings in Section 7 of this report demonstrate the need for OEMs to do much better—to comply with these policies and guidelines and use these reporting frameworks—to improve OSH and to report on the working conditions in their supply chain.

6.1 Guidelines issued by international bodies

There are a number of relevant and important international bodies and their guidelines that emphasize OSH in deeper supply chains. The Indian auto industry, with many Indian and foreign multinational companies and its ambition to be responsible global corporate citizens and to fulfil its ESG requirements, needs to pay heed to these.

6.1.1

The Universal Declaration of Human Rights, 1948, contains 30 articles that emphasize the right of every human to dignity, which includes safety and security at the workplace. Articles 1, 3, 5, 19, 23, 24, 25 of the Declaration are reproduced in Annexure 2.

6.1.2

The **2011 Update to the OECD Guidelines for Multinational Enterprises** is the most comprehensive set of government-backed recommendations on responsible business conduct. They have been further strengthened since they were first adopted in 1976 and have been enacted into law by Sweden. Healthy and safe work conditions are recognized as a human right and addressed in authoritative intergovernmental instruments, including the OECD.

6.1.3

UN Guiding Principles on Business and Human Rights, 2011, constitutes the United Nations 'Protect, Respect and Remedy' Framework. The UNGPs have become the authoritative global standard for business and human rights.

6.1.4

UN Sustainable Development Goals, 2015: SDG 8 aims to "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all". 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." (See Annexure 2.)

6.1.5

Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy by ILO, 1977 (and amended in 2017), aims to encourage the positive contribution that multinational enterprises can make to economic and social progress and the realization of decent work for all.

6.1.6

ILO Centenary Declaration for the Future of Work, 2019, states: "Strengthening the institutions of work to ensure adequate protection of all workers, and reaffirming the continued relevance of the employment relationship as a means of providing certainty and legal protection to workers, while recognizing the extent of informality and the need to ensure effective action to achieve transition to formality. All workers should enjoy adequate protection in accordance with the Decent Work Agenda, taking into account (i) respect for their fundamental rights; (ii) an adequate minimum wage, statutory or negotiated; (iii) maximum limits on working time; and (iv) safety and health at work."

6.1.7

ILO convention C155: Occupational Safety and Health Convention, 1981, applies to "all workers in all the branches of economic activity, including public service" and is therefore universal in nature. "Health, in relation to work, indicates not merely the absence of disease or infirmity; it also includes the physical and mental elements affecting health which are directly related to safety and hygiene at work." India has not yet ratified C155.



6.2 International reporting frameworks

To comply with various international guidelines, 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. As with guidelines, these frameworks continue to evolve and gradually merge, **as demands from regulators and conscious investors increase the need for responsible business practices.**

WBCSD - Recognizing the importance of non-financial reporting

WBCSD is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world. In its 2013 Baseline Report³³, it says: "Non-financial reporting is the latest major development making corporate disclosure more relevant and more useful. It helps investors make better judgments about a companies' performance and prospects while keeping other interested stakeholders informed and engaged."

6.2.1

GRI (Sustainability Reporting Standards) 403 for OSH including in the supply chain – and its partnerships for unified comprehensive and global reporting standards

GRI 403 sets out reporting requirements on the subject of OSH. OSH for workers working in the supply chain is included in the scope of the reporting organisation (OEMs in this case) as defined in the scope of standards. (See Annexure 2.)

GRI and OECD entered into a partnership³⁴ in 2010 to encourage companies to use both the OECD Guidelines for Multinational Enterprises and the GRI Sustainability Reporting Framework. This is because the GRI Sustainability Reporting Framework provides guidance on how to measure sustainability performance and the OECD Guidelines for Multinational Enterprises is a benchmark to assess such performance.

In September 2020, GRI entered into a partnership³⁵ with CDP³⁶, CDSB³⁷, IIRC³⁸, and SASB³⁹ to achieve progress towards a unified set of comprehensive and global reporting standards.

6.2.2

EU's Non-Financial Reporting Directive and its guidance for the supply chain

The EU has issued a Non-Financial Reporting Directive applicable to entities with over 500 employees. This Directive was incorporated into Swedish corporate law and came into effect in 2017⁴⁰.

Directive 2014/95/EU⁴¹, also called the non-financial reporting directive, lays down the rules on disclosure of non-financial and diversity information by large companies. Companies are required to include non-financial statements in their Annual Reports from 2018 onwards.

The EU guidance document⁴² for the Directive has specific requirements for reporting on the supply chain, and KPIs include unsafe working conditions in labour practices of the supply chain. (See Annexure 2.)

33 www.wbcsd.org/poivyq

34 www.oecd.org/daf/inv/mne/46936939.pdf

35 www.globalreporting.org/public-policy-partnerships/the-reporting-landscape/

36 www.cdp.net/en

37 www.cdsb.net/

38 <https://integratedreporting.org/the-iirc-2/>

39 www.sasb.org/about/

40 www.pwc.com/jp/en/knowledge/column/sustainability-reporting-in-japan-and-sweden.html

41 <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014L0095>

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



6.2.3

National Action Plans

Many nations have published National Action Plans⁴³ on business and human rights to implement UNGPs. India has written a zero draft NAP, which lays down how the government intends to go ahead with the preparation of NAP. However, it remains work in progress.

Unilever: A good example of reporting on impact of business on human rights

Unilever launched its sustainable living plan⁴⁴ in 2010. In its human rights report in 2015⁴⁵, it “identified eight most salient human rights issues - those human rights at risk of the most severe negative impacts to rights-holders through our activities or business relationships”. Since then it has released updates from 2017 to 2019 and most recently in its 2020 human rights report, titled ‘Creating a fairer and more socially inclusive world’⁴⁶ (released in January 2021).

6.3 Indian laws and guidelines

India too has a number of OSH laws and guidelines, beginning with its Constitution. The key laws and guidelines are listed in this Section. India is also a signatory to the United Nations Human Rights Declaration and the 2030 Agenda for Sustainable Development.

6.3.1

Reference in the Indian Constitution

The Constitution of India provides for safety at the workplace in its directive principles. Several Articles mention the subject: Article 42, for example, directs that “The state shall make provisions for securing **just and humane conditions** at work.” (See Annexure 2.)

6.3.2

The Factories Act, 1948, and the OSH & WC Code

The Factories Act, 1948, covers OSH in factories and section 7A(3) states that “...every Occupier shall prepare, and, as often as may be appropriate, revise, a **written statement of his general policy** with respect to the health and safety of the workers at work...”

The Factories Act is one of the extant laws that will be replaced by the OSH & WC Labour Code. The provisions of this new Code have not been covered in this report because its Rules, which are critical to understand how the Code will be implemented, are being formulated. SII will report on them when these Rules are notified.

43 <https://globalnaps.org/>

44 www.unilever.com/sustainable-living/enhancing-livelihoods/fairness-in-the-workplace/understanding-our-human-rights-impacts/

45 www.unilever.com/Images/unilever-human-rights-report-2015_tcm244-437226_en.pdf

46 www.unilever.com/Images/unilever-human-rights-report-2020_tcm244-558516_en.pdf



6.3.3

India's OSH Policy of 2009

This policy envisioned the recognition of a safe and healthy working environment **as a fundamental right**. One of the stated objectives of the policy is “Continuous reduction in the incidence of work related injuries, fatalities, diseases, disasters and loss of national assets.”

The policy is due for revision, and SII hopes the revised version will universalise OSH for all workers.

However, unfortunately, the OSH & WC Code issued in 2020 does not even achieve the 2009 Policy objectives and has missed important OSH measures, such as a mechanism for measuring and monitoring reduction of accidents; continuous enhancement of community awareness regarding safety; health and environment at workplace-related areas; and continually increasing community expectation of workplace health and safety standards.

6.3.4

BSE Guidelines in partnership with GRI for the supply chain

GRI and BSE entered a formal MoU in 2016 to work collaboratively and support listed corporates on the BSE to establish sustainability reporting process and prepare sustainability reports. BSE has since issued a Guidance Document for ESG Disclosures⁴⁷ and has identified KPIs presented in Figure 7, **such as a Supplier Code of Conduct**, many of which can help prevent accidents in the supply chain.

The Linking the GRI Standards and the SEBI BRR Framework document⁴⁸, unfortunately, does not include the GRI 403 standard.

Environmental	Social	Governance
Environmental Policy	Full time employees	Gender diversity on board
Environmental Impacts	Monetary and non-monetary benefits for employees	Board-Independence
Energy Consumption	Attrition Rate	Board-Separation of powers
Carbon/GHG Emission	Training and Development Hours	Gender Pay Ratio
Primary Energy source	Health care benefits	Incentivised pay
Renewable Energy Intensity	Human Rights Policy	Business Ethics and Code of Conduct
Water Management	Human Rights violations	Supplier Code of Conduct
Waste Management	Gender parity at workforce	Bribery/Anti-corruption code
	Community and social work	Corporate Governance
	Local procurement	

Image 7: ESG Key Performance Indicators (KPIs), including Supplier Code of Conduct, as listed in **BSE's Guidance Document for ESG Disclosures**

6.3.5

National Guidelines on Responsible Business Conduct (NGRBC), including supply-chain OSH

National Voluntary Guidelines issued by the MCA in 2011 stated that businesses should provide a workplace environment that is safe, hygienic, humane, and which upholds the dignity of employees.

NGRBC replaced the National Voluntary Guidelines in April 2019, tellingly removing the word 'voluntary' and expecting businesses **to encourage and support their value chain, which includes suppliers, to follow NGRBC**. This is especially relevant to the cause of injured workers in auto-sector factories that supply to large auto-sector OEMs.

NGRBC is aligned with the SDGs and is designed to be followed by all businesses irrespective of size, sector, ownership, or location, including foreign multinational corporations. In addition, SEBI requires the top 1,000 BSE-listed companies to file their BRRs in a standard format, which has been updated to a new format—called the Business Responsibility and Sustainability Reporting format (BRSR)—as of May 2021.

47 www.bseindia.com/downloads1/BSEs_Guidance_doc_on_ESG.pdf

48 www.bseindia.com/downloads1/Linkage_Doc_of_GRI_and_BSE.pdf

6.4 Indian non-financial reporting framework

India does not have a well-developed non-financial reporting framework of its own apart from the requirement listed below in Section 6.4.1. However, the very large OEMs covered in this report are all multinationals and need to follow the international frameworks listed in Section 6.2 in addition to the national frameworks and Indian laws and guidelines listed in Section 6.3.

6.4.1

SEBI Reporting Requirements

SEBI, through a circular issued in 2017⁴⁹, advised the top 500 BSE-listed companies to voluntarily adopt **Integrated Reporting**, in addition to the existing Business Responsibility Reports mandate. Integrated Reporting is applicable from FY2017-18⁵⁰. IIRC guiding principles have been included in this circular, one of which is Stakeholder Relationships. It states: “An integrated report should provide insight into the nature and quality of the organization’s relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests”.

Integrating Sustainability Reports with Annual Reports, including Business Responsibility Reports, will help report on OSH in the deeper supply chain in addition to companies’ reports on their own safety systems. Only two—**Maruti Suzuki and Mahindra**—out of the eight listed OEMs have integrated Annual Reports at the time of publishing this report.

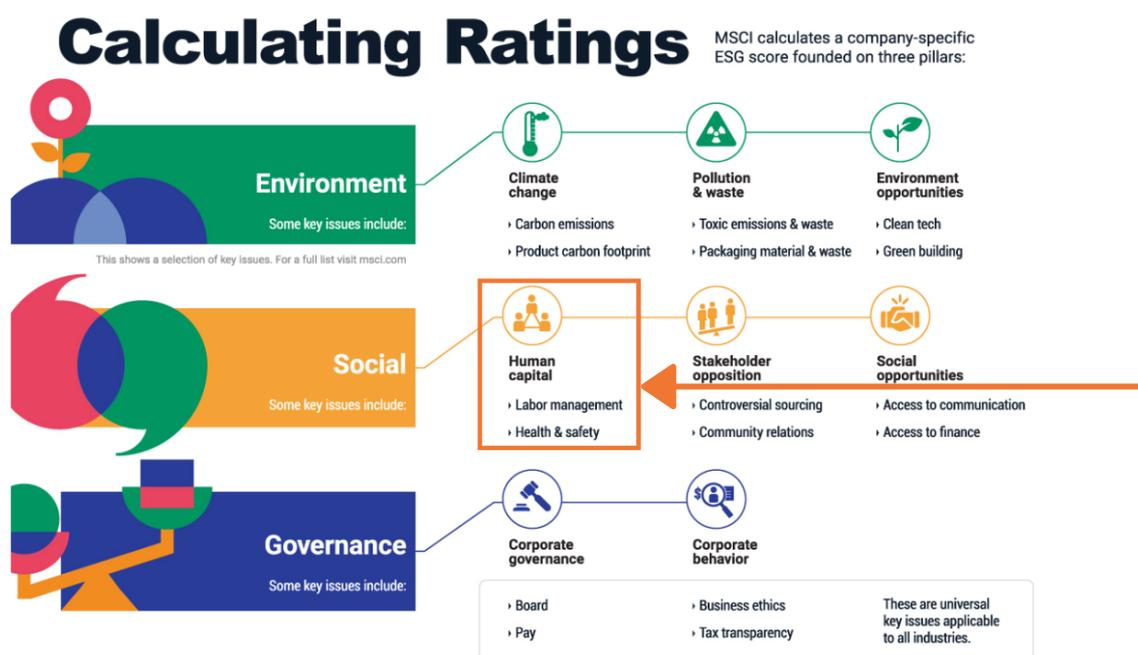
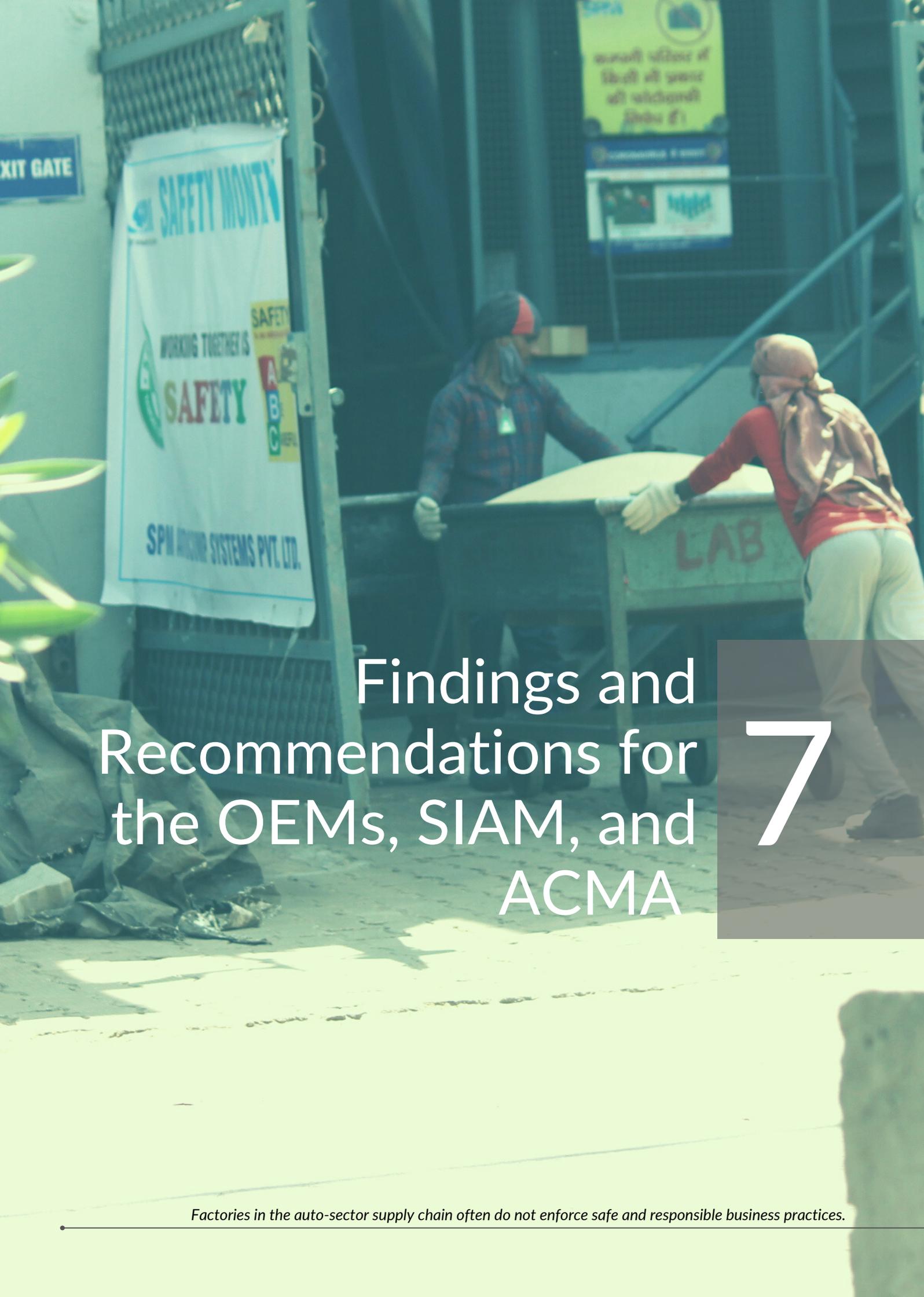


Image 8: Courtesy of VisualCapitalist.com, a visual representing the components of Morgan Stanley Capital International's (MSCI) ESG rating. The 'Social' pillar includes Labour Management and Health and Safety as two main components.

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

50 www.linkedin.com/pulse/understanding-sebi-circular-integrated-reporting-cii-itc-cesd



Findings and Recommendations for the OEMs, SIAM, and ACMA

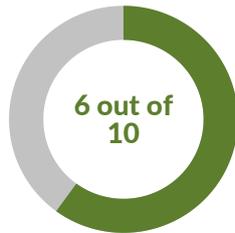
7

Factories in the auto-sector supply chain often do not enforce safe and responsible business practices.

7.1. Detailed findings and recommendations for OEMs, SIAM, and ACMA

This section lists SII's detailed findings, also confirmed by six out of ten OEMs, on the existence, adequacy, and clarity of OSH policies and procedures of the ten OEMs included in this study and its recommendations. Comprehensive analysis for each OEM is reproduced in Section 7.3.

7.1.1 Although all ten OEMs mention they have an OSH policy for their own factories, only six have it in the public domain.



OEMs have their OSH policies in the public domain.
(Bajaj, Mahindra, Maruti Suzuki, Hero, Tata, TVS)

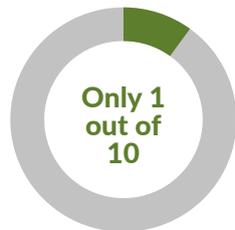


OEMs mention an OSH policy in their reports but do not provide them in the public domain.
(Ashok Leyland, Honda, Hyundai and Eicher)

RECOMMENDATION

As responsible businesses, all OEMs should have their OSH policies in the public domain, and their implementation status should be reported to the company board, if they are not already.

7.1.2. OSH policies of most OEMs do not explicitly state that they cover contract/casual/temporary workers even in their own factories.



OEMs has an **explicit documented** charter of workplace guidelines for contract workers which includes health and safety.
(Bajaj)



OEMs have mentioned **compulsory** safety induction of contract workers in their reports.
(Mahindra and Tata)



Three OEMs have provided a statement to SII that their OSH policies cover them
(Honda, Hyundai, Maruti Suzuki)
and two OEMs have advised of their Safety and Health orientation for contract workers.
(Hero, TVS)



OEMs appear to **not** include contract workers in any way in their policy.
(Ashok Leyland, Eicher)



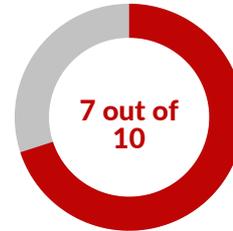
RECOMMENDATION

The OSH policies of all OEMs should specifically and explicitly include contract/casual/temporary workers in their own factories.

7.1.3. Seven out of ten OEMs do not appear to have policies and processes to ensure OSH in the deeper supply chain (especially Tiers 2/3/4).



OEMs **mention** safety engagements with Tier 2 suppliers, even they have no examples of deeper supply chain mentioned
(Bajaj, Eicher, Maruti Suzuki)

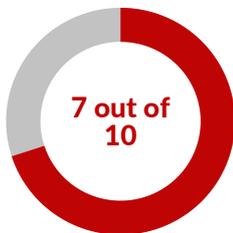


OEMs do not have any such references.
(Ashok Leyland, Hero, Honda, Hyundai, Mahindra, Tata, TVS)

RECOMMENDATION

The OSH policies of all OEMs should specifically state supply chain and define supply chain to include Tiers 1/2/3/4/ etc., even if they are included in phases.

7.1.4. Seven out of ten OEMs do not appear to have a Supplier Code of Conduct needed to align with NGRBC and as recommended in BSE's Guidelines.



OEMs do not have an SCoC.
(Ashok Leyland, Bajaj, Eicher, Hero, Honda, Hyundai, TVS)



OEMs have an SCoC. However, they do **not** explicitly mention the deeper supply chain.
(Mahindra, Tata)



OEMs has advised SII that they will now create an SCoC.
(Maruti Suzuki)

RECOMMENDATION

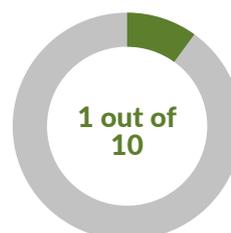
All OEMs should have a publicly declared Supplier Code of Conduct, which should define 'suppliers' to include Tier 1/2/3/4 and ensure OSH in the deeper supply chain, including for both permanent and contract workers.

The implementation of this should be a subject for reporting to the company board.

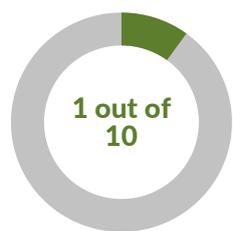
7.1.5. None of the OEMs appears to have a stated human rights policy in the public domain, although they mention “respect human rights” or similar language in some of their other documents.



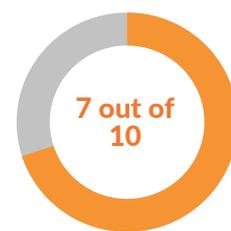
OEMs has specifically mentioned internationally proclaimed human rights in SCoC and BR Policy.
(Mahindra)



OEMs' parent company has a human rights policy, which also mentions OSH, working hours, and grievance redressal, and which they verbally advise is applicable to the Indian company, too.
(Hyundai Motors)



OEMs has now confirmed that their human rights policy will be defined and rolled out.
(Maruti Suzuki)



OEMs have covered human rights only partially (child labour and/or forced labour etc.) as there are legislations in India for these: non-discrimination, equality, diversity, and freedom of association.
(Ashok Leyland, Bajaj, Eicher, Hero, Honda, Tata, TVS)

RECOMMENDATION

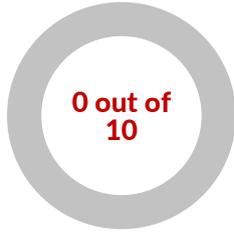
All OEMs should create and publish their human rights policies, including for their deeper supply chain and implement **HRDD processes**, even if in phases over 2-3 years.

HRDD⁵² is a way for enterprises to proactively manage potential and actual adverse human rights impacts with which they are involved. It involves four core components:

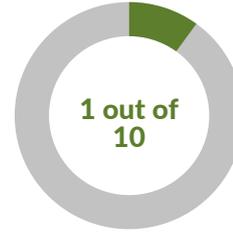
- *Identifying and assessing actual or potential adverse human rights impacts* that the enterprise may cause or contribute to through its own activities, or which may be directly linked to its operations, products or services by its business relationships;
- *Integrating findings* from impact assessments across relevant company processes and taking appropriate action according to its involvement in the impact;
- *Tracking the effectiveness of measures* and processes to address adverse human rights impacts in order to know if they are working;
- *Communicating on how impacts are being addressed* and showing stakeholders – in particular affected stakeholders – that there are adequate policies and processes in place.



7.1.6. None of the OEMs appears to have an SOP or an OSH implementation plan for their deeper supply chain.



OEMs mention a standard operating procedure or a similar document to ensure implementation of OSH in deeper supply chain. SII had requested companies to share such documents which may not be in the public domain.



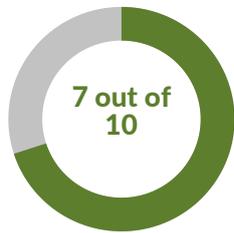
Has reported ISO 18001 certification for its vendors in its Annual Report. **(Bajaj)**

RECOMMENDATION

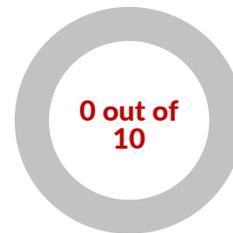
All OEMs should have an SOP for their deeper supply chain and third-party audit system (e.g. under ISO 18001/45001, with an appropriate review process built in to address lessons from OSH failures (accidents, near-misses, etc.) in their deeper supply chain.

ISO 45001 is the world's first International Standard dealing with health and safety at work; it concentrates on the interaction between an organization and its business environment, while its predecessor OHSAS 18001 was focused on managing OH&S hazards and other internal issues.

7.1.7. Although many OEMs report against SDGs, their documents show inadequate reporting of SDG 8 and specifically Indicator 8.8 (labour rights/safety) of SDG 8 and GRI 403.

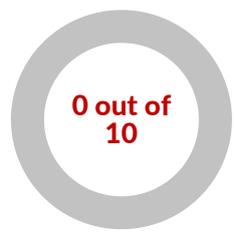


OEMs map their relevant activities to SDG. **(Tata, Maruti Suzuki, Mahindra, Eicher, Honda, Hyundai, Hero, Honda, Hyundai in group Sustainability Reports)**

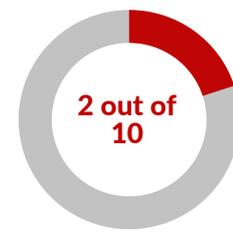


OEMs have referenced Indicator 8.8 of SDG 8 ("Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants and those in precarious employment.") or activities to achieve Indicator 8.8.

OEMs have reported on "workers in supply chain", which is part of the GRI 403 reporting framework used by the OEMs.



OEMs' BRRs state how they encourage OSH/human rights principles in their supply chain to align with NGRBC.



OEMs do not appear to have sustainability reports in the public domain, which is expected of all OEMs. **(Bajaj, TVS)**



RECOMMENDATION TO OEMs

- Report on all actions taken to encourage OSH generally and specifically in the deeper supply chain in BRR, SR, etc.
- Report against SDG Indicator 8.8 and as per GRI 403 for their own factories and the supply chain.
- Hyundai and Honda, despite being unlisted, should report for their Indian supply chain.

RECOMMENDATION TO SIAM/ACMA

Increase awareness and capacity, and improve reporting, in the industry on issues of supply chain OSH in the context of sustainability, ESG mandate, NGRBC, and human rights of all members.

7.1.8. There are a number of good OSH practices among the OEMs that can be replicated across the industry.

- **Maruti Suzuki** has now acknowledged the presence of multiple "Tier 2, 3.... Tier n suppliers" in the "Supplier Ecosystem" Section of its Annual Report 2019-20. The Annual Report also has examples of Tier 2 audits and machine modifications to improve safety.
- **Mahindra's** SGSCMPP states: "Develop management systems related to Sustainability, Quality, Environment, Safety and Energy" and expects suppliers "to enhance sustainability in their own supply chain". Its Business Responsibility Policy includes all nine NGRBC principles.
- **Mahindra's** Supplier Code of Conduct states: "Suppliers shall support and respect ...internationally proclaimed human rights ...their company is not complicit in human rights abuses..."
- **Bajaj's** Charter of Fair and Responsible Workplace Practices for Contract Workers, categorically states: "Not engage contract workers in core manufacturing" and "organise ... upskilling programmes ...they are able to leverage opportunities". In addition, "135 of [Bajaj's key vendors] members are ISO 14001/OHSAS 18001 certified and the Company plans to make such certifications a prerequisite for all BAVA members in the future, except for assembly and 3PL logistics vendors".
- **Hyundai India** claims to follow the human rights policy and supplier sustainability guidelines of its parent company in Korea. The document states: "Supplier shall disseminate these guidelines fully to sub-tier suppliers throughout the supply chain."
- **Tata Motors** and **Mahindra** each have a Supplier Code of Conduct covering OSH.
- **Eicher's** Sustainability Report identifies supply chain as a risk. It goes on to say that Eicher conducts supplier audits, which include safety amongst other parameters.
- **Hyundai's** policies state "Specific danger to Health and Safety is included in unethical practices in Hyundai India's whistle blower policy." and "Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company are classified as whistle blowers."
- **TVS** in its BRR states that 100% of the contract workforce is provided with health and safety orientation periodically and 100% suppliers and service providers are assessed for adherence to health and safety practices.
- **Mahindra** has a Business Responsibility Policy that aligns with NGRBC Principle 1 (Principle 1 states (a) "Businesses should conduct and govern themselves with integrity, and in a manner that is ...accountable...down the value chain" and (b) "Promoting awareness and realisation of human rights across the value chain, which is within the sphere of our influence."
- **Ashok Leyland's** supplier onboarding ratings include labour practices and review of OSH and legal compliances.

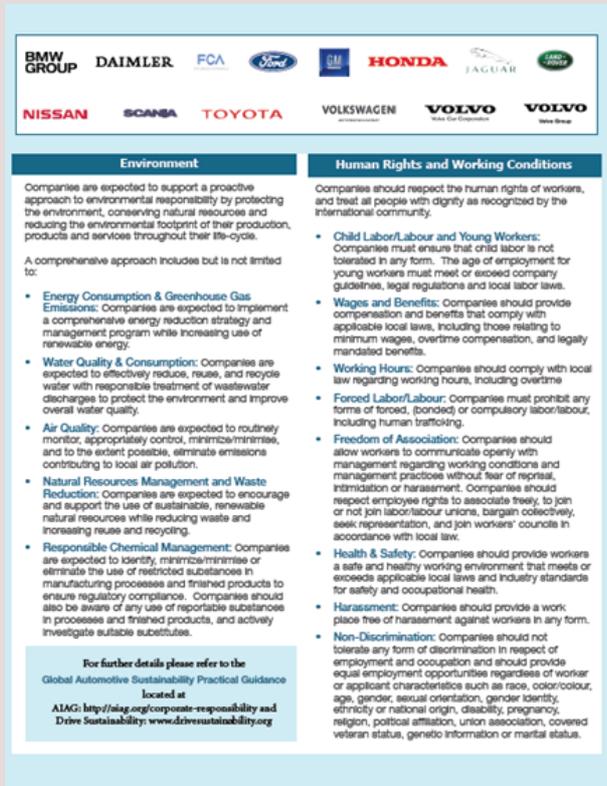


Image 9: Automotive Guiding Principles to Enhance Sustainability Performance in the Supply Chain, issued by AIAG

International best practice from the auto industry:

AIAG, RBA, and Drive Sustainability are examples of businesses and other stakeholders coming together to set **transparent, sectoral commitments** for Responsible Business Principles.

- **AIAG** has issued Automotive Guiding Principles to Enhance Sustainability Performance in the Supply Chain which includes Health and Safety. See Image 9⁵³. RBA states “As the leading industry coalition driving supply chain sustainability, the RBA sets standards, holds members accountable to them, and provides a range of measures to drive continuous improvement in their supply chains.”
- **Drive Sustainability:** This partnership has a set of common guidelines- Global Automotive Sustainability Guiding Principles - outlining expectations for suppliers on key responsibility issues including human rights, environment, working conditions, and business ethics. They operate based on the guiding principle: “We endeavour to achieve excellence, innovation and performance in a sustainable manner and success depends on the commitment of our entire global supply chain.”

7.1.9. The new Indian OSH & WC Code contains a few good working-conditions-related requirements, which OEMs should push to implement in the deeper supply chain.

The Code states:

- Every employer shall (a) issue a **letter of appointment** to every employee on his appointment in the establishment, (b) provide **health examination** above 45 years of age for workers (there are recommendations to remove the age bar; the Rules are yet to be notified), and (c) pay wages at the rate of twice the rate of wages in respect of **overtime** work.
- "Principal employer" in a factory (the occupier or owner), where the contract labour is employed or engaged (a) will provide **health, safety, working conditions and welfare** as per section 23 and 24 of the OSH Code; (b) be informed by contractor of disbursement of **wages**; and (c) be **liable** to make the payment to the worker if contractor fails to pay the wages.
- In addition, as reported in CRUSHED2019 and CRUSHED2020, two-thirds of the injured workers assisted by SII did not have their **ESIC card** at the time of their accidents, while they should have received the card on the date of joining. This remains a requirement in the new Social Security Labour Code.

RECOMMENDATION

OEMs should immediately require their deeper supply chain to implement at least the above Labour Code requirements.

53 <https://go.aiag.org/hubfs/2824%20CSR%20Guiding%20Principles%2012-11-17%20-%20master%20file.pdf?hsCtaTracking=72cfd32-4e23-43a5-b338-160414fd6b9d%7Cb8bb5ae4-ce9f-462c-a14c-383cd549ba5a>



7.1.10. A brief review of two Tier 1 companies' OSH policies and procedures shows that they too have inadequate OSH policies for their supply chain.

- **Motherson Sumi Systems** has 270 facilities operating in 41 countries and states its own locations as certified for ISO 45001. However, it does not appear to have its OSH policy or its Supplier Code of Conduct in the public domain. They did not respond to SII's request for confirmation. The company is placed 61st in the BSE listing.
- **Minda Industries** supplies to OEMs in India and internationally and states its own locations certified for OHSAS 18001. It has an OSH policy, which states "promoting safety and health awareness amongst suppliers and contractors". However, it does not mention OSH at its supplier or in its deeper supply chain.

RECOMMENDATION

With the right Supplier Code of Conduct as recommended above, OEMs should first implement it in their Tier 1s immediately and work with ACMA to cascade and implement the above recommendation down the Tier 1 supply chain.



7.2. Summary of findings at the OEM-level

Table 4 summarises SII's subjective view of the **existence, adequacy, and clarity** of the OSH policies of the ten OEMs based on documents available in the public domain and any other documents provided by the six OEMs that engaged with SII. Some benefit of the doubt has been given to OEMs in this exercise as not all documents required for the analysis were accessible in the public domain.

In order of decreasing existence, adequacy, and clarity

Question	Maruti Suzuki	Tata	Mahindra	Hyundai	Honda	Eicher	TVS	Bajaj	Hero	Ashok Leyland
Policies applicable to the OEM's own factories										
Publicly declared OSH policy for the OEM's own employees?	Green	Green	Green	Orange	Orange	Orange	Green	Green	Green	Orange
Publicly declared policy for the OEM that includes OSH for contract workers?	Orange	Green	Orange	Orange	Orange	Red	Orange	Green	Orange	Red
OEM has a human rights policy as required by NGRBC Principle 5?	Orange	Orange	Orange	Orange	Red	Orange	Red	Red	Orange	Orange
Policies applicable to the supply chain										
Publicly declared OSH policy for the OEM's Tier 1 suppliers?	Orange	Green	Green	Orange	Orange	Green	Green	Orange	Orange	Orange
Publicly declared OSH policy for the OEM's deeper supply chain (Tier 2/3/4)?	Orange	Orange	Orange	Orange	Orange	Orange	Red	Orange	Red	Red
OSH policies enforced in the supply chain in Indian and international operations?	Green	Orange	Orange	Orange	Orange	Red	Red	Red	Red	Red
Business Responsibility Reporting on NGRBC Principles 1, 3, & 5?	Orange	Orange	Orange	Red	Red	Red	Orange	Red	Red	Red
Policies to develop supply chain sustainability in OSH (e.g. Indicator 8.8 in SDG8)?	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Red	Red	Red
Procedures to ensure safety across the supply chain										
Is the deeper supply chain mapped to be able to improve safety?	Orange	Red	Orange	Orange	Red	Red	Red	Red	Red	Orange
Actions taken by the OEM to prevent accidents in supply chain?	Orange	Orange	Orange	Orange	Orange	Orange	Red	Orange	Red	Red
Are Tier 1 (direct suppliers) asked to monitor/improve safety in their suppliers?	Orange	Orange	Red	Orange	Orange	Red	Red	Red	Red	Red
Grievance redressal mechanism for workers across supply chain to report unsafe working conditions?	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Red	Orange	Red

Table 4: A summary view of the existence, adequacy, and clarity of OEMs' OSH policies and procedures. Legend listed on the next page.



Green	Available in the public domain or OEM has informed of its presence to SII in writing, or OEM has shared with SII. In some cases, confirmation from the OEM is partial and SII has given it the benefit of the doubt in this first report of its kind.
Amber	No clear stated policy. However, SII has seen some mentions/examples or has received partial information that may address the issue in the future as promised by OEMs.
Red	Not available in the public domain. The OEM has not confirmed its presence, nor has it shared a document with SII to even partially address the issue.

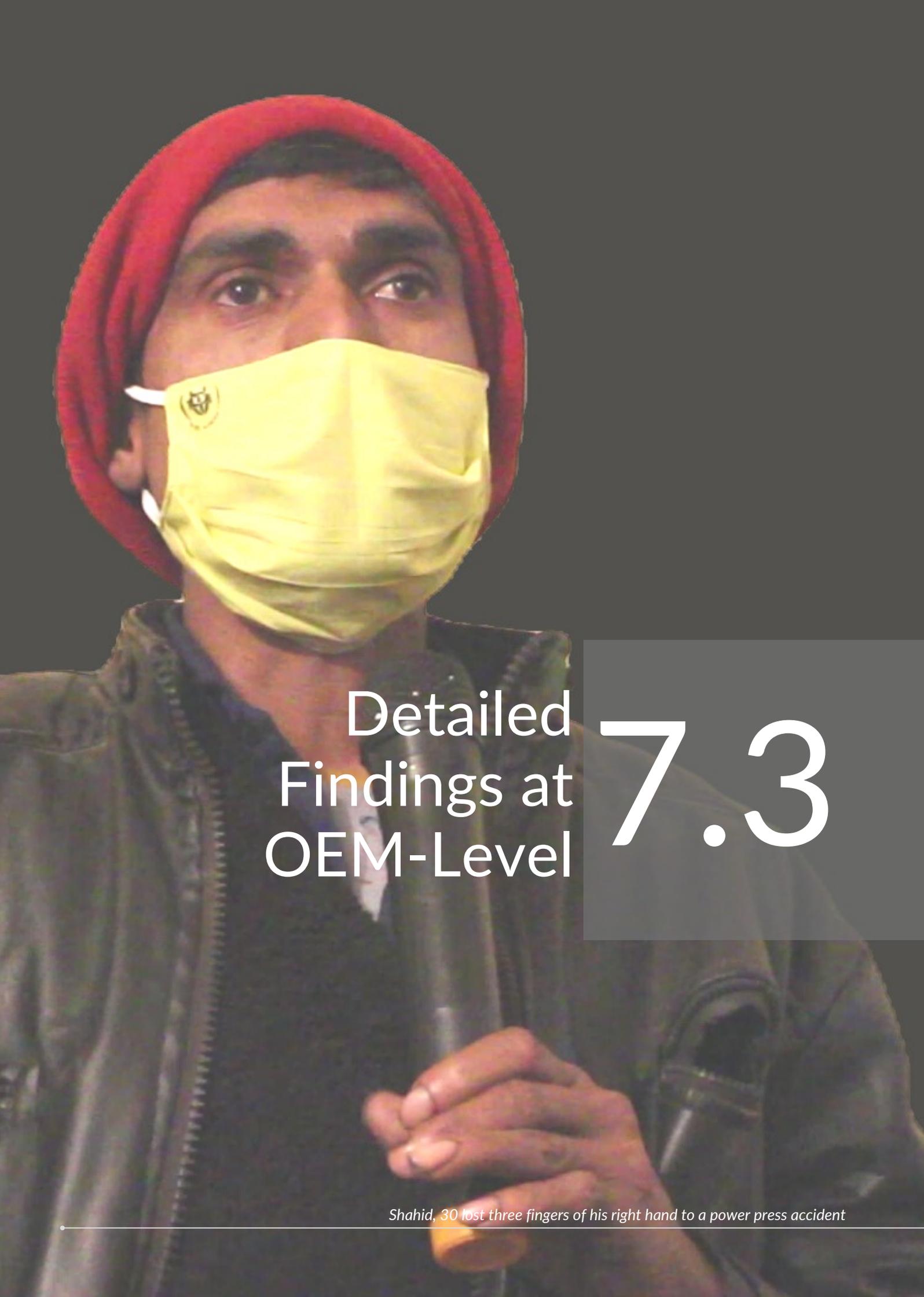
SII has compiled all analyzed OEM documents as at April 2021 in its repository ⁵¹.

Early progress with OEMs during SII's discussions with them

- **Maruti Suzuki** has assured that their “Supplier Code of Conduct is now under preparation and it will include (a) advise to its Tier 1s to educate and handhold their suppliers down the supply chain, and (b) Principles of SDG8 (including Indicator 8.8) and NGRBC.”
- **Maruti Suzuki** has also started its Human Safety Programme, reported in its Annual Report 2018-19, after the draft CRUSHED2019 report was shared with them in December 2018.
- **Tata** has confirmed explicit inclusion of contract workers in their Safety & Health Policy and that the Safety & Health Policy and the Supplier Code of Conduct are applicable to the supply chain as recommended by SII.
- **Honda** confirmed that (a) it will communicate to its Tier 1s to take safety down the supply chain and monitor their Tier 2s and (b) it commits to conducting training and workshops with its suppliers on OSH.

There are other anecdotal improvements that SII has observed but are not included here for want of evidence. SII expects to include them in an upcoming edition of its CRUSHED or SafetyNiti series.

51 <https://bit.ly/3Ax2UJc>



Detailed
Findings at
OEM-Level

7.3

Shahid, 30 lost three fingers of his right hand to a power press accident



ASHOK LEYLAND LIMITED (AL)

FINDINGS

RECOMMENDATIONS

Policies applicable to the OEM's own factories

1. Publicly declared OSH policy for the OEM's employees?

- SR 2018-19 mentions a Safety, Health and Environment (SHE) policy.
- However, SII could not find it in the public domain.

Publish the OSH policy in the public domain.

2. Publicly declared policy for the OEM that includes OSH for contract workers?

- SII was unable to assess this due to non-availability of the OSH policy in the public domain.

Publish the OSH policy in the public domain.

The OSH policy should specifically mention contract/temporary/casual workers in all AL factory premises.

3. OEM has a human rights policy as required by NGRBC Principle 5?

- AL does not have a human rights policy in the public domain.
- However, in SR 2018-19 'Human Rights' is included as a materiality topic in the 'Sustaining Our Supply Chain' chapter.
- SR 2018-19 also states "In the audits conducted at supplier base, the company did not come across any incidences of violation of human rights or legal requirements".

Publish a human rights policy, including its method of implementation in the deeper supply chain.

Policies applicable to the supply chain

4. Publicly declared OSH policy for the OEM's Tier 1 suppliers?

- SR 2018-19 states "... on-boarding process, which helps us assess and rate suppliers...The on-boarding rating considers ... 5 aspects into account...", which includes labour practices, occupational health and safety, and legal compliances.
- It also states "We are also working towards establishment of Sustainable procurement framework, to ensure sustainability practices are well integrated in the supply chain."
- OSH as a material issue is considered an internal occurrence to AL and not with suppliers.
- It is not clear if reporting of accidents or near-misses by suppliers is part of the supplier monitoring or assessment system.
- AL has a 'Supplier Buddy' system for suppliers, but it does not include OSH.

Create an SCoC and publish it in the public domain. It should ensure cascading of OSH and NGRBC Principles to the deeper supply chain and include contract/temporary/casual workers.

In the monitoring system, include asking and reporting of accidents and near-misses by suppliers to take any corrective action, in Tier 1 suppliers to begin with, for example, and later in the deeper supply chain.

In the Supplier Buddy system, include OSH aspects (accident reporting, corrective action, accident prevention etc.) and include the deeper supply chain, even if in phases.



ASHOK LEYLAND LIMITED (AL)

FINDINGS

5. Publicly declared OSH policy for the OEM's deeper supply chain (Tier 2/3/4)?

Same finding as in question 4

- SII was unable to find the definition of 'suppliers' or assess if the deeper supply chain is considered part of it.

6. OSH policies enforced in the supply chain in Indian and International operations?

- SII was unable to assess this due to non-availability of relevant information in the public domain.

7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5?

- P1: BRR 2019-20 does not have specific mention or examples of how the company is encouraging adoption of P1 across value chain.
- P3: BRR 2019-20 has no mention of numbers/percentage of employees trained. It is not clear if contract workers in AL are trained on health and safety.
- P5: BRR 2019-20 states "aspects of Human Rights are covered by various Human Resource policies".

8. Policies to develop supply chain sustainability in OSH (Example: Indicator 8.8 in SDG 8)?

- According to SR 2018-19, supply chain sustainability is a material topic.
- However, specific SDGs are not stated against activities.
- In the stakeholder engagement table in SR 2018-19, OSH is not mentioned as a key engagement subject with suppliers.

RECOMMENDATIONS

Same recommendations as in question 4

State clearly in AR/BRR/SR the consistency of OSH policies in own factories and supply chain in both Indian and international operations.

Include examples in the BRR of initiatives taken to cascade NGRBC across the supply chain.

State in the SCoC that Tier 1 suppliers should have policies in line with the NGRBC Principles, with provision to cascade them down the supply chain.

Include targets to achieve Indicator 8.8 of SDG 8 in the deeper supply chain.

Procedures to ensure safety across the supply chain

9. Is the deeper supply chain mapped to be able to improve safety?

- SII was unable to find mention of mapping of deeper supply chain in any document.
- The Sustainability Policy states: "Engaging with stakeholders to extend our sustainability policy and practices"

Map the deeper supply chain so that sustainability is disseminated and implemented as suggested in the NGRBC for extension of sustainability, even if in phases.



ASHOK LEYLAND LIMITED (AL)

FINDINGS

10. Actions taken by the OEM to prevent accidents in its supply chain?

- SR 2018-19 states "... conduct audits at our supplier base to ensure their compliance ... laws and regulations. Every supplier is assessed and given a score card... performance, overall quality, productivity ... keeping social and environmental aspects ...". It also states "...to monitor our supplier performance, we have developed a digital platform along with our IT team to maintain database of supplier data, analyze it and evaluate their performance ... product, its delivery and our overall business."
- It is not clear if:
 - Evaluation also includes OSH aspects
 - Same process is followed for the deeper supply chain (Tier 2/3/4)

11. Are Tier 1s (direct suppliers) asked to monitor/improve safety in their suppliers?

- SII was unable to assess this due to non-availability of relevant information in the public domain.

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

- SR 2018-19 states "The grievance redressal mechanism... procedures on Dos and Don'ts to resolve a dispute...Our grievance redressal committee consisting of senior members We also record the grievances received and document the status of resolution... "People Red Book" refers to our process of gathering grievances reported by employees (this includes workers, staff, supervisors as well as managers)."
- It is not clear if:
 - Contractual/casual/temporary employees/workers can report OSH violations
 - Grievance redressal is part of the supplier audit process

RECOMMENDATIONS

Include in the AR/BRR/SR evidence/examples of:

- OSH aspects of supplier evaluation
- Safety or audit programmes to improve ESG, including OSH in the deeper supply chain.

Same recommendation as in question 10. Also provide examples of instructions or contractual terms to suppliers to monitor and improve safety in the supply chain.

Include provisions:

- For contract/casual/temporary workers to report OSH violations.
- Where suppliers are encouraged to establish a similar grievance redressal system including OSH for their permanent and contractual employees.



BAJAJ AUTO LIMITED (BAJAJ)

FINDINGS

RECOMMENDATIONS

Policies applicable to the OEM's own factories

1. Publicly declared OSH policy for the OEM's employees?

- Yes. It is called Safety Health and Environment (SHE) policy.

2. Publicly declared policy for the OEM that includes OSH for contract workers?

- The SHE policy states “promote SHE awareness amongst all who work for and on behalf of Bajaj Auto Ltd”.
- Bajaj has a ‘Charter for Fair and Responsible Workplace Guidelines for Contract Workers’ in the public domain, which mentions:
 - “...Not engage contract workers in core manufacturing...”
 - “... given adequate SHE/TPM training...”
 - “...Opportunity for skill development...”
- BRR 2019-20 states numbers (7452 in FY 2019-20) of contractual workmen trained in the 3 Bajaj plants on SHE.

Categorically state contract/casual/temporary/non-regular workers in the OSH policy.

3. OEM has a human rights policy as required by NGRBC Principle 5?

- No specific human rights policy.
- BRR 2019-20 states “As a responsible corporate citizen, BAL ensures compliance with all applicable laws and strives to uphold the human rights of all its internal and external stakeholders.”

Publish a human rights policy, including its method of implementation.

Policies applicable to the supply chain

4. Publicly declared OSH policy for the OEM's Tier 1 suppliers?

- The SHE policy states “promote SHE awareness amongst all who work for and on behalf of Bajaj Auto Ltd”.
- BRR 2019-20 states: “Bajaj Auto Vendor Association (BAVA) Safety Committees have been formed at Chakan, Waluj and Pantnagar* consisting of the safety officers and HR heads of BAVA members in that cluster. These members are provided regular safety trainings. In FY 2019-20, Behaviour Base Safety (BBS) training was provided. A detailed safety audit plan and check sheet is prepared to enable cross-audits within the clusters. These audits, conducted by the committee members, provide them a platform to share best practices with others. In FY 2019-20, a total of 124 such audits were completed.”
- It is not clear, however, whether BAVA members include Tier 2/3/4 suppliers too and whether BAVA members have OSH policies in their own organisations.

Develop an SCoC and publish it in the public domain. It should ensure cascading of OSH and NGRBC Principles in the deep supply chain and should include contract/temporary/casual workers.

Define “suppliers” for clarity of implementation of all OSH-related policies.

Introduce a system to monitor/report accidents and near-misses by suppliers to take corrective action, in Tier 1 suppliers to begin with, for example, and later in the deeper supply chain.

* These are Bajaj’s own factory locations.

Include in the AR/BRR/SR:

- Number of suppliers with their own similar OSH policy
- Number of Tier 2/3/4 suppliers who are members of the BAVA Safety Committee



BAJAJ AUTO LIMITED (BAJAJ)

FINDINGS

5. Publicly declared OSH policy for the OEM's deeper supply chain (Tier 2/3/4)?

- It is not categorically mentioned in the documents reviewed that OSH policies are applicable to deeper supply chain (Tier 2/3/4).
- AR 2019-20 states that “TPM way is now practiced by Tier-2 (295) vendors. TPM activity includes Safety”.

6. OSH policies enforced in the supply chain in Indian and International operations?

- Not categorically mentioned in the documents reviewed

7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5?

- BRR 2019-20 provides no examples or mechanisms adopted by Bajaj to take P1 and P3 of NGRBC across the supply chain.
- P5: Same finding as in question 3

8. Policies to develop supply chain sustainability in OSH (Example: Indicator 8.8 in SDG 8)?

- Partially covered: A portal has been developed for all BAVA members to upload their compliance status with applicable laws.
- BRR 2019-20 states that Bajaj has a ‘Green Purchasing Policy’ which is “applicable to its entire supply chain”. The policy lists the requirements related to water, energy and natural resource conservation”.
- However, it does not mention OSH.

RECOMMENDATIONS

Same recommendation as in question 4

State clearly in the AR the consistency of OSH policies in own factories and supply chain in Indian and international operations.

Include examples in the BRR of initiatives taken for cascading NGRBC across the supply chain.

Include in the SCoC that Tier 1 suppliers should have policies in line with the NGRBC Principles and to ask them to cascade them down their supply chain, even if in phases.

Include OSH parameters in the portal for accident reporting, corrective analysis, and preventing accidents in the deeper supply chain.

Include targets to achieve Indicator 8.8 of SDG 8 in the deeper supply chain to ensure safe and secure working environments for all workers, like the Green Purchasing Policy.

Procedures to ensure safety across the supply chain

9. Is the deeper supply chain mapped to be able to improve safety?

- It is not categorically mentioned in the documents reviewed that the deeper supply chain is mapped.

If not done, map the deeper supply chain as advised in the NGRBC, even if done in phases. Tier 1 and 2s first, for example, for pressing and stampings vendors, and then cascade it to the deeper supply chain.



BAJAJ AUTO LIMITED (BAJAJ)

FINDINGS

10. Actions taken by the OEM to prevent accidents in its supply chain?

- Same finding as in question 4, although not categorically mentioned for deeper supply chain (all Tier 2/3/4)

11. Are Tier 1s (direct suppliers) asked to monitor/improve safety in their suppliers?

- AR 2019-20 states “TPM practicing Tier I (174) vendors have extended TPM practices down the supply chain to their vendors”.
- It is not clear whether all Tier 1/BAVA members have company policies to create awareness/monitor/ improve OSH in the deeper supply chain.

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

- Whistle Blower Policy is only for the directors and employees. OSH is not mentioned categorically as a subject for reporting violations.

RECOMMENDATIONS

Include in AR/BRR/SR, evidence/examples of implementation of safety/audit programmes to prevent accidents in the deeper supply chain (Tier 2/3/4) factories.

Include examples of Tier 1 suppliers following OSH practices in their deeper supplier chain in AR/SR/BRR.

Ensure that through the SCoC, adequate OSH practices are exercised through the deeper supply chain.

Include:

- Reporting on OSH violations in its factories in the Whistle Blower Policy.
- Provisions for contract/casual/temporary workers to report OSH violations.
- Provisions where suppliers are encouraged to establish a similar grievance redressal system including OSH for their permanent and contractual employees.



FINDINGS

RECOMMENDATIONS

Policies applicable to the OEM's own factories

1. Publicly declared OSH policy for the OEM's employees?

- SII was unable to access this in the public domain.

2. Publicly declared policy for the OEM that includes OSH for contract workers?

- It is not clear/conclusive from the documents in the public domain because this is not categorically mentioned.

Publish Eicher’s OSH policy in the public domain.

The OSH policy should categorically mention contract/temporary/casual workers.

3. OEM has a human rights policy as required by NGRBC Principle 5?

- Although the company does not have a specific human rights policy, SR 2019-20 states “Protection and remediation of human rights in our operations & supply chain is core to the way we do business. We ensure that all our vendor contracts have clauses which state the necessity of their compliance with all labour regulations.”
- It goes on to state "We plan to strengthen our assessments of our operations & supplier facilities in order to ensure that no action of EML leads to a human rights violation”

Publish a human rights policy and include its method of implementation in the deeper supply chain.

Policies applicable to the supply chain

4. Publicly declared OSH policy for the OEM's Tier 1 suppliers?

- SR 2019-20 states: "Building on our existing and established mechanisms for assessing suppliers and dealers on compliance, quality, safety, and cost competitiveness, we are also looking to further integrate sustainability performance aspects into supplier onboarding and audit frameworks."
- SR 2019-20 states: "Once a vendor is on-boarded, an audit calendar is prepared and periodic audits are executed..."
- The document also has a table that appears to indicate that “Supplier Audits” have a checkpoint of safety monitoring.

Create an SCoC and publish it in the public domain. It should ensure cascading of OSH and NGRBC Principles to the deeper supply chain and should include their contract/temporary/casual workers.

5. Publicly declared OSH policy for the OEM's deeper supply chain (Tier 2/3/4)?

- SR 2019-20 mentions “304 suppliers (including Tier 2) suppliers were assessed as per audit checklist”.

Same recommendation as in question 4.

FINDINGS

6. OSH policies enforced in the supply chain in Indian and International operations?

- It is not clear/conclusive from the documents in the public domain because this is not categorically mentioned.

RECOMMENDATIONS

State clearly in AR/BRR/SR the consistency of OSH policies in own factories and supply chain in both Indian and international operations.

7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5?

- SII had written to Eicher that their BRR 2017-18 and BRR 2018-19 are not reported in the SEBI format. Eicher's BRR 2019-20 is now reported in the SEBI format.
- However, BRR 2019-20 still needs to report on cascading NGRBC Principles across the supply chain.

Include examples in the BRR of initiatives taken to cascade the NGRBC across the supply chain.

Include policies in line with NGRBC Principles in the SCoC for Tier 1 suppliers, with a provision to cascade them down the supply chain.

8. Policies to develop supply chain sustainability in OSH (Example: Indicator 8.8 in SDG 8)?

- SR 2019-20 contains details of alignment to the SDGs, which includes SDG 8.
- “Responsible supply chain” is placed on high priority in material issues mapping.
- SR 2019-20 states “Building on our existing & established mechanisms for assessing suppliers & dealers on compliance, quality, safety and cost competitiveness, ... integrate sustainability performance aspects into supplier on-boarding and audit frameworks”.

Include targets to achieve Indicator 8.8 of SDG 8 in the deeper supply chain.

Procedures to ensure safety across the supply chain

9. Is the deeper supply chain mapped to be able to improve safety?

- It is not clear/conclusive from the documents in the public domain because the subject is not categorically covered/stated.

Map the deeper supply chain as advised in the NGRBC, even if done in phases. Tier 1 and 2s first, for example, for pressing and stampings vendors.

10. Actions taken by the OEM to prevent accidents in its supply chain?

- SR 2019-20 states “Supplier audits covering quality, safety, ... aspects”
 “Training for suppliers & service providers is one of our core initiatives to build a high performing supply chain. We have rolled out online training modules ... The modules include soft skills, quality tools and electric vehicles.”
- However, industrial safety in their premises is not categorically mentioned as one of the training modules.

Include in AR/BRR/SR evidence or examples of implementation of safety/audit programmes to prevent accidents in the deeper supply chain.



EICHER

FINDINGS

11. Are Tier 1s (direct suppliers) asked to monitor/improve safety in their suppliers?

- It is not clear/conclusive from the documents in the public domain because it is not categorically mentioned that suppliers (Tier 1) are expected to monitor/improve safety in their supply chain.

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

- SR 2019-20 states “Any complaints related to the company’s operations can be raised through a Grievance Redressal mechanism as well as a whistle blower mechanism. We have an internal Ombudsman...”
- “All our directors, employees, suppliers and dealers adhere to the Whistle Blower Policy cum Vigil Mechanism.”
- However, it is not clear if contract/ temporary/casual workers can report OSH violations or if grievance redressal is part of the supplier audit process.

RECOMMENDATIONS

Same recommendation as in question 4

Include provisions:

- For contract/casual/ temporary workers to report OSH violations.
- Where suppliers are encouraged to establish a similar grievance redressal system including OSH for their permanent and contractual employees.



HERO MOTOCORP

FINDINGS

RECOMMENDATIONS

Policies applicable to the OEM's own factories

1. Publicly declared OSH policy for the OEM's employees?

- Yes, Occupational Safety and Health (OSH) policy

2. Publicly declared policy for the OEM that includes OSH for contract workers?

- OSH policy mentions employees, contractors, and visitors.
- It does not categorically mention contract/temporary/casual workers.
- However, BRR 2019-20 states "71% contract employees in Hero and 64.5% contract employees were trained in OSH".
- Also, the CoC states that it is applicable to "associates on third party contract /payroll... encourages compliance with applicable health and safety policies.

OSH policy should specifically mention contract/temporary/casual workers in all Hero factory premises.

3. OEM has a human rights policy as required by NGRBC Principle 5?

- Hero does not have a human rights policy in the public domain.
- SR 2019 states "We respect the rights of our community members, the workers in our supply chain, our employees and other rights holders, who may be affected by our operations."
- In its materiality matrix, Hero places 'Responsible supply chain and Human Rights' under 'High-High Importance' for "stakeholders and Hero".
- CoC states "As a socially responsible organization, the Company is committed to protect and safeguard human rights...The Company has put in place a Code of Conduct and expects its stakeholders to adhere to and uphold the standards contained therein".
- However, any mechanisms adopted by Hero to Identify and correct human rights violations are not stated.

Publish a human rights policy, including its method of implementation.

Policies applicable to the supply chain

4. Publicly declared OSH policy for the OEM's Tier 1 suppliers?

- OSH policy mentions "promoting health and awareness to suppliers and contractors besides employees".
- CoC states "...would continue to encourage suppliers, dealers and customers to acquire awareness, and commit to healthy and safe work environment and practices".
- However, CoC is applicable only to the directors and employees of the company.
- The word 'suppliers' is not defined to include or exclude the deeper supply chain.

Include the supply chain (Tier 1/2/3/4) in the OSH policy, even if in phases.

Develop an SCoC for suppliers and publish it in the public domain. It should mention ensuring cascading of OSH and NGRBC Principles down the supply chain, even if in phases.

Define 'suppliers' to include supply chain (Tier 1/2/3/4) in the OSH policy, even if in phases.



HERO MOTOCORP

FINDINGS

5. Publicly declared OSH policy for the OEM's deeper supply chain (Tier 2/3/4)?

- This is not categorically mentioned in the OSH policy.

6. OSH policies enforced in the supply chain in Indian and International operations?

- This is not categorically mentioned in any document. It is, therefore, not clear if Hero's policies in India operations are followed in their international operations and also whether best practice in Hero's international operations are followed in India.

7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5?

- BRR 2019-20 states "Company plans to extend the applicability of the same Code of Conduct to other entities (including suppliers) going forward..."
- The BRR states "As a socially responsible organization, the Company is committed to protect and safeguard human rights..." and "The Company has put in place a Code of Conduct and expects its stakeholders to adhere to and uphold the standards contained therein."
- However, Hero CoC is applicable only for its directors and employees.

8. Policies to develop supply chain sustainability in OSH (Example: Indicator 8.8 in SDG 8)?

- SR 2019 states:
 - "...business partners/suppliers will not only implement necessary policies and procedures at their own company, but they will also promote and ensure the same responsible behaviour in their own supply chains.
 - "...rolled out the Sustainable procurement guidelines ... communicate our expectations from value chain partners on aspects such as ... human rights and labor practices, compliance, governance practices and information confidentiality."
- SR also includes targets set by the company for itself for SDGs.
- However, SII could not:
 - find the sustainable procurement guidelines in the public domain and whether they include OSH.
 - confirm if OSH is included in ESG parameters and/or if there are mechanisms to assess/ensure that their business partners are monitoring their supply chain for ESQG parameters.

RECOMMENDATIONS

Same recommendations as in question 4

State clearly the consistency of OSH policies in own factories and supply chain in Indian and international operations.

Include examples in the BRR of initiatives taken to cascade NGRBC across the supply chain.

State in the SCoC that Tier 1 suppliers should have policies in line with the NGRBC Principles, with provision to cascade them down the supply chain.

Include targets to achieve Indicator 8.8 of SDG 8 in the deeper supply chain.

Publish the Sustainable Procurement Guidelines in the public domain, including method of its implementation.



HERO MOTOCORP

FINDINGS

RECOMMENDATIONS

Procedures to ensure safety across the supply chain

9. Is the deeper supply chain mapped to be able to improve safety?

- It is not clear from the documents in the public domain if the complete supply chain is or will be mapped.

Map the deeper supply chain as advised in the NGRBC, even if done in phases. Tier 1 and 2s first, for example, for pressing and stampings vendors.

10. Actions taken by the OEM to prevent accidents in its supply chain?

- SR 2019 states:
 - “New initiative added under Green Vendor Development Plan (GVDP) De-Risking of Supply Chain Partners (SCP) from major fire & Safety hazards.”
 - “We envisage that our business partners will not only implement necessary policies and procedures at their own company, but they will also monitor its own supply chain to ensure commitment to ESG&Q parameters.”
- No evidence or examples, for example, of mechanisms to monitor safety in the supply chain, are provided in the BRR 2019-20 on implementation of the above.

Map the supply chain to cover deeper tier suppliers under the stated “de-risking programme”.

Include evidence/examples of implementation of the GVDP SCP in AR/BRR/SR, including any monitoring mechanisms for safety in the supply chain.

11. Are Tier 1s (direct suppliers) asked to monitor/improve safety in their suppliers?

- Same finding as in question 10

Include examples of Tier 1 suppliers cascading OSH practices to the deeper supply chain in at least the AR/BRR/SR.

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

- The Whistleblower policy includes “reporting non-adherence to safety guidelines”, and “there are no exclusions in this policy and it includes suppliers”.
- It is not clear if contract workers can report violations.

Include provisions:

- For contract/casual/temporary workers to report OSH violations.
- Where suppliers are encouraged to establish a similar grievance redressal system including OSH for their permanent and contractual employees.



HONDA

FINDINGS

RECOMMENDATIONS

Policies applicable to the OEM's own factories

1. Publicly declared OSH policy for the OEM's employees?

- OSH policy is not in the public domain.
- Honda advises that “The company has a safety policy but it is not in the public domain. It is, however, displayed at Honda factory locations for General Public”.

Publish the OSH policy in the public domain to serve as best practice from an international group of Honda’s stature.

2. Publicly declared policy for the OEM that includes OSH for contract workers?

- SII was unable to assess without access to Honda’s OSH policy.
- However, Honda advises that “Contract workers in Honda factories are covered by its Safety policy”.

Same recommendation as in question 1

3. OEM has a human rights policy as required by NGRBC Principle 5?

- SII was unable to assess without publicly available information.
- However, in the Honda Group’s SR 2020, “respecting human rights” is identified as a material issue as High (Honda)- Extremely High (Stakeholders)”
- Honda advises that “Honda has Equal Employment Opportunity Policy which includes components of human rights and non-discrimination against HIV aids.”

Publish a human rights policy, including its method of implementation in the deeper supply chain.

Policies applicable to the supply chain

4. Publicly declared OSH policy for the OEM's Tier 1 suppliers?

- Supplier Sustainability Guidelines of Honda’s parent company in the public domain states that “We shall ensure a safe and healthy working environment for all associates. This is a priority and we work to prevent any accident or injury.”
- However, it is not clear whether these are applicable to/signed by Indian suppliers.
- Honda advises that “Honda’s safety requirements are included in supplier contracts.”

Fully implement Honda’s international Supplier Sustainability Guidelines in its deeper supply chain in India.

This could be a global best practice to be adopted in the Indian auto sector.

5. Publicly declared OSH policy for the OEM's deeper supply chain (Tier 2/3/4)?

- Same finding as in question 4
- The Supplier Sustainability Guidelines state “Supplier shall disseminate these guidelines fully to sub-tier suppliers throughout the supply chain”.
- Honda advises that “Honda conducts audits in Tier 1 and will now communicate to its Tier 1s to take safety down their supply chains and monitor their Tier 2 suppliers”.

Same recommendation as in question 4, and include deeper supply chain (Tier 2/3/4 suppliers)



HONDA

FINDINGS

6. OSH policies enforced in the supply chain in Indian and International operations?

- SII was unable to assess without publicly available information.
- However, in the Honda Group’s SR 2020, OSH is identified as a material issue “High-High Honda and Stakeholder matrix”.
- Honda advises that “Occupational Safety and Health management system (OHSMS) is applied in many countries including India.”

RECOMMENDATIONS

Same recommendation as in question 4

7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5?

- Honda BRR/disclosures are not available in the public domain as Honda is not a listed company and is not required to do so in India. However, NGRBC guidelines states that “All businesses investing in India including MNCs will follow these guidelines.” Businesses “also encourage and support their suppliers, vendors....to follow them”.

Implement a mechanism to report on NGRBC Principles, since MNCs are also expected to follow these guidelines.

8. Policies to develop supply chain sustainability in OSH (Example: Indicator 8.8 in SDG 8)?

- Honda Group SR 2020 states that “Honda is striving to strengthen supply chain sustainability mainly in the areas of purchasing and logistics”. The document has mapped company initiatives against SDGs, including SDG 8.

Include targets to achieve Indicator 8.8 of SDG 8 in the deeper supply chain.

Procedures to ensure safety across the supply chain

9. Is the deeper supply chain mapped to be able to improve safety?

- SII was unable to assess without publicly available information.

Map the supply chain so that Supplier Sustainability Guidelines can be cascaded and implemented in the deeper layer suppliers, even if in phases.

10. Actions taken by the OEM to prevent accidents in its supply chain?

- SII was unable to assess without publicly available information.
- Honda confirmed that it conducts audit in Tier-1 suppliers.

Same recommendation as in question 9

11. Are Tier 1s (direct suppliers) asked to monitor/improve safety in their suppliers?

- SII was unable to assess without publicly available information.
- Honda advises that “Honda is in direct contact with Tier-1 suppliers and expects its Tier-1 to further monitor their suppliers (Tier-2s)”

Through a monitoring mechanism, ensure that Tier 1s are implementing this guideline.

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

- Honda’s Supplier Sustainability Guideline states “we shall assure that employees and business associates will not be subject to termination, threats, harassment or other adverse action by reason of making a grievance report.”
- Honda advises they have one and “Grievance Redressal mechanism allows for reporting on OSH issues by all in the Honda factory”.

Same recommendation as in question 4



HYUNDAI MOTOR COMPANY

FINDINGS

RECOMMENDATIONS

Policies applicable to the OEM's own factories

1. Publicly declared OSH policy for the OEM's employees?

- Hyundai shared a copy of their Indian OSH policy for the purpose of this analysis.
- The policy is not in the public domain as they advise that “Hyundai is not a listed company”.
- Hyundai has advised “elaborate safety systems followed by the company and India plant have been awarded safest overseas plant by parent company and 4 times by CII EHS award since 2016.”

Publish the Hyundai OSH policy in the public domain.

2. Publicly declared policy for the OEM that includes OSH for contract workers?

- The OSH policy for Hyundai India does not categorically mention contract workers.
- However, Hyundai advises “OSH policy includes contract workers”.

OSH policy should specifically mention contract/ temporary/casual workers in all Hyundai factory premises.

3. OEM has a human rights policy as required by NGRBC Principle 5?

- Hyundai Motor Company, South Korea has a Human Rights Policy “with scope to all business activities”.
- Hyundai advises that “this policy is applicable to Hyundai India also”.

Same recommendation as in questions 4 and 9

Policies applicable to the supply chain

4. Publicly declared OSH policy for the OEM's Tier 1 suppliers?

- Hyundai Motor Company, South Korea, has a Suppliers Code of Ethical Conduct” (SCoEC).
- However, it does not categorically state/include occupational health and safety.
- In addition, it is not clear if the document is applicable to Hyundai India.
- However, Hyundai advises that “all parent company policies are applicable to Hyundai India operations”.
- Hyundai India also advises that “Safety compliance is an important criterion for vendors to continue to supply. Vendors are trained by ‘vendor collaboration team” on different aspects of Safety. Hyundai has a system of Safety ambassadors on a rotating basis where training is given to them. This system has been extended to Suppliers. Suppliers have 544 safety ambassadors.... Regular Audits are then conducted.”

Include a clear and effective OSH statement in SCoEC.

SCoEC should include asking Tier 1 suppliers to cascade OSH, human rights, and NGRBC Principles (based on UNGPs; as required in India by NGRBC) to the deeper supply chain and should include contract/temporary /casual workers.

Implement in Hyundai India the SCoEC and other OSH-relevant supply chain initiatives mentioned in point 4,6,8,12 in the SR.

Publish, at least in the AR, evidence such as audit numbers in the supply chain and any improvements or actions as a result.



HYUNDAI MOTOR COMPANY

FINDINGS

5. Publicly declared OSH policy for the OEM's deeper supply chain (Tier 2/3/4)?

- The OSH policy for India operations does not categorically mention supply-chain or define 'suppliers/vendors' as including the deeper supply chain.
- Hyundai Motor Company's SR 2020 states "... Help suppliers make improvement ... strengthen win-win growth by improving win-win cooperation between tier 1 and tier 2 suppliers...Health & safety, environmental management...Provide on-site support for suppliers' health & safety management (since 2017),...and share health & safety management guidelines and major cases".
- Hyundai India advises that "OSH Policy covers deeper Supply Chain".

6. OSH policies enforced in the supply chain in Indian and International operations?

- It is not clear/conclusive from the documents in the public domain as the subject is not categorically covered/stated.
- Hyundai advises that "all parent company policies are applicable to Hyundai India operations".

7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5?

- Hyundai BRR/disclosures are not available in the public domain as Hyundai is not a listed company and is not required to do so in India.

However, NGRBC guidelines states that "All businesses investing in India including MNCs will follow these guidelines." Businesses "also encourage and support their suppliers, vendors....to follow them".

8. Policies to develop supply chain sustainability in OSH (Example: Indicator 8.8 in SDG 8)?

- SR 2020 of Hyundai Motor Company states:
 - "...value chain sustainability as a material issue..."
 - "Hyundai will, therefore, focus on pursuing eco-friendly value throughout the entire value chain, creating a sustainable supply chain ..." (through which it addresses SDG8)
 - "The collaborative council by Tier-1 suppliers is a dialogue channel for Hyundai to share its policies and other information with its suppliers, to resolve any difficulties experienced by Tier-2 and Tier-3 suppliers..."
 - "Fostering product quality technologies of tier 2 and 3 suppliers and Providing funds to Tier-2 and 3 suppliers"
- Hyundai advises that "all parent company policies are applicable to Hyundai India operations".

RECOMMENDATIONS

Same recommendation as in question 4

State clearly in AR/SR the consistency of OSH, human rights policies in own factories and supply chain in Indian and international operations.

Same recommendation as in question 4

Report and have systems and processes in place to report on NGRBC and enable value chain partners to adopt NGRBC.

Global policy documents should specifically state that the global policies are applicable in all countries.

Include targets to achieve Indicator 8.8 of SDG 8 in the deeper supply chain.



HYUNDAI MOTOR COMPANY

FINDINGS

RECOMMENDATIONS

Procedures to ensure safety across the supply chain

9. Is the deeper supply chain mapped to be able to improve safety?

- It is not clear/conclusive from documents available in the public domain.
- Hyundai, however, advises that “their complete supply chain is mapped”. This, if inclusive of Tier 1/2/3/4, would be the best practice in India.

Publish evidence/best practice example of mapping of deeper tiers in the public domain, for example in the AR.

10. Actions taken by the OEM to prevent accidents in its supply chain?

- It was not clear/conclusive in the public domain as the subject is not categorically covered/stated.
- SR 2020 states “...on-site support for suppliers health and safety management and monitoring for ESG risk assessment...”.
- However, the number of suppliers in India selected for monitoring for ESG risk assessment is not stated.
- Hyundai advises that besides the points mentioned above:
 - “all direct vendors are encouraged to apply for ISO certification and 65% are OHSAS 18001 certified. Plan to migrate all vendors to ISO 45001 is in process. This will then be progressed to deeper supply chain.”
 - “DGFASLI approved auditor carries out Fire and safety audits. 360+ external audits were conducted at 70+ vendor companies.”
 - “Audit and compliance checks are carried out at Tier 1s and Tier 2 premises”.
 - “Training, communication, best practices are shared for the complete supply chain”.
 - “safety officers have provided 375 onsite support to 80+ suppliers in India.”

Publish these comments in the public domain and include accident reporting mechanisms and prevention practices in the complete supply chain for sustainable safety culture.

Introduce ESG risk assessments of suppliers to the deeper supply chain, including Tier 1/2/3/4 in India also.

11. Are Tier 1s (direct suppliers) asked to monitor/improve safety in their suppliers?

- It is not clear/conclusive from the documents for India operations in the public domain as the subject is not categorically covered/stated.
- However, Hyundai advises that it “does ask its suppliers to monitor and improve safety”.

Same recommendation as in question 9

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

- Hyundai India’s Whistle Blower policy states “Specific danger to Health and Safety is included in unethical practices.” and “Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company are classified as whistle blowers.”
- In addition, Hyundai advises that “Each supplier company in supply chain have their policies and Grievance redressal is part of it...There have been instances when there were complaints from deeper supply chain to Government and these were directed to Hyundai and resolved”.

Same recommendation as in question 9



FINDINGS

RECOMMENDATIONS

Policies applicable to the OEM's own factories

1. Publicly declared OSH policy for the OEM's employees?

- Yes. It is called Safety, Occupational Health and Environment Policy (OSH policy).

2. Publicly declared policy for the OEM that includes OSH for contract workers?

- OSH policy includes "...informing every employee..." and "fix responsibility of contractors and others..."
- CoC states "...Our contractors and other third parties to commit to the same" (as Mahindra's) "levels of health and Safety".
- SR 2019-20 states "...All permanent workers and officers of M&M ... periodic health check-up..."
- AR 2019-20 states "'Wellness App' is available to employees..."
- From these, it appears that although contract workers in own factories may be included in the implementation of the OSH policy, they are not in some areas, such as health-checks.

Categorically mention contract workers in own factories in the OSH policy.

Include and mention contract workers in the "Wellness App" initiative.

3. OEM has a human rights policy as required by NGRBC Principle 5?

- BR policy covers human rights and includes "promoting awareness and realization of Human Rights across value chain".
- SCoC mentions "...Suppliers shall support and respect Internationally proclaimed Human Rights...".
- It is unclear whether Mahindra has a mechanism to ensure that there are no human rights violations in its supply chain.

Include in the BR policy and SCoC mechanisms for monitoring and reporting human rights violations in the deeper supply chain.

Policies applicable to the supply chain

4. Publicly declared OSH policy for the OEM's Tier 1 suppliers?

- Mahindra has an SCoC. It states "suppliers shall strive to provide a safe and healthy working environment and comply with all applicable laws regarding working conditions including worker health and safety....they shall have well established safety procedures, preventive maintenance and protective equipment in compliance with the law".
 - CoC states "...we also expect our suppliers to support our core labour standards and abide by all applicable local and international laws...".
- SII assumes that 'suppliers' above are only the direct Tier 1 suppliers.

Include in SCoC:

- Asking and reporting of accidents and near-misses by suppliers to take any corrective action, in Tier 1 suppliers to begin with, for example, and later in the deeper supply chain.
- The definition for 'suppliers'.



MAHINDRA

FINDINGS

5. Publicly declared OSH policy for the OEM's deeper supply chain (Tier 2/3/4)?

- SCoC does not expect Tier 1 suppliers to take forward OSH in its supply chain.
- OSH policy states: "To proactively share information with business partners towards inculcating world class Green Supply Chain standards across the value chain."
- The document Sustainable Green Supply Chain Management and Procurement policy ("SGSCMPP") states "engaging with deeper supply chain partners" to "Enhance sustainability in their own supply chain".
- However, the BR policy does not ask for OSH dissemination in the supply chain. (This ask would have been expected based on the SGSCMPP.)

6. OSH policies enforced in the supply chain in Indian and International operations?

- SCoC is applicable to all domestic and international suppliers.

7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5?

- P1: BR policy states "promoting principle 1 to value chain".
- However it does not mention how or what is done.
- P3: BR policy does not mention promoting Mahindra practices across Value chain.
- P5: Same finding as in question 3. However, BRR 2019-20 does not state examples of how and what is done to implement.

8. Policies to develop supply chain sustainability in OSH (Example: Indicator 8.8 in SDG 8)?

- Business model around the sustainability document includes:
 - Making supply chain sustainable
 - Upskilling modules under SDG 8
 - Sustainable supply chain management referred under SDG 17
- SGSCMPP states "Encourage suppliers to develop and publish their own sustainability Report"

RECOMMENDATIONS

Include in the SCoC and OSH policy a similar clause as in SGSCMPP to enhance OSH in the deeper supply chain.

Categorically state deeper supply chain (Tier 2/3/4) in the definition of stakeholders and/or suppliers.

Make Indian and international OSH policies, including in the deeper supply chain, consistent.

- Include in the BRR:
- Examples of supplier policies in line with requirements of Mahindra, specifically similar contractual terms of Tier 1 suppliers with Tier 2 suppliers and so on down the supply chain.
 - Mechanisms/processes to cascade P3 down the deeper supply chain.

Make Indicator 8.8 of SDG 8 a priority, specifically in the supply chain to prevent accidents.

This can be also be part of sustainable supply chain management referred as an activity under SDG 17.



FINDINGS

RECOMMENDATIONS

Procedures to ensure safety across the supply chain

9. Is the deeper supply chain mapped to be able to improve safety?

- SGSCMPP states “Develop management systems related to Sustainability, Quality, Environment, Safety and Energy” and expects suppliers “to enhance sustainability in their own supply chain”.
- It falls short of mapping the deeper supply chain and including OSH in supply chain in the SCoC.

Map the deeper supply chain as advised in the NGRBC, even if done in phases. Tier 1 and 2s first, for example, for pressing and stampings vendors, and then cascade it to the deeper supply chain.

10. Actions taken by the OEM to prevent accidents in its supply chain?

- Mahindra has supported ISC (Institute for Sustainable Communities) to start EHS Center (Environment Health and Safety) at Symbiosis for SMEs.
- BRR 2019-20 reports “Supplier Business Capacity building with 93 suppliers... and ...Mahindra Supplier evaluation standard...with 121 suppliers...”.
- It is not clear how many Tier 2/3/4 SME suppliers have undergone training at the EHS center.
- It is not clear whether the capacity building with 93 suppliers and “Mahindra Supplier evaluation standard” with 121 suppliers include Tier 2/3/4 suppliers or if OSH as a subject for workers in the supply chain

Include in reports such as BRR, examples of activities undertaken to improve OSH by training at EHS center and capacity building activities or Mahindra supplier evaluation standard in Tiers 2/3/4 of the supply chain, specifically regarding prevention of accidents.

11. Are Tier 1s (direct suppliers) asked to monitor/improve safety in their suppliers?

- SCoC does not specifically ask the suppliers to monitor/improve safety in their supply chain.

Include in the SCoC a clause expecting suppliers to monitor/improve OSH in their supply chain and to monitor/report it as stated in question 10.

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

- AR 2019-20 states “All Employees, Directors, Vendors, Suppliers or other Stakeholders associated with the Company can make the Protected Disclosure through an e-mail to whistleblower.mahindra@ethicshelpline.in”
- “Significant Safety” is one of the subjects included in the scope of whistle-blower policy.
- BRR 2019-20 states “Besides, in order to address the Human Rights violation in specific for blue collared workmen (Permanent & Flexible workforce), a Grievance Register has been kept at Time Office to raise concerns”. This is only for workers in Mahindra’s own factories.
- It is unclear whether:
 - The stakeholder definition includes all types of contractual/casual/temporary/flexible/etc. employees, who should also be able to report OSH-related concerns and violations at all Mahindra plants.
 - Supply chain is expected to have a grievance redressal policy and ensure workers are included in these policies/processes.

Encourage and enforce implementation of a grievance redressal mechanism for all workers in own factories and for permanent and contractual workers also in their Tier 1/2/3/4 suppliers, even if done in phases.



MARUTI SUZUKI

FINDINGS

RECOMMENDATIONS

Policies applicable to the OEM's own factories

1. Publicly declared OSH policy for the OEM's employees?

- Yes. It is called Occupational Safety and Health Policy.

2. Publicly declared policy for the OEM that includes OSH for contract workers?

- OSH policy mentions contractors and visitors besides employees. (52.1% non-regular employees in Maruti Suzuki as per the company's AR FY 2019 -20)
- The AR states "A set of systematic processes has been developed to ensure that contractual service providers support the Company in meeting its occupational health and safety goals. Performance of contractors is monitored and awards are given for exceptional performance."
- The above statement does not categorically mention coverage of contract/temporary/casual workers in the OSH policy.
- However, Maruti Suzuki confirms "contract/temporary/casual workers are covered by the policy."

Categorically state contract/casual/temporary/non-regular workers in the OSH policy.

Publish in the public domain the OSH practices for contract workers in Maruti Suzuki's own factories.

3. OEM has a human rights policy as required by NGRBC Principle 5?

- The AR FY 2019-20 states:
 - "The Human Rights policy has been formulated". Maruti Suzuki confirms that "it will be rolled out soon".
 - "Respect for human rights is promoted among suppliers through contractual obligations."
- The report places human rights in suppliers of "Extremely High Importance" at Maruti Suzuki in the materiality map.

Publish the human rights policy in the public domain and include its method of implementation in the deeper supply chain.

Policies applicable to the supply chain

4. Publicly declared OSH policy for the OEM's Tier 1 suppliers?

- OSH policy mentions suppliers besides employees and states "Health & Safety Performance is always one of the parameters of evaluation for all, even contractors, transporters, suppliers and vendors at Maruti Suzuki."
- Policy does not mention OSH in supplier premises categorically.
- The AR FY19-20 states "implemented a Comprehensive Excellence (CE) programme, through which it aims to upgrade the performance of Indian Tier-1 suppliers on nine critical sustainability pillars which includes Safety." The report places OSH for suppliers of "Extremely High Importance" to Maruti Suzuki in the materiality map.
- Maruti Suzuki advises that "Since the company does not have any financial control over the supplier companies, it does not directly dictate policy of supplier companies" and confirms that "it is working on the supplier code of conduct (SCoC)."

Publish the SCoC, once developed, in the public domain. This could become industry best practice along with Tata and Mahindra.



MARUTI SUZUKI

FINDINGS

5. Publicly declared OSH policy for the OEM's deeper supply chain (Tier 2/3/4)?

- Not categorically mentioned in the OSH policy
- However, Maruti Suzuki advises that “SCoC under preparation will include its direct suppliers (Tier 1s) to advise to educate and handhold their suppliers down the supply chain.”
- Although Maruti Suzuki’s Sustainability Report section states “Accident investigation and implementation of corrective and preventive actions are closely monitored by the Company”, this is not specified in the OSH policy.

RECOMMENDATIONS

Include specific measures and mechanisms for OSH (e.g. monitoring, audits, accident reporting) in the deeper supply chain (Tier 2/3/4) in the OSH policy and SCoC, even if done in phases.

6. OSH policies enforced in the supply chain in Indian and International operations?

- Not stated categorically in any document
- Maruti Suzuki advises that “95% of its procurement is from domestic suppliers. This point is therefore not applicable to Maruti.”

7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5?

- The AR FY 2019-20 states that Maruti Suzuki itself audits Tier 2 companies.
- The report also states that it encourages Tier 1s to focus on raising the standards of Tier 2 suppliers on sustainability subjects including safety.

Same recommendation as in question 4

8. Policies to develop supply chain sustainability in OSH (Example: Indicator 8.8 in SDG 8)?

- Maruti Suzuki is one of the two among the top 10 auto brands that does an Integrated Annual Report (the other being Mahindra).
- It provides some details of Maruti Suzuki’s initiatives on supply chain sustainability, which include “Monthly safety performance reports are submitted by Tier-1 suppliers as per the specified framework. Accident investigation and implementation of corrective and preventive actions are closely monitored by the Company.” “Around 300 Tier-2 plants were audited” and states “Tier-1 suppliers need to focus on raising the standards of Tier-2 suppliers across sustainability aspects of leadership commitment, safety, HR management, industrial relations, financial health and risk management.”
- Maruti Suzuki advises that “Principles of SDGs including Indicator 8.8 of SDG 8 will be covered in SCoC.”

Same recommendation as in question 5

Procedures to ensure safety across the supply chain

9. Is the deeper supply chain mapped to be able to improve safety?

- Not clear from the documents in the public domain
- However, Maruti Suzuki confirms that Tier 1s have now started mapping their supply chain and that Tier 2 mapping is now complete.

Also develop a phased plan for Tier 3/4 mapping.



MARUTI SUZUKI

FINDINGS

10. Actions taken by the OEM to prevent accidents in its supply chain?

- Maruti Suzuki started a “Human Safety Programme” in 2018-19, which was extended to Tier 2s in 2019-20.

11. Are Tier 1s (direct suppliers) asked to monitor/improve safety in their suppliers?

- Not clear from the documents in the public domain
- BRR states that Maruti Suzuki “encourages Tier-1s to focus on raising the standards of Tier-2 suppliers on sustainability subjects including safety”.
- The AR FY 2019-20 states “Fire safety preparedness of Tier-2 suppliers are being monitored by Tier-1.”

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

- Maruti has a whistle blower policy, which includes reporting “Negligence causing substantial and specific danger to public health and safety”. It is applicable to “Every” Employee. Maruti Suzuki confirms that “contract/ casual/ temporary workers in Maruti can also report OSH issues”.
- The AR FY 2019-20 mentions “the importance of good HR practices in business operations is communicated to suppliers’ top management which includes grievance redressal mechanism.” Maruti Suzuki advises that “these mechanisms are periodically audited at Tier-1 suppliers”.

RECOMMENDATIONS

Same recommendation as in question 5

Same recommendation as in question 5

Encourage and enforce implementation of a grievance redressal mechanism for permanent and contractual workers also in their Tier 2/3/4 suppliers.



TATA MOTORS LIMITED (TATA)

FINDINGS

RECOMMENDATIONS

Policies applicable to the OEM's own factories

1. Publicly declared OSH policy for the OEM's employees?

- Yes. It is called Safety and Health Policy (SHP).

2. Publicly declared policy for the OEM that includes OSH for contract workers?

- SHP mentions contractors and visitors besides employees but does not categorically mention contract workers.
- BRR 2019-20 P3 mentions "Safety Induction is compulsory for employees and contract workforce".
- SR 2017-18 rates OSH "high" in the materiality matrix.
- Tata has however since advised that "SHP policy is applicable to all including contract workers".

Categorically state contract/casual/temporary workers in the SHP.

3. OEM has a human rights policy as required by NGRBC Principle 5?

- CoC states "The company respects Human Rights."
- Tata advises "Guidelines on Human Rights are given in the SCoC."
- However, the SCoC states only the "Human Rights aspects of child labour and forced labour".

Publish a human rights policy and include its method of implementation in the deeper supply chain.

Policies applicable to the supply chain

4. Publicly declared OSH policy for the OEM's Tier 1 suppliers?

- Suppliers (Tier 1) are not categorically mentioned in the SHP.
- However, the SCoC states "strive to provide a safe, healthy and clean working environment for its employees".
- CoC states "We seek to work with suppliers and service providers who can demonstrate that they share similar values. We expect them to adopt ethical standards comparable to our own."
- Tata advises "SHP and SCoC, which includes ethical standards, is applicable to business partners. TML recognizes safety as an integral part of its operations and purchase and supply chain process. It engages with suppliers thru training and audits."
- Tata is the only OEM out of the top 10 that has defined suppliers clearly in its SCoC: "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."

Categorically include suppliers in the SHP.

Establish a system of asking and reporting of accidents and near-misses by suppliers to take any corrective action, in Tier 1 suppliers to begin with, for example, and later in the deeper supply chain.

Include examples of mechanisms or processes to ensure OSH standards in the suppliers in AR/BRR/SR.



TATA MOTORS LIMITED (TATA)

FINDINGS

5. Publicly declared OSH policy for the OEM's deeper supply chain (Tier 2/3/4)?

- Not categorically mentioned in the SHP or SCoC
- The CoC states “Company shall not compromise safety in the pursuit of commercial advantage. Shall strive to provide a safe, healthy and clean working environment for our employees and all those who work with us”.
- SR 2017-18 reports “sustainability assessment in 118 suppliers and sharing of sustainability guidelines with 120 Tier II”.
- Tata has confirmed that our recommendation of including Tier 2/3/4 in definition of suppliers has been implemented as “business partners include supply chain”.

6. OSH policies enforced in the supply chain in Indian and International operations?

- Not explicitly mentioned in any document
- Tata advises “OSH policy & Supplier Code of Conduct is applicable uniformly for all Indian and International operations of the company.”

7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5?

- BRR 2019-20 states: “[TML]...ensures compliance of ethical standards through appropriate clauses in its work contract to which they are obligated. The SCoC guides suppliers which include human rights, health and safety, reporting violations etc”.
- BRR 2019-20 does not state any examples/data of how P3 is ensured across the value chain.

8. Policies to develop supply chain sustainability in OSH (Example: Indicator 8.8 in SDG 8)?

- SR 2017-18 states “We contribute towards Indian economic growth through our operations and engagement with our stakeholders. We are committed to provide decent work environment to all our employees and this commitment is reflected in our Tata Code of Conduct”.

RECOMMENDATIONS

Categorically define suppliers/business partners to include deeper supply chain as suggested in the NGRBC, even if in phases.

Same recommendation as in 3 above for Tier 2/3/4 suppliers.

Categorically define suppliers/partners to include the deeper supply chain, even if in phases, and extend this to Indian and international operations.

Include in the BRR:

- examples of supplier policies in line with Tata’s requirements, specifically similar contractual terms of Tier 1 suppliers with Tier 2 suppliers and so on down the supply chain.
- mechanisms and processes to cascade NGRBC principles, specifically P1 and P3, down the deeper supply chain.

Make Indicator 8.8 of SDG 8 a priority, specifically in the supply chain, to prevent accidents.



TATA MOTORS LIMITED (TATA)

FINDINGS

RECOMMENDATIONS

Procedures to ensure safety across the supply chain

9. Is the deeper supply chain mapped to be able to improve safety?

- It is not clear from documents in the public domain.

Map the supply chain so that SCoC is disseminated and implemented in the deeper supply chain, even if in phases.

10. Actions taken by the OEM to prevent accidents in its supply chain?

- SR 2017-18 states “initiative to track and improve ESG performance across supply chain”.
- Tata advises “TML SHP is applicable to supply chain and encourages culture of prevention. Tata Motors is engaging with suppliers’ through training and audits.”

Include in reports such as BRR, examples of activities undertaken to improve ESG in lower Tiers 2/3/4 of the supply chain, specifically regarding prevention of accidents.

11. Are Tier 1s (direct suppliers) asked to monitor/improve safety in their suppliers?

- Not explicitly mentioned in any document.
- Tata advises “TML SHP is applicable to supply chain and encourages culture of prevention.”

Same recommendation as in question 10

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

- BRR 2019-20 states “whistle blower mechanism”, and “employees to report any concerns or grievances pertaining to any potential or actual violation of TCoC, which covers all aspects of BRR”. It states “The supplier, vendor, dealer and channel partner forums and ongoing communication captures their concerns and grievances.”
- Tata advises “Tata Motors Whistle Blower policy is applicable to contract workers including for grievances on OSH issues.”

Specifically state contract workers in the Whistle Blower policy and encourage Tier 1/2/3/4 suppliers to have similar whistle blower policy for grievance redressal of permanent and contract workers.



TVS MOTOR COMPANY (TVS)

FINDINGS

RECOMMENDATIONS

Policies applicable to the OEM's own factories

1. Publicly declared OSH policy for the OEM's employees?

- OSH policy is available as part of the 'Vision Statement' in the public domain.

2. Publicly declared policy for the OEM that includes OSH for contract workers?

- TVS vision states "...Provide education, training and counselling to employees... Support suppliers, dealers and contractors in adopting sound EHS (Environment, Health and Safety) practices".
- BRR 2019-20 states "100% of contract workforce is also provided health and safety orientation periodically".

Categorically mention contract/temporary/casual workers in the OSH policy.

3. OEM has a human rights policy as required by NGRBC Principle 5?

- BRR 2019-20 states "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."
- However, TVS' Code of Business Conduct and Ethics makes no mention of human rights.

Publish a human rights policy and include its method of implementation in the deeper supply chain, even if in phases.

Policies applicable to the supply chain

4. Publicly declared OSH policy for the OEM's Tier 1 suppliers?

- BRR 2019-20 states "100% of the suppliers and service providers assessed for adherence to health and safety practices".

Create an SCoC and publish it in the public domain. It should ensure cascading of OSH and NGRBC Principles to the deeper supply chain and should include their contract/temporary/casual workers.

5. Publicly declared OSH policy for the OEM's deeper supply chain (Tier 2/3/4)?

- SII found no mention of safety in the supply chain in BRR 2019-20 or an CoC.

Same recommendation as in question 4

6. OSH policies enforced in the supply chain in Indian and International operations?

- It is not clear/conclusive from the documents in the public domain because the subject is not categorically covered/stated.

State clearly in AR/BRR/SR the consistency of OSH policies in own factories and supply chain in Indian and international operations.



TVS MOTOR COMPANY (TVS)

FINDINGS

7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5?

- BRR 2019-20 lists no examples or mechanisms adopted to cascade NGRBC across the value chain.
- However, TVS is the only company which has reported on essential and leadership indicators of NGRBC guidelines for all Principles:
 - “100% employees made aware of NGRBC
 - 100% new recruits and contract workforce trained on health and safety practices.
 - 100% suppliers and service providers assessed for adherence to health and safety practices”

8. Policies to develop supply chain sustainability in OSH (Example: Indicator 8.8 in SDG 8)?

- BRR 2019-20 states “conference was organized with the theme “Sustainability in Manufacturing Supply Chain” during February 2020”.

Procedures to ensure safety across the supply chain

9. Is the deeper supply chain mapped to be able to improve safety?

- It is not clear/conclusive from the documents in the public domain because the subject is not categorically covered/stated.

10. Actions taken by the OEM to prevent accidents in its supply chain?

- It is not clear/conclusive from the documents in the public domain because the subject is not categorically covered/stated.

11. Are Tier 1s (direct suppliers) asked to monitor/improve safety in their suppliers?

- It is not clear/conclusive from the documents in the public domain because the subject is not categorically covered/stated.

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

- TVS’ Whistle Blower policy includes employees/vendors. One of the subjects is “Negligence causing substantial and specific danger to public health and safety”.
- It is not clear if contract workers are included in the Whistle Blower policy and whether the suppliers are expected to have an internal grievance redressal mechanism.

RECOMMENDATIONS

Include examples in the BRR of initiatives taken to cascade NGRBC across the supply chain.

Include policies in line with NGRBC Principles in the SCoC for Tier 1 suppliers, with a provision to cascade them down the supply chain, even if in phases.

Include targets to achieve Indicator 8.8 of SDG 8 in the deeper supply chain.

Map the deeper supply chain as advised in the NGRBC, even if done in phases. Tier 1 and 2s first, for example, for pressing and stampings vendors.

Include in AR/BRR/SR evidence or examples of implementation of safety /audit programmes to prevent accidents in the deeper supply chain.

Same recommendation as in question 4

Include provisions:

- For contract/casual/temporary workers to report OSH violations.
- Where suppliers are encouraged to establish a similar grievance redressal system including OSH for their permanent and contractual employees.

A large, stylized white number '8' is centered on a semi-transparent grey rectangular background. The background of the entire page is a photograph of an industrial setting, possibly a factory or workshop, with various metal parts, machinery, and a large circular component in the foreground. The lighting is somewhat dim, with a warm, yellowish glow from the top right.

8

Findings and Recommendations for the Indian Government and its Agencies, the ILO, Trade Unions, and Customers

The government also has an important role to play in creating and implementing robust regulatory guidelines.



8.1. OSH & WC Code and Rules: An opportunity to improve working conditions in the deeper supply chain

This report does not include commentary on the overall Code. SII’s concerns were, however, highlighted to the Parliamentary Commission and details discussed with the Code drafting team in the Central Labour Ministry in February 2020. Pertinent to this report is the lack of adequate rules and mechanisms in the Code for accurate reporting of accidents, benchmarking for safe workplace, research in occupational hazards, work-related illnesses, lack of specific provisions regarding supply chain to deliver the intent and word of the NGRBC and potential dilution of the inspection machinery to enforce rules and regulations. As reported in CRUSHED2020, the state-reported data on accidents is a fraction of the data from SII’s relatively small worker assistance and outreach team.

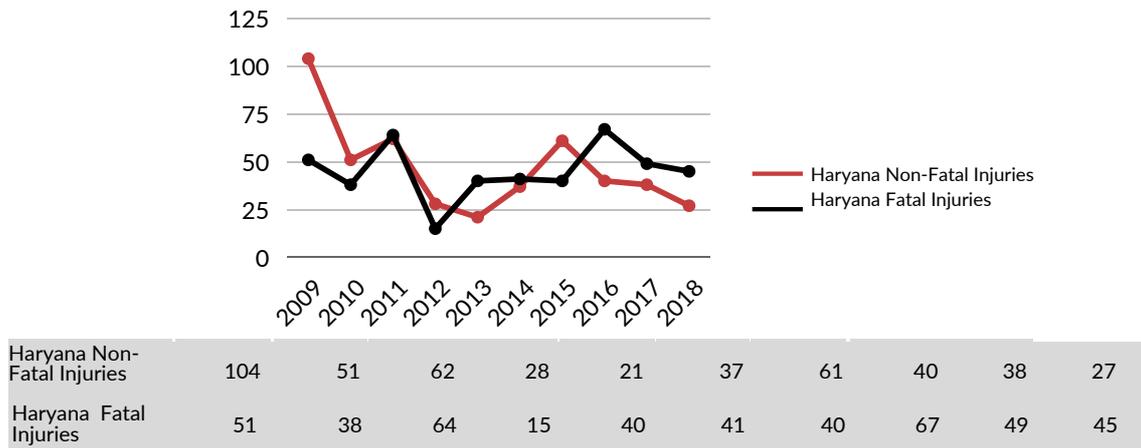


Image 10: Publicly available injury data for Haryana is less than 10% of number of injured workers assisted by SII annually; Factories need to report accidents to the appropriate government agencies. No government data after 2018.

Guiding principles like defining ‘Decent Work’, ‘Reporting and Analysing Near Misses’, ‘Zero Accidents’, ‘Compulsory Safety/Operations Training for Contract and Casual Workforce’, and ‘Supply Chain Safety’ are missing in the Code. This makes the Code easier to be interpreted in multiple ways, creating ambiguity. SII has shared recommendations with the Labour Ministry in December 2020, is in discussions with the Haryana State Labour Ministry, and will re-submit recommendations formally when the Labour Ministry publishes the draft Rules for comments.

Since Labour is a concurrent subject under the Indian Constitution, with implementation being the states’ responsibility, the opportunity now is to establish the forthcoming “state rules” appropriately to ensure appropriate implementation.

RECOMMENDATION

The government should, through central and state Rules, also create appropriate mechanisms for accurate reporting of accidents, inspection/improvement of factories, research and demonstrations relating to OSH and setting of OSH benchmarks transparently.

8.2. India has not set specific targets for Indicator 8.8 of SDG 8 (also highlighted in SII’s report CRUSHED2020).

RECOMMENDATION

SII has recommended the inclusion of the SDG Indicator 8.8 target to Niti Aayog for the country in its report CRUSHED2020.



8.3. India's National Action Plan is in draft status. It's unclear whether it will address supply chain work practices.

The current draft NAP notes that the preparation of the NAP will require dialogue and engagement with all ministries and departments of the Government of India, state governments, and relevant stakeholders. A working group has been constituted, consisting of representatives from relevant ministries/government departments, NHRC, SEBI, etc. that will inter alia assess and monitor the implementation of the UNGP framework based on review of existing laws and policies. The working group will also conduct multi-stakeholder discussions at the national and state level including representatives from business, trade unions and civil society organizations, representatives of marginalized groups, and relevant state governments. There is currently no deadline for completion of the NAP.

RECOMMENDATION

The NAP should include responsibility of especially the consumer brands (OEMs in this case) towards their supply chain in accordance to NGRBC and SDG8.8, including transparent monitoring systems for OSH and labour practices in the supply chain.

8.4. NGRBC has not been communicated and encouraged in the Indian industry, as much as they should be, especially to improve OSH and prevent these accidents.

RECOMMENDATION TO MINISTRY OF CORPORATE AFFAIRS

- Define and clarify the role of various government agencies in implementing NGRBC in word and spirit.
- Put in place an extensive plan to explain NGRBC and specifically human rights to the industry in the context of the production environment.
- Develop a simpler/phased implementation guideline under NGRBC, which MSMEs can implement practically over a period of time.
- Develop a system to review BRRs, report gaps, and push for specific actions.

8.5. SEBI's BRR format needs improvement to help prevent accidents.

As mentioned in section 6.3.5 S SEBI has now⁵⁴asked companies to report on BRSR on a voluntary basis in FY 21-22 and mandatorily from FY 22-23. SII had made a number of recommendations to MCA for improvement of BRSR format with the aim to reduce accidents in supply chains.

Unfortunately, MCA has not accepted SII's recommendations listed below.

KEY RECOMMENDATION TO SEBI ON BRSR FORMAT

- Include questions on all core elements of NGRBC including questions on implementation of Principles (e.g. P1 and P3) down the supply chain of at least the top 1,000 listed companies.
- Define employees and workers.
- Include questions for GRI 403 which includes workers of supply chain.

In addition, SEBI does not analyse or highlight any gaps in BRRs. If done, this will help improve industry reporting and therefore actions to improve the manufacturing sector's work practices.



8.6. Better enforcement of The Factories Act 1948, by state labour departments, specifically to reduce accidents in the metal forming industry that uses power presses

The power press accidents listed in Section 4 point to violations of several provisions of the Act by factories in the supply chain. The Department of Industrial Safety and Health needs to enforce The Factories Act, 1948, and the Labour Codes when the Rules are notified.

8.7. Recommendations to ILO and trade unions

SII has presented to ILO findings from its CRUSHED report series since 2019, because ILO has 'OSH in supply chain' as an area of its work and has publications on the subject of OSH in MSMEs.

SII believes that ILO's tripartite body should note issues raised in SII's CRUSHED and SafetyNiti reports and:

- Address this specific issue in the auto-sector supply chain.
- Include the voices of workers, who are not part of organized unions.
- Reach out to MSME Ministry through the Central Labour Ministry and MSMEs to understand and mitigate their challenges to provide safe working conditions to their workforce.
- Push for the ITUC demand to make OSH a fundamental convention of the ILO. (ITUC is a confederation of unions of 63 countries and is a partner of ILO.)

Trade unions can help the non-unionised workforce by striving for universalisation of OSH and enabling worker participation for OSH in the country.

8.8. Recommendations to customers

SII urges the Indian public to ask a few simple questions of dealers when purchasing vehicles to influence change:

- "Were there any serious injuries to workers when making this vehicle?"
- "What is the brand doing to prevent accidents in their component factories and to save workers from losing their hands and fingers?"

Next Steps for SII

9



Four years gone by! Workers celebrate SII's four-year anniversary at its Manesar centre.



SII will continue on this journey until the auto-sector workers in the deeper supply chain convey that they feel much safer and until it sees the number of worker injuries declining sharply and remaining low.

- Socializing the report among various stakeholder groups to further improvements stated in the report.
- Sharing findings from this report with auto-sector workers, worker organisations, and on social media to seek workers' input.
- Continuing engagements with the top 10 OEMs, SIAM, ACMA and Central and State governments and their appropriate agencies to progress recommendations in this report.
- Monitoring changes in the OEMs' policies and report in the annual sequel of this report in 2022. Also reporting on their potential effects – that is, reduction in accident numbers -- in SII's third annual accident prevention report CRUSHED2021.
- Understanding the NHRC's Core Advisory Group's mandate on business and human rights for implications on OSH in the deeper supply chain.
- Understanding ILO's Vision Zero Fund-Collective Actions for Safe and Healthy Supply Chains and making recommendations based on SII ground evidence.

To further advance the cause of worker safety in the Indian auto sector, SII also invites other stakeholders to collaborate in the above next steps and/or to research in the following or any other areas that can assist this cause:

- What are the good OSH practices that exist in any manufacturing industry supply chains, which can be replicated in the auto-sector?
- What barriers exist in encouraging and implementing effective OSH in supply chains in India and how best to address them?
- How can the auto industry in India collaborate to achieve safety in its supply chain (which is often shared) to take advantage of economies of scale for the change needed and provide a level playing field?



Image 11: SII is committed to leveraging stakeholder partnerships to help improve the working conditions of these workers.

Annexures



An injured worker with an ESIC healthcare form at one of SII's worker outreach interactions.



Annexure 1: SII's analysis of NGRBC compliance as reported in CRUSHED2020 (as at March 2020)

NGRBC	Maruti	Hero	Honda	Mahindra	Bajaj	Eicher
Formal response to SII analysis	No written response yet but verbally advised that they have addressed SII's concerns in the forthcoming 2019-20 Annual	No response	No response	Formal response received	No response	Formal response received
BRR in SEBI format	Yes	Yes	Not found in public domain	Yes	No	No
Principle 3 about "well-being in supply chain". For example, Safety Policy and governance process in supply chain. Many OEMs claim to have addressed this in their Code of Conduct.	Maruti OSH policy includes vendors	Hero safety policy now includes suppliers and contracts in a briefly worded policy note	Safety policy not found in public domain	"Supplier contract can be terminated on safety standard compromise"	"To Promote SHE awareness to those who work for and on behalf of Bajaj"	Safety policy not in public domain
	Not clear if all Tier 2/3/4 included	Not clear if Tier 1/2/3/4 included		Updating safety policies to include lower tiers of	Not clear if Tier 2/3/4 included	
	Code of Conduct referred in BRR only for own senior management personnel	Code of Conduct referred in BRR only for its own employees	Code of Conduct referred in BRR not available in public domain	Code of Conduct mentions "For every single person working for and with the company"	Code of Conduct referred in BRR for own Directors and members of senior management	Only for own directors and senior management
		Has MD, CEO's message		A separate Code of Conduct for Suppliers. Also, has Chairman's	Signed by Executive Director	
	Grievance redressal mechanism not mentioned for contractual/temporary workers	Grievance redressal mechanism not mentioned for contractual/temporary workers	Grievance redressal mechanism not available in public domain	Grievance redressal mechanism available for both regular and contractual workers	Grievance redressal mechanism not mentioned for contractual workers	No mention of grievance redressal policy



NGRBC	Maruti	Hero	Honda	Mahindra	Bajaj	Eicher
Principle 5 about having in place a standalone human rights policy	"Started working on standalone Human Rights Policy" mentioned in BRR	"Committed to protect and safeguard HR" mentioned in BRR	Not available in public domain	BRR policy has included human rights for the company and part of supplier selection process	"Strives to uphold HR" mentioned in BRR Legal compliance report to the Board mentioned in BRR	"Human Resource principles are as per HR law of the land." Mentioned in BRR
Good practice	Tier 2 also part of safety assessment system	None that SII was able to identify	Not found in public domain	BRR Policy signed by Executive Director and President - Grp HR	Cluster Kaizen competitions on SH. Awaiting confirmation on whether the clusters include Tier 2/3/4. Charter of Fair & Responsible Workplace Guidelines for Contract Labour	"Eicher does not deal with parties with known poor record of Industrial safety" OSH is a material topic but does not mention suppliers

Table 5: NGRBC compliance analysis based on information declared by OEMs in their BRRs of 2017-18 and 2018-19. Reproduced from CRUSHED2020.



Annexure 2: Extant policies and guidelines

Universal Declaration of Human Rights: Preamble and Relevant Articles for Right of Workers to Safety at Workplace

Preamble

Whereas recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world, Whereas disregard and contempt for human rights have resulted in barbarous acts which have outraged the conscience of mankind, and the advent of a world in which human beings shall enjoy freedom of speech and belief and freedom from fear and want has been proclaimed as the highest aspiration of the common people, Whereas it is essential, if man is not to be compelled to have recourse, as a last resort, to rebellion against tyranny and oppression, that human rights should be protected by the rule of law, Whereas it is essential to promote the development of friendly relations between nations, Whereas the peoples of the United Nations have in the Charter reaffirmed their faith in fundamental human rights, in the dignity and worth of the human person and in the equal rights of men and women and have determined to promote social progress and better standards of life in larger freedom, Whereas Member States have pledged themselves to achieve, in cooperation with the United Nations, the promotion of universal respect for and observance of human rights and fundamental freedoms, Whereas a common understanding of these rights and freedoms is of the greatest importance for the full realization of this pledge, Now, therefore, The General Assembly, Proclaims this Universal Declaration of Human Rights as a common standard of achievement for all peoples and all nations, to the end that every individual and every organ of society, keeping this Declaration constantly in mind, shall strive by teaching and education to promote respect for these rights and freedoms and by progressive measures, national and international, to secure their universal and effective recognition and observance, both among the peoples of Member States themselves and among the peoples of territories under their jurisdiction.

There are 30 Articles in the declaration. Every human born on this earth is entitled to all the provisions in the Human Rights Convention. We have reproduced here to emphasize the basic right to dignity, safety and security at workplace.

Article 1

All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.

Article 3

Everyone has the right to life, liberty and security of person.

Article 5

No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.

Article 19

Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.



Article 23

1. Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.
2. Everyone, without any discrimination, has the right to equal pay for equal work.
3. Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.
4. Everyone has the right to form and to join trade unions for the protection of his interests.

Article 24

Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.

Article 25

Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

When workers meet with disabling accidents in such large numbers that SII has reported, workers' rights under UNHR are being compromised, specifically:

- Article 3, which specifies “**Everyone has the right to life, liberty and security of person**”.
- Potential **inhuman** or **degrading** treatment (Article 5) when workers are forced to work with malfunctioning machines.
- **Unfavourable conditions at work** in the factories where these accidents take place (Article 23).
- Potential breach of right to rest and leisure, including **reasonable limitation of working hours** (Article 24) leading to fatigue and consequent accidents”.

UN Guiding Principles on Business and Human Rights

“The UNGPs are grounded in recognition of,

- a) the State's existing obligations to respect, protect and fulfil human rights and fundamental freedoms;
- b) **the requirement of business enterprises to respect human rights**, and
- c) **the need for access to effective remedy for those who are affected by adverse business related human rights impacts or abuse**”.

Since their release, the UNGPs have become the authoritative global standard for Business and Human Rights. In further support of the UNGPs, the UN Human Rights Council established the UN Working Group (UNWG) and tasked it with facilitating the global dissemination and implementation of the UNGPs. The UNWG has strongly encouraged all States to develop a National Action Plan (NAP) as part of the States' responsibility to disseminate and implement the UNGPs.



Sustainable Development Goals

Sustainability in a general sense can be seen as meeting the needs of the present without compromising the ability of future generations to meet their own needs. In 2015, United Nations came up with 17 Sustainable Development Goals (SDGs) forming an agenda “to end poverty, protect the planet and ensure prosperity for all”, by 2030. There are 169 targets linked to the goals, and 230 individual indicators to monitor implementation. India is signatory to the Declaration on the 2030 Agenda for Sustainable Development.



Image 12: Sustainable Development Goals

Out of all SDGs, the Goal 8 and Indicator 8.8 are pertinent:

- **Goal 8:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and **decent work for all**.
- **Indicator 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.

GRI Standard 403 Occupational Health and Safety 2018

This Standard includes disclosures on the management approach and topic-specific disclosures. These are set out in the standards as follows:

Management Approach Disclosures

- Disclosure 403- 1 Occupational Health and Safety Management System
- Disclosure 403- 2 Hazard Identification, risk assessment and incident investigation
- Disclosure 403- 3 Occupational Health Services
- Disclosure 403- 4 Worker participation, consultation and communication on occupational health and safety
- Disclosure 403- 5 Worker Training on occupational Health and Safety
- Disclosure 403- 6 Promotion of worker health
- Disclosure 403- 7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.

Topic-specific Disclosure

- Disclosure 403- 8 Workers covered by health and safety management systems
- Disclosure 403- 9 Work related injuries
- Disclosure 403- 10 Work related ill health

In the context of GRI standards, the term 'worker' is defined as a person that performs work. Some GRI Standards specify the use of a particular subset of workers.

The standard covers the following subset of workers, for whose occupational health and safety an organisation is expected to be responsible. See Table 1 for Examples.

- All workers who are employees (i.e. those workers who are in an employment relationship with the organisation according to national law or its application);
- All workers who are not employees but whose work and/or workplace is controlled by the organisation;
- All workers who are not employees and whose work and 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.

Table 1 Examples of employees and workers who are not employees according to the criteria of 'control of work' and 'control of workplace'		
	Control of work <i>The organization has sole control of the work, or shares control with one or more organizations</i>	No control of work <i>The organization has no control of the work</i>
Control of workplace <i>The organization has sole control of the workplace, or shares control with one or more organizations</i>	Examples: Employees of the reporting organization working at a workplace controlled by the organization. Contractor hired by the reporting organization to perform work that would otherwise be carried out by an employee, at a workplace controlled by the organization. Volunteers performing work for the reporting organization, at a workplace controlled by the organization.	Example: Workers of an equipment supplier to the reporting organization who, at a workplace controlled by the organization, perform regular maintenance on the supplier's equipment (e.g., photocopier) as stipulated in the contract between the equipment supplier and the organization. In this case, the organization has control over the workplace but not over the work done by the equipment supplier's workers in its workplace.
No control of workplace <i>The organization has no control of the workplace</i>	Examples: Employees of the reporting organization working at sites other than those controlled by the organization (e.g., at home or in a public area, on domestic or international temporary work assignments, or on business travels organized by the organization). Contractors hired by the reporting organization to perform work in a public area (e.g., on a road, on the street). Contractors hired by the reporting organization to deliver the work/service directly at the workplace of a client of the organization. Workers of a supplier to the reporting organization who work on the supplier's premises, and where the organization instructs the supplier to use particular materials or work methods in manufacturing/delivering the required goods or services.	Example: Workers of a supplier contracted by the reporting organization who work on the supplier's premises using the supplier's work methods. For instance, the reporting organization sources buttons and thread from a supplier, which are standard products of the supplier. The supplier's workers make the buttons and thread at the supplier's workplace. The organization, however, learns that the buttons are coated with a sealant that releases toxic gases when being applied by workers, thereby affecting their health. In this case, the organization has no control over both the work and workplace of the supplier's workers, but its products are directly linked to significant occupational health and safety impacts on those workers by its business relationship with the supplier

Image 13: GRI Standard 403



Guidance Document for EU's Non-Financial Directive (on supply chain)

“Companies, where relevant and proportionate, are expected to **disclose material information on supply chain matters** that have significant implications for their development, performance, position or impact. This would include information needed for a general understanding of a company's supply chain and of how **relevant non-financial matters are considered in managing the supply chain**”.

“Material disclosures may reflect how a company approaches, among others, **the OECD Guidelines for Multinational Companies**, the UN Guiding Principles on Business and Human Rights, and relevant industry-specific frameworks such as the FAO-OECD Guidance for Responsible Agricultural Supply Chains”.

Example and KPIs

“A company may consider disclosing material information and KPIs relating to aspects such as monitoring suppliers on:

- **labour practices**, including child labour and forced labour, precarious work, wages, unsafe working conditions (including building safety, protective equipment, workers' health) (27);
- trafficking in human beings and other human rights matters;
- greenhouse gas emissions and other types of water and environmental pollution;
- deforestation and other biodiversity-related risks;
- and monitoring the company's impact on suppliers, for instance, its payment terms and average payment periods”.

Constitution of India

Article **21** for the Right to Life and Personal Liberty states that “No person shall be deprived of his life or personal liberty except according to procedure established by law.”

The ‘Right to Life’ has been interpreted by the Apex Court in the case of **Consumer Education and Research Centre and Others vs. Union of India**, that the same was inclusive of Right to Health, Medical Aid to protect the health and vigour of the ‘workers’. Right to life means the right to lead a meaningful, complete, and dignified life. It does not have restricted meaning. It is something more than surviving or animal existence. The meaning of the word ‘life’ cannot be narrowed down, and it will be available to every citizen of the country.

Article **36 to 51** outline the Directive Principles of State Policy. Out of these, Article 42 provides for just and humane conditions of work and maternity relief, while Article 43 concerns living wages etc. for workers.

Article **42** states that “The state shall make provisions for securing just and humane conditions at work and for maternity relief.

Article **43** states that “The State shall endeavour to secure by suitable legislation or economic organisation or in any other way, to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities and in particular the State shall endeavour to promote cottage industries on an individual or co-operative basis in rural areas.”

Annexure 3: SII's review of BRR/BRSR format and recommendations for MCA/SEBI

NGRBC Principle Relevant Core Element	SII's Observation on BRR Questions	SII's Observation on BRSR Questions	SII's Recommendations
<i>Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable</i>			
<p>Core Element 3: The Governance structure should also promote adoption of this principle across the value chain of their business.</p>	<ul style="list-style-type: none"> ● BRR does not have any question on P1 core Element 3. 	<ul style="list-style-type: none"> ● BRSR has a question "Percentage coverage by awareness programmes on any or all the Principles in the financial year". ● BRSR does not have any question on P1 core Element 3. 	<p>To add a question in BRR/BRSR "What has the company done to promote P1 across value chain in the current financial year"</p> <p>Point 3,4,5 related to fines/penalties/ court cases needs reconsideration for inclusion in the BRSR and MCA could include these disclosures in corporate reporting.</p>

Principle 3: Businesses should respect and promote the wellbeing of all employees including those in their Value Chain.

<p>Core Element 1: The Governance Structure should ensure that the business complies with all regulatory requirements pertaining to its employees, and that there are systems and processes in place to enable this to be done by its value chain partners.</p> <p>Core Element 3: : Businesses should promote and respect the right to freedom of association, participation of workers, and collective bargaining of all employees including contract and casual labour and provide access to appropriate grievance redressal mechanisms.</p> <p>Core Element 8: Businesses should provide a workplace "environment that is safe, hygienic, accessible" which upholds the dignity of the employees.</p>	<ul style="list-style-type: none"> ● BRR has no question to know if there are systems and processes in place to help value chain partners to have structures for regulatory compliance. BRR has a question on <ul style="list-style-type: none"> ● a) Management Recognised employee association b) percentage of permanent employee members of this association. ● However, BRR does not seek same details for contract and casual workers. ● BRR asks for complaints on child labour, forced/ involuntary labour, sexual harassment. 	<ul style="list-style-type: none"> ● BRSR has multiple tables to seek company data for each category of employees on wellbeing (Health, Accident Insurance, Maternity/Paternity/ daycare benefits), statutory dues deducted and deposited, Grievance redressal (which includes health and Safety), Membership of associations (other than permanent employees and workmen also included), Assessments of plants and offices (includes health and safety practices), minimum wages, safety related incidents, trainings (including health and safety measures). 	<p>Define Employees and Workmen</p> <p>Point 7: data of employees and workmen in terms of minimum wage paid and more than minimum wage paid. For top 1000 listed companies, this information could be taken as part of returns filed under labour laws.</p> <p>Point 7 could ask for mechanisms to ensure work appropriate wage and minimum wage for those eligible in the value chain.</p>
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Continued - Principle 3: Businesses should respect and promote the wellbeing of all employees including those in their Value Chain.

	<ul style="list-style-type: none"> ● However, there is no question on complaints/ grievance redressal for OSH issues. ● BRR asks for safety and skill development training for all categories of employees 	<ul style="list-style-type: none"> ● Leadership Indicators also include corrective actions taken on outcomes of health and safety audits including value chain partners and assessment of value chain partners (includes health and safety). 	
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Principle 5 states Businesses should respect and promote Human Rights.

<p>Core Element 1: Governance structure to ensure making its employees aware of human rights content of the Constitution of India, Declaration of Human Rights and its application to Businesses in the UNGP.</p> <p>Core Element 2: Governance structure to ensure such policies, structures and procedures that demonstrate respect for the human rights of all stakeholders impacted by its business, and it includes carrying out human rights due diligence.</p> <p>Core Element 3: Governance structure to ensure corrective action if their business, where it is causing, contributing or otherwise linked to adverse human rights impacts.</p> <p>Core Element 4: Promote the awareness and realization of human rights across its value chain.</p> <p>Core Element 5: To ensure that all individuals and groups whose human rights are impacted by them have access to effective grievance redressal system.</p>	<ul style="list-style-type: none"> ● BRR asks if company's human Rights policy extends to others including suppliers and how many stakeholder complaints have been received. ● BRR questions does not address all core elements of the Principle. 	<ul style="list-style-type: none"> ● BRSR asks for all category of employees and workmen given training on Human Rights issues and policy, remuneration of all category of employees, committee for addressing, grievance redressal mechanism, details of grievances, human rights requirements of business agreements and contracts, due diligence conducted including the value chain. 	<p>MCA/SEBI should have a guiding document which explains how does respect for Human Rights manifest itself in company and value chain.</p> <p>Examples of violations should be put together against each Human Rights convention articles.</p> <p>Articles 1,3,5,19,23,24 and 25 are the guiding articles for ensuring Occupational safety and health. (See Annexure 2.)</p>
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Table 6: SII's review of the BRR/BRSR format and recommendations for MCA/SEBI



Safety and health standard at work is as important as any business parameter...

- Rajesh Menon, Director General, SIAM, at the launch of CRUSHED2020



The Safe in India Foundation's SafetyNiti 2021 report on the Occupational Health and Safety (OSH) practices of India's 10 top auto-sector brands holds a mirror to India's industry leaders. It reveals their values and their business practices.

- Arun Maira, Former Member, Planning Commission of India



जब ऑडिट होता है...सिस्टम से सब रखा जाता है....उसके बाद सारा जुगाड़ दिखाया जाता है ...[मेरी] बड़ी चोट है तो आज बाहर कर दिया छुट्टी है |
Things are systematic when there is an audit. After that, the quick fixes are back. And since mine is a major injury, I have been "given leave" during audit.

- Indresh Kumar, 42, a worker who was injured in a factory accident



I am convinced that a large number of these accidents can be stopped with little additional cost and a more than commensurate improvement in productivity and financial gain.

- Prof. Errol D'Souza, Director, IIM Ahmedabad, on CRUSHED2020



It is imperative for all OEMs [to ask about the state of safety in their supply chain] ...because they know it is imperative for quality and productivity.

- Anil Sachdev, Founder, School of Inspired Leadership, at the launch of CRUSHED2020



www.safeinindia.org

This report is based exclusively on information disclosed in the public-domain by the companies mentioned here, and any information provided by the six 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 four companies that did not respond to our numerous requests. All documents used for this analysis are listed in section 5.2. 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.