

SafetyNiti

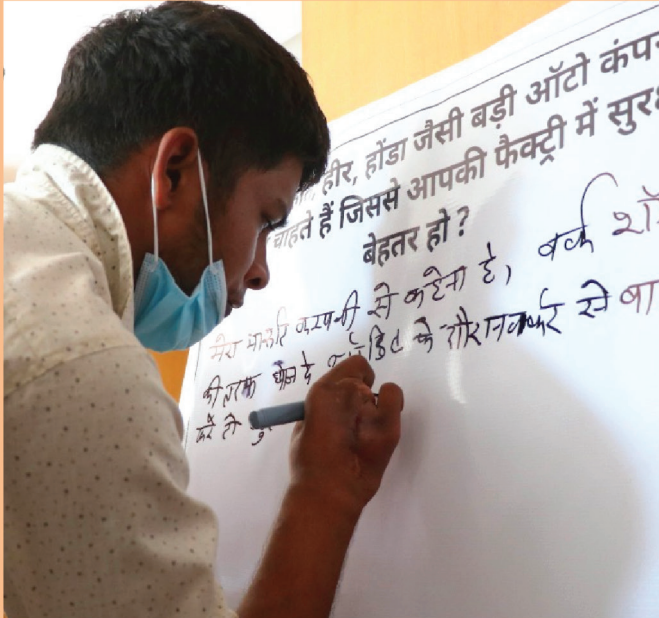
2022

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



A Safe in India Foundation report

FOREWORD

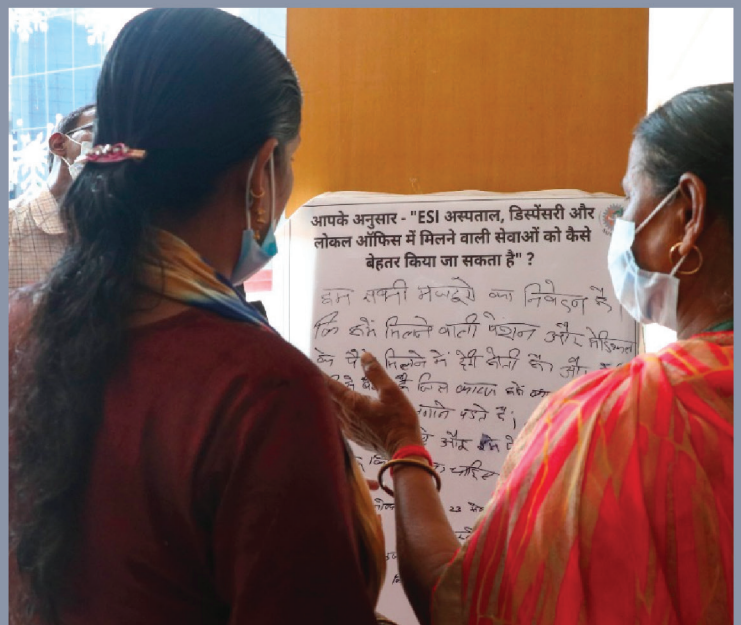


आप मारुती, हीरो, होंडा जैसी बड़ी ऑटो कंपनी से क्या चाहते हैं जिससे आपकी फैक्ट्री में सुरक्षा बेहतर हो?

- जिस कंपनी में वर्कर को चोट लगने पर निकाल दिया जाता है मारुती से कहना है की परमानेंट होनी चाहिये
- मेरा मारुती कंपनी से यह कहना है की - वर्करशॉप की तरफ ध्यान दे, ऑडिट के दौरान वर्कर से बात करे, तभी एक्सीडेंट कम होंगे
- जिस कंपनी में १० से अधिक वर्कर्स हो वह ESIC कार्ड पर ध्यान दे

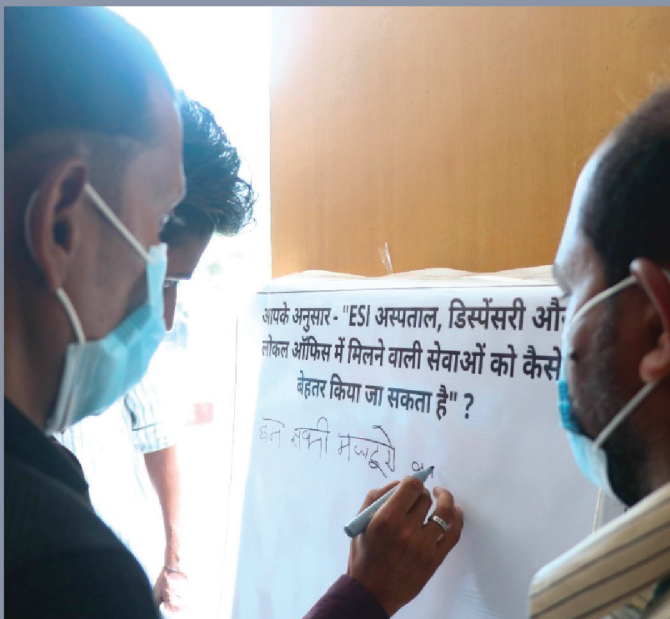
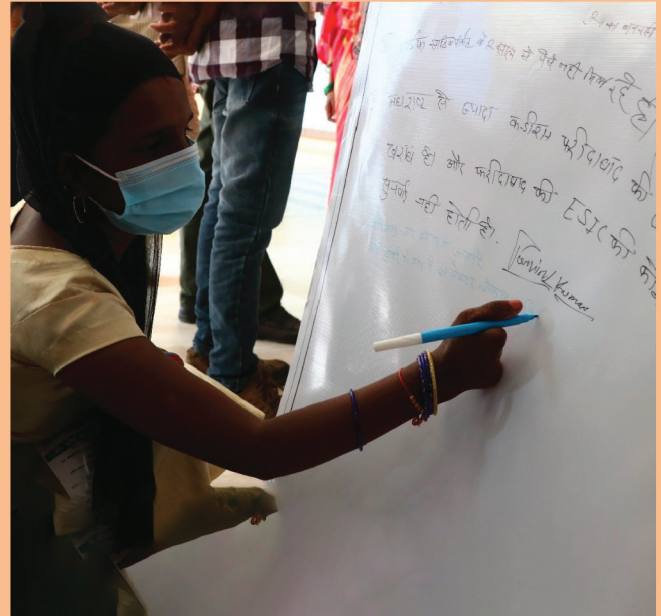
आपकी फैक्ट्री में सेफ्टी बढ़ाने के लिये क्या करना चाहिये तकि एक्सीडेंट रोके जा सके?

- हम अपनी कंपनी से चाहते हैं की सेंसर लगाए
- पैर की चोट से बचने के लिये सेफ्टी जूता मिलना चाहिये
- मशीन चलाने से पहले उसे चेक किया जाये ताकि किसीको चोट न लगे
- सेफ्टी गर्ड, अच्छे ग्लव्स और इयरप्लग देना चाहिये



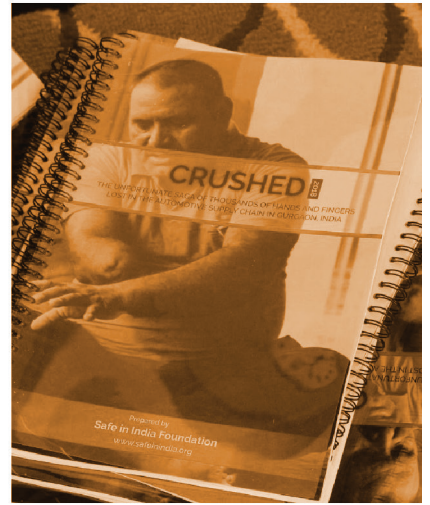
What do you want from big auto companies such as Maruti, Hero, Honda in order to improve safety in your factory?

- When workers get injured they are thrown out of jobs. I want to tell Maruti that workers should have permanent employment and they should get compensation.
- I have to say this to the Maruti company - pay attention to the workshop and talk to the worker during the audit, only then the accidents will reduce.
- Any company which has more than 10 workers should give ESIC card.



What should be done in your factory to increase safety and reduce accidents?

- We want our company to ensure safety sensors are put on our machines.
- To avoid foot injuries, we should be given safety shoes.
- Machines should be checked before being used so that no one gets injured.
- Safety guards, good gloves and earplugs should be provided.



SAFE IN INDIA REPORT ON INJURIES IN AUTO FACTORIES

'Epidemic' of injuries: Report exposes lack of safety measures in auto component makers

ET Auto.com

Indian auto industry's dirty little secret : It doesn't care for its supply chain workers

THE WIRE

In NCR Industrial Heartland, Workers Continue To Lose Limbs, Livelihood In Auto Sector Mishaps

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LOGIN

LABOUR

In NCR Industrial Heartland, Workers Continue to Lose Limbs, Livelihood in Auto Sector Mishaps

A report points to poor adherence to training and safety norms, prosecution and punishment as factory accidents continue to hit the poorest of the workers the hardest.

THE TIMES OF INDIA

Factory accidents under-reported: Survey

THE TRIBUNE ONLINE

20 auto sector workers lose hands/fingers every day: Report

THE WIRE

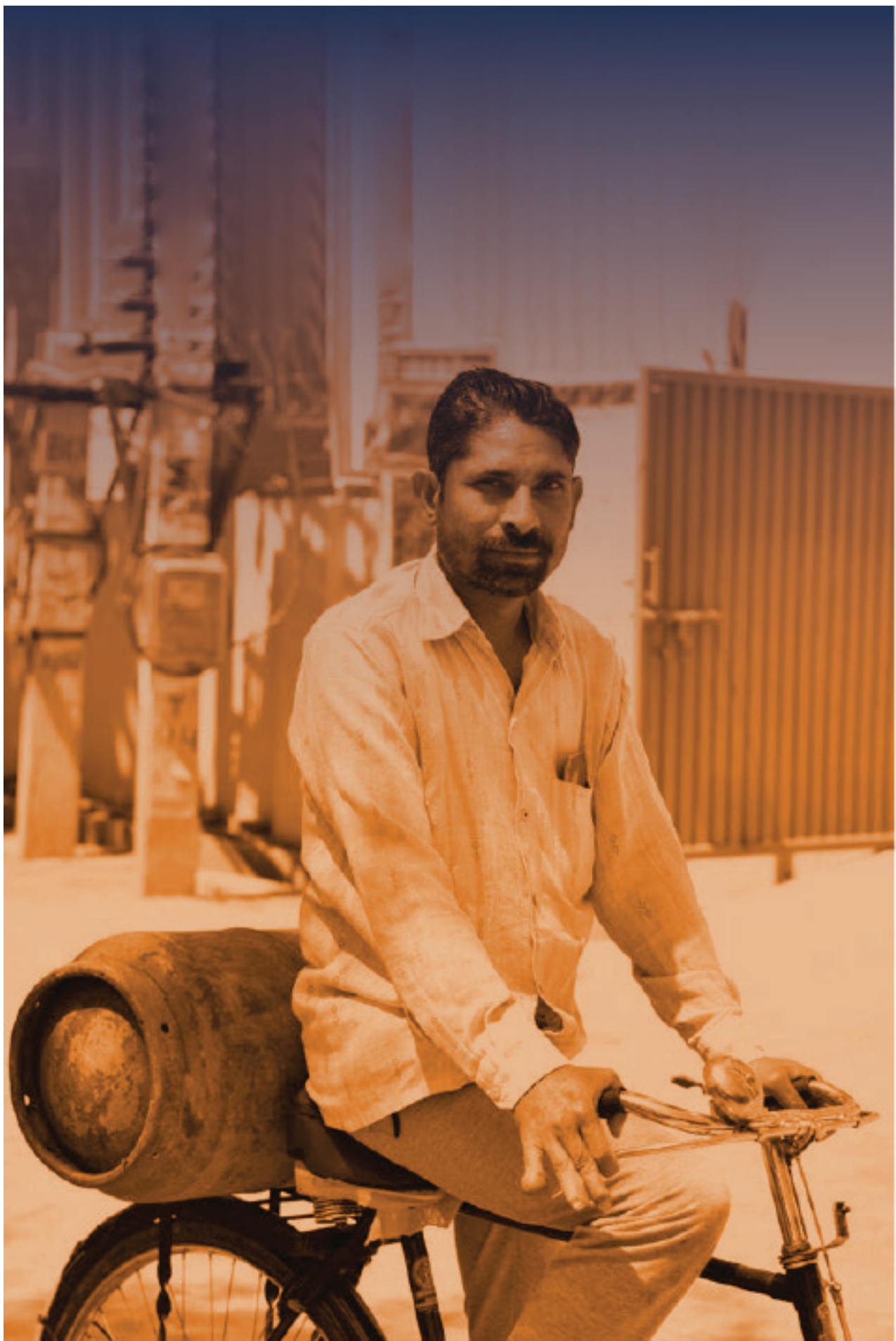
Despite Injuries To Thousands of Workers, the Auto Sector's Safety Standards Remain Poor

A report finds rising incidence of accidents in Gurugram and Faridabad, but the contractual workers do not have access to benefits available under India's labour laws.

THE HINDU

Three-fourth injured auto workers lost two fingers on an average: SII report

Letter from the CEO



Safe in India Foundation



Will these ripples of action turn into waves of transformation?

When Safe in India began operations in 2016, we knew little about the extent of the worker injuries in the Indian auto sector and even less of the possible solutions to address this problem, not just for these vulnerable workers, but also for the industry's growth potential and indeed for the country.

Over five years, we captured experiences of more than 3,000 workers severely injured in the auto component manufacturing factories and analysed and reported on them in our ground-up evidence of factory accidents in the CRUSHED series of reports.

As our understanding of the problem improved, so did our ability to assess and report on top-down evidence of the auto-sector brands' lack of adequate OSH policies for their deeper supply chain partners. SafetyNiti 2022, the second annual edition of this series, presents to you, dear reader, this very assessment. In this report, you will find our analysis of the OSH policies of top 10 auto-sector brands in the country for their own ever-increasing contract workers and for their supply chain workers.

Why focus on these policies? Our engagements across the stakeholder spectrum continue to prove that action from the industry – in the form of policies and their implementation – is the single most influential solution to making factories safer for workers. And it has been encouraging to see some progress with the auto-sector brands. Seven of the top ten brands now regularly discuss the subject with us. Several other brands joined us at a discussion forum organised with SIAM in early August 2022. The executive summary here reports progress made by many of these OEMs in their policies, specifically with the Supplier Code of Conduct, publishing OSH policies in the public domain, conducting safety audits and working with suppliers to cascade similar policies and practices down the supply chain, etc.

This is a positive movement, and we hope the whole auto industry joins hands to create a joint set of actions, similar to the Rana Plaza disaster-driven "Accord on Fire and Building Safety in Bangladesh" (Accord) by global garment brands in Bangladesh. This is not only possible but critical for the industry to deliver on its SDG and ESG goals and for India to improve its labour productivity, currently 128th in the world.

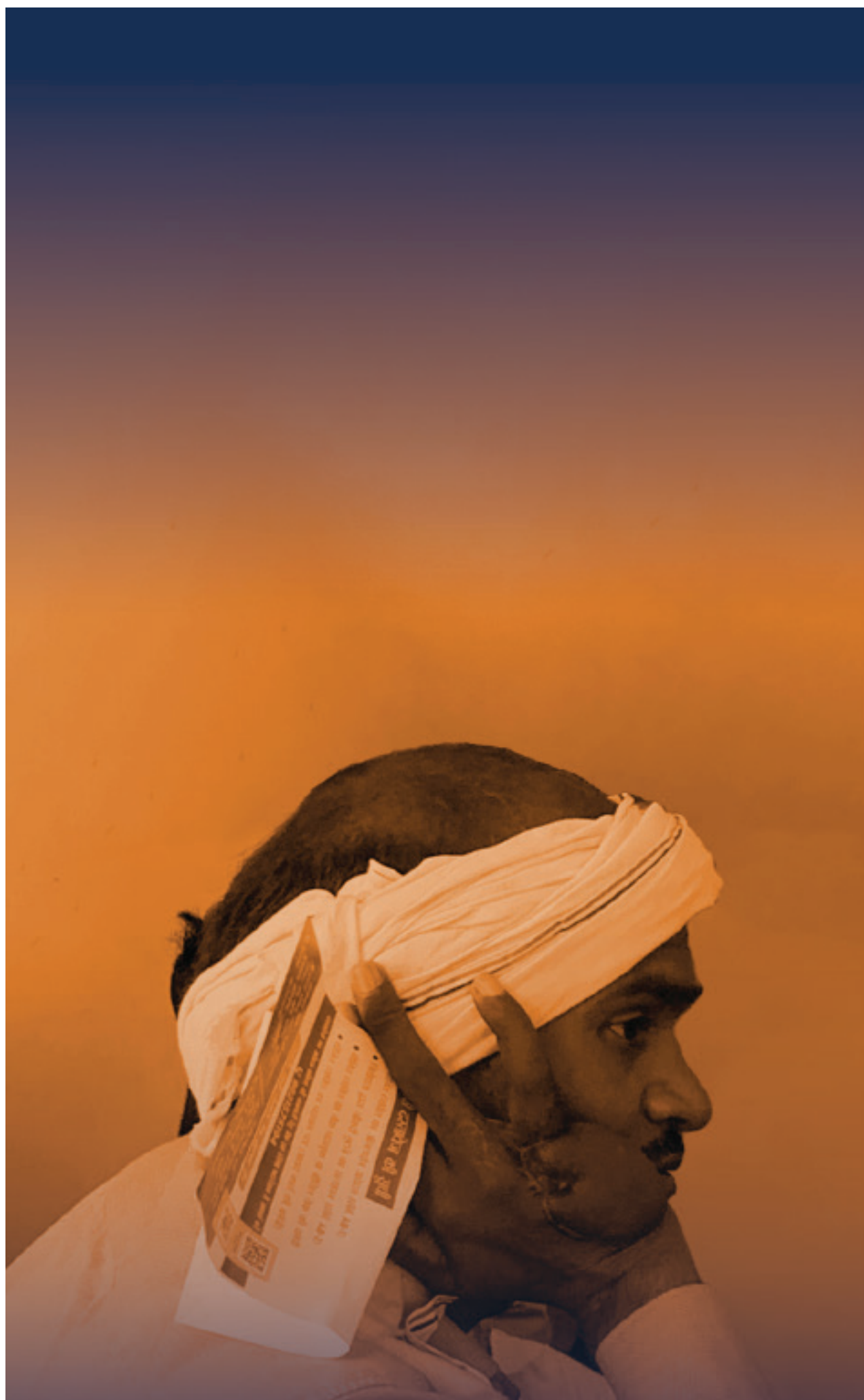
It is important to caveat that this report does not purport to comment on the quality of implementation of these policies. That said, the impact of these policies will be observable, in part, through changes to the injury data reported in our CRUSHED series of reports. We will be convinced of quality of actions of a brand when we see consistent reduction in accidents in their supply chain over a three-year period.

As is always the case, it's our team and advisors who have made this report happen. Chitra Khanna, supported by Rakhi Sehgal, who had to go through 10,000+ pages of company policy documents, have authored this report. Masab Shamsi and our operations team, Amitesh Kumar, Jitendra Kumar, Mukesh Tewari, and Narottam Jatav provide the evidence on the ground. Ankit Singh has provided analytical support, and Aaroshi Bidhuri has supported with social media activities.

Gratitude is also due to our financial supporters, mainly the batch of IIMA91, Azim Premji Foundation, Vikram Lal Family Foundation, and many others with hearts to support this often-neglected area of work for workers in formal sector factories. They are all listed on the "Wall of Supporters" on our website.

We know that this is a multi-year journey and we are proud to have a strong team and a set of supporters with big hearts. Together, we look forward to continuing this journey, with focus and dedication, until our little ripples become waves that provide agency and an improved quality of life to 10m+ workers in the auto sector supply chain and help the country improve its OSH credentials. God bless and stay safe!

Sandeep Sachdeva
Co-Founder & CEO
Safe in India Foundation
15th August 2022



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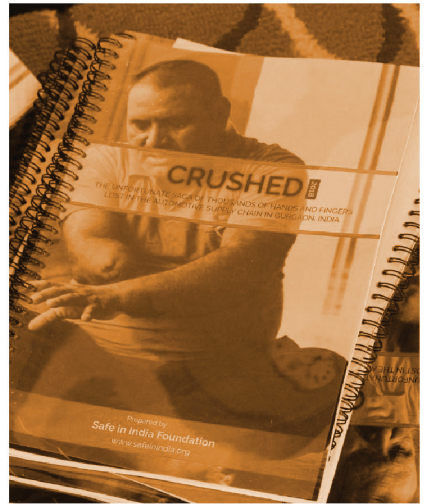
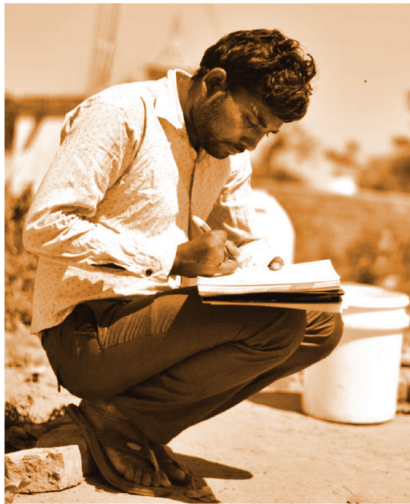
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Next Steps for SII



Abbreviations and Acronyms

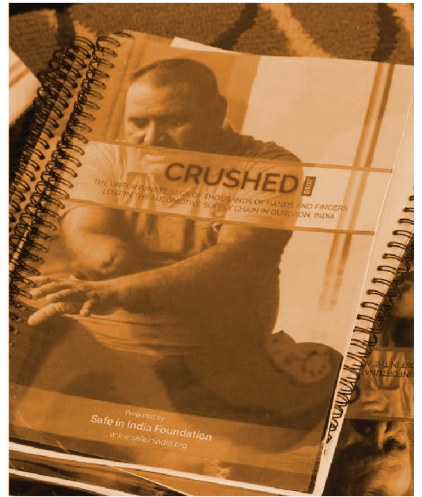




A	ACMA	Automotive Component Manufacturers Association
	AIAG	Automotive Industry Action Group
	AR	Annual Report
B	BAVA	Bajaj Auto Vendor Association
	BRR	Business Responsibility Report
	BRSR	Business Responsibility and Sustainability Report
	BSE	Now known as BSE Limited, formerly Bombay Stock Exchange
C	CDP	Formerly Carbon Disclosure Project
	CDSB	Climate Disclosures Standards Board
	CoC	Code of Conduct
	CGMA	Chartered Global Management Accountant
	CTU	Central Trade Union
D	DGFASLI	Director General Factory Advisory Services Labour Institute
E	ESG	Environment, Social, and Governance
	ESGQ	Environmental, Social, Governance & Quality
	ESIC	Employee State Insurance Corporation
	EU	European Union
G	GDP	Gross Domestic Product
	GPA	General Purchase Agreement
	GRI	Global Reporting Indicators
	GSSB	Global Sustainability Standards Board
H	HRDD	Human Rights Due Diligence
I	IATF	International Automotive Task Force
	IATF 16949	International Standard for Automotive Quality Management Systems
	IRC	International Integrated Reporting Council
	ILO	International Labour Organisation
K	KPI	Key Performance Indicator
M	MCA	Ministry of Corporate Affairs
	MNC	Multinational Corporations
N	NAP	National Action Plan
	NEEM	National Employability Enhancement Mission
	NGRBC	National Guidelines on Responsible Business Conduct
	NHRC	National Human Rights Commission
	NSE	National Stock Exchange

O	OECD	The Organisation for Economic Co-operation and Development
	OEM	Original Equipment Manufacturer (e.g. auto-sector brands)
	OSH	Occupational Safety and Health
	OSH & WC	Occupational Safety, Health, and Working Conditions
	OHSAS	Occupational Health and Safety Assessment Series
	OHSMS	Occupational Health and Safety Management System
<hr/>		
R	RBA	Responsible Business Alliance
<hr/>		
S	SASB	Sustainability Accounting Standards Board
	SCoC	Supplier Code of Conduct
	SCoEC	Suppliers Code of Ethical Conduct
	SEA	Supplier Evaluation Audit
	SEBI	Securities and Exchange Board of India
	SGSCMPP	Sustainable Green Supply Chain Management & Procurement Policy
	SIAM	Society of Indian Automobile Manufacturers
	SII	Safe in India Foundation
	SOP	Standard Operating Procedure
	SPG	Sustainable Procurement Guideline
	SR	Sustainability Report
<hr/>		
T	TPM	Total Productive Maintenance
	TCoC	Tata Code of Conduct
<hr/>		
U	UNGP	United Nations Guiding Principle
	UNHRC	United Nations Human Rights Convention
	UN SDG	United Nations Sustainable Development Goals
<hr/>		
V	VMP	Vigil Mechanism Policy
<hr/>		
W	WBCSD	World Business Council for Sustainable Development
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Executive Summary





State of OSH policies of top 10 auto-sector brands in India for their deeper supply chain: gaps, progress, best practices, and recommendations

Thousands of workers continue to be injured and disabled in India's fast-growing auto-sector supply chain every year. In the 5+ years that Safe in India Foundation (SII) has been operating in the industrial areas of Haryana (Gurugram, Manesar, Bawal, and Faridabad), it has located and assisted 3,955 such injured auto-sector workers, with c.800 workers just in the last FY 21-22. A majority of these workers have lost their hands or fingers, disabling them for life.

On average, 1.97 fingers are lost to these crush injuries¹, which have a devastating financial and psychological impact on workers and their families and restricts their already limited livelihood options.

Most of the auto-sector supply chain workers assisted by SII are migrants (c.80%) and contractual (c.60%) workers – among India's most vulnerable demographic as highlighted by the COVID-19 pandemic.

In these five years, SII has found that nearly two-thirds of the workers assisted had no ESIC cards until the injuries occurred and were therefore not only unable to use ESIC facilities for their and their families' healthcare before their accidents, despite paying the ESIC premium from their salaries, but also struggled with healthcare and compensation post-accident as a result. As reported previously, it appears that although they were working in the formal sector – these factories are registered with ESIC – the employment status of these workers is often casual, informal, and precarious, the very opposite of decent work as defined by the ILO.²

Such a high toll of injuries and disablements also has an enormous economic impact on the nation's stock of skilled labour and therefore on labour productivity in India, which has dropped further from 115 in 2021 to 128 in 2022.³

It is important to reiterate (as was noted in previous reports) that the quality of lives and work of Indian migrants is intertwined with the quality of work offered by India's auto sector, which with its c.50% share of Indian manufacturing GDP, is indicative of the overall Indian manufacturing sector. Without improving working conditions for these migrant workers – there are around 450 million of them in the country – and indeed non-migrant workers, we cannot achieve a decent work environment for millions of Indian citizens or expect a thriving country that is equitable for all its citizens and an industry that is world-class in its quality and productivity.

Importance of OEMs' OSH policies for and responsibility to supply chain workers, now OSH also in ILO's revised list of fundamental labour standards

With OSH now included in the ILO Fundamental Principles and Rights at Work at the International Labour Conference (ILC) in June 2022, developing, and implementing robust occupational safety and health (OSH) policies in their own factories (including all the non-permanent workers) and across the supply chain – led by the auto-sector brands (OEMs) – assumes further importance for more than 10m workers in the auto sector supply chain.

In this report – the second in a planned annual series to report on OSH policies and procedures for top ten auto-sector brands for their deeper supply – SII analyses publicly available OSH policy and procedures that OEMs have for their own factories and their supply chain to prevent accidents, learn from past accidents, and improve worker safety systemically. (SII also publishes another annual series of reports – CRUSHED – that analyses ground-up evidence of accidents in these supply chains).

By analysing their OSH-relevant policy documents against international and national OSH-relevant laws and guidelines, SII continues to highlight the gaps, opportunities, and current best practices of these ten OEMs – which are representative of the whole industry – and offers recommendations for improvement. SII maintains

¹ Reported in CRUSHED 2021.

² Decent work according to the ILO is employment that pays a fair income; guarantees a secure form of employment, and safe working conditions.

³ <https://ilostat.lo.org/topics/labour-productivity/>

that OEMs 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 drafting and implementation of government policies and because the OEMs are direct and main beneficiaries of these supply chains and of any improvements to labour productivity in them.

The Recommendations Section also lists specific suggestions for the government, trade unions, the International Labour Organization (ILO), and customers.

Thankfully, SafetyNiti 2022 finds improvements in OSH policies by many of the top ten OEMs in line with recommendations of SafetyNiti 2021. Note that this report series does not analyse the implementation or quality of these policies, given SII's limited capacity and as SII expects the results of better policies and their implementation to show up in the evidence of reduction of accidents and injuries on the ground, as reported in its annual CRUSHED series of reports.

Key Findings

Details, including findings for individual OEMs, are 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 Ltd., Tata Motors Ltd., and TVS Motor Company Ltd.

FINDING 1: OSH Policy in Public Domain

Although all ten OEMs mention they have an OSH policy for their own factories, six have it in the public domain (Bajaj, Hero, Honda, Mahindra, Maruti Suzuki, Tata), while remaining four (Ashok Leyland, Eicher, Hyundai, TVS) claim to have the policy but continue to not have them in public domain.

OEMs which mention an OSH policy in their reports but do not provide them in the public domain

OEMs which have their OSH policies in the public domain

OEMs with their OSH policies in the public domain



FINDING 2: OSH Policy for Non-Permanent Workers at par with Permanent Workers

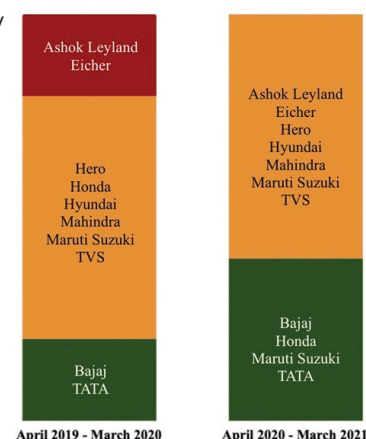
OSH policies of most OEMs do not explicitly state that they cover contract/casual/ temporary workers and other categories such as trainees/apprentices/ probationers even in their own factories.

OEMs which do not have publicly declared OSH policy for contract workers

OEMs which do not have a clear stated OSH policy for contract workers

OEMs which have publicly declared OSH policy that includes contract workers

OEMs with OSH policies that cover non-permanent workers in their factories



- 2 OEMs have a charter of workplace guidelines for contract workers which includes health and safety (Bajaj) or a CoC that covers OSH and is applicable to contract workers (Hero).



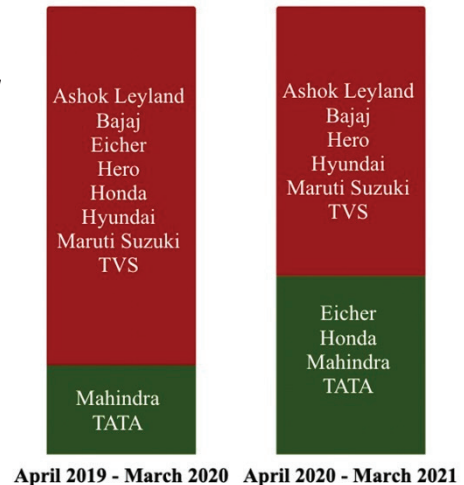
- 5 OEMs that have mentioned compulsory safety induction/trainings of contract workers in their reports (Eicher, Mahindra, TATA, Ashok Leyland, TVS).
- 4 OEMs that have advised SII that their OSH policies cover them (Honda, Hyundai, Maruti Suzuki, TATA).

FINDING 3: Supplier Code of Conduct

Four OEMs (Eicher, Mahindra TATA, Honda-parent company) now have SCoC (Supplier Code of Conduct).

- OEMs which do not have an SCoC (Supplier Code of Conduct)
- OEMs which have an SCoC (Supplier Code of Conduct)

OEMs which have SCoC



The above four SCoCs now in public domain have mentions of applicability to deeper supplier chain as noted below:

- Mahindra mentions SCoC is applicable to all suppliers, and it includes (a) OSH compliance & (b) suppliers at each tier expected to exercise due diligence in regard to social and environmental responsibility.
- Honda mentions SCoC is applicable to all suppliers, and it states, “to disseminate these guidelines to sub-tiers throughout the supply chain”.
- Eicher has an SCoC which includes OSH and expects “The Supplier shall implement a sustainable procurement policy for its own suppliers, aligned to EML’s Supplier Code of Conduct”.
- TATA SCoC includes OSH and has defined “Supplier” as meaning “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.”

Three OEMs (Ashok Leyland, TVS, Hero) now do not appear to have policies and processes to ensure OSH in the deeper supply chain (especially Tiers 2/3/4).

The remaining two OEMs (Bajaj, Maruti Suzuki) do not appear to have SCoC, and Hyundai (not clear of applicability of parent company SCoC), have mentioned safety engagements with Tier 2 suppliers in their documents and in meetings with SII.

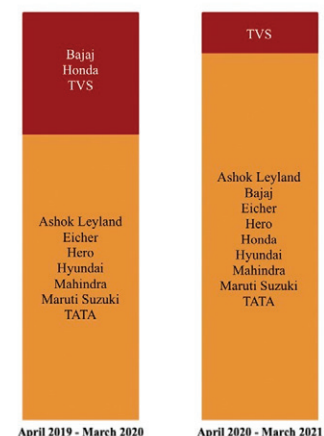
3 OEMs do not explicitly state Tier 2 or lower tier suppliers (Ashok Leyland, Hero, TVS).

FINDING 4: Human Rights Policy in public domain

- Four OEMs now have a stated human rights policy in the public domain (Bajaj, Eicher, Mahindra, Honda- parent company).

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

OEMs with human rights policy in the public domain

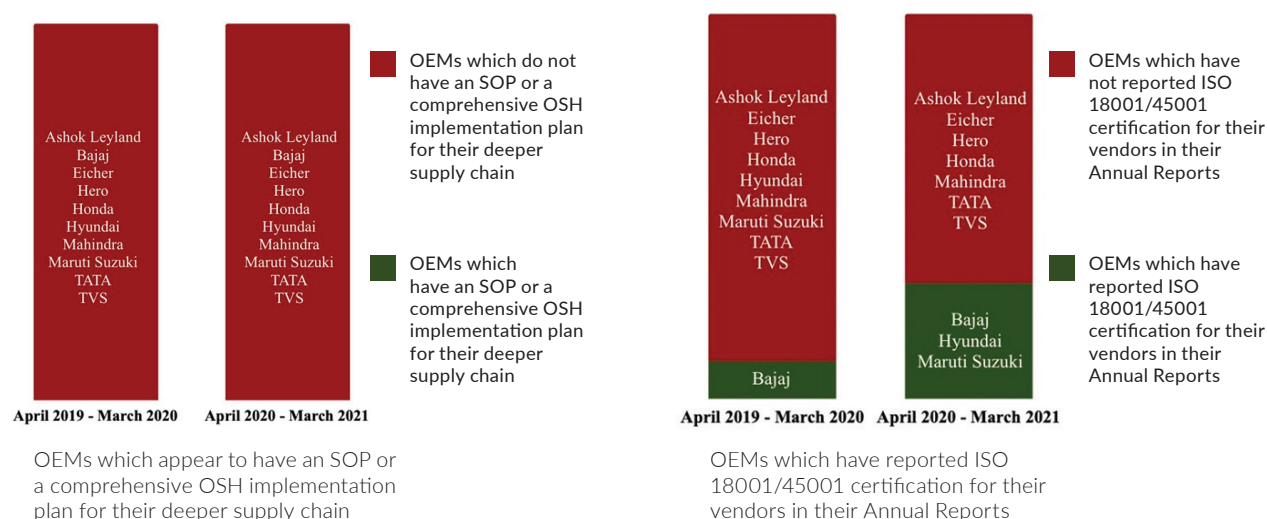


- 1 OEM's parent company has a human rights policy, which also mentions OSH, working hours, and grievance redressal, and which they verbally advised last year is applicable to the Indian company, too (Hyundai Motors).
- 3 OEMs have covered human rights only partially (child labour and/or forced labour etc.) as there are legislations in India for these: non-discrimination, equality, diversity, and freedom of association (Ashok Leyland, Hero, TVS).
- 3 OEMs have now confirmed in their documents that their human rights policy is formulated but it is not in the public domain (Maruti Suzuki, Tata, TVS).

FINDING 5: Standard Operation Procedures (SOP) for deeper supply chain

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

However, 3 OEMs have reported ISO 18001/45001 certification for their vendors in their Annual Reports (Bajaj, Hyundai, Maruti Suzuki). This is an increase of 2 (from 1 to 3) since last year. SII has yet to notice a correlation between this certification and accidents in the supply chain.



FINDING 6: Reporting on Indicator 8.8 of SDG 8

No 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/set targets to achieve Indicator 8.8, same as last year.

- Red bar: OEMs which have not referenced Indicator 8.8 of SDG 8, or activities/set targets to achieve Indicator 8.8.
- Green bar: OEMs which have referenced Indicator 8.8 of SDG 8, or activities/set targets to achieve Indicator 8.8.

OEMs which have referenced Indicator 8.8 of SDG 8 or activities/set targets to achieve Indicator 8.8





A Few Good Practices Identified

SII has identified several relatively better OSH practices among the OEMs that can be replicated across the industry, although SII is unable to comment on the quality of their implementation in this report:

- **Mahindra** reports that it implements its Human Rights Policy through contractual agreement – “All formal agreements with such prospective business associates/partners must have clauses that endeavour to seek adherence to Human Rights.”
- **Maruti, Honda, and Hero** are members of the ISH-Maruti-Honda-Hero-SII joint platform at Gurugram to prevent accidents in the auto-sector supply chain. 30 audits of suppliers have been conducted by the three OEMs. A report is awaited on best practices to inform joint and/or common actions across the deeper supply chain.
- **TATA** advises that “SDG 8 is a priority. And initiatives are planned with industry body in FY22-23 to address the issue in deeper supply chain.”
- **TATA** CoC states that “We shall comply with the laws of the countries in which we operate and any other laws which apply to us. With regard to those provisions of the Code that are explicitly dealt with under an applicable law or employment terms, the law and those terms shall take precedence. In the event that the standards prescribed under any applicable law are lower than that of the Code, we shall conduct ourselves as per the provisions of the Code.”
- **Honda** Supplier Sustainability Guidelines states “We expect our suppliers to uphold these guidelines and cascade them down to their supply chain”. And as per the Honda General Purchase Agreement (GPA) applicability, penalty is imposed to supplier based on criticality of non-adherence adherence to the supplier sustainability guidelines.
- **MACE** Maruti Centre for Excellence, a joint initiative of Maruti and its suppliers, lists trainings on OSH as coming soon. Training on press machine safety and handling dies was scheduled on 8 June 2022.
- **Eicher** SCoC states that, “The Supplier shall ensure that an effective grievance redressal procedure has been established to ensure that any worker/employee, acting individually or with other workers, can submit a grievance without suffering any prejudice or retaliation of any kind.”

Key Recommendations

Details, including findings for individual OEMs, are in Section 7.

For the auto-sector brands

SII continues to recommend 5 policy and 5 operational recommendations to OEMs given below.

Policy Recommendations

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

Operational Recommendations

- (For OEM boards) Take responsibility for worker safety in the deeper supply chain
- Create a joint industry-level task force with SIAM (with some participation from SII)

- Map the deeper supply chain
- Improve transparency and accountability of accident reporting in the supply chain, weed out habitual offenders and reward safest factories, commercially
- Initiate ground-level actions, e.g., honest worker safety audits and worker training

For Society of Indian Automobile Manufacturers (SIAM)

As apex body of the industry, SIAM is well-positioned to play an important role by coordinating the implementation of recommendations and enabling the transfer of **best practices across the industry**.

- Bring the auto industry together to create a joint task force for OEMs and other stakeholders to prevent accidents in the auto-sector deeper supply chain, while also improving productivity.
- Set up a permanent joint safety team/working group of SIAM and ACMA, with SII's participation as required, to showcase good practices and train members on strategic and tactical costs of accidents and how to reduce them.
- Establish industry standards for safety in auto sector manufacturing.
- Integrate worker safety and health as core organizational values of its members.
- Support SIAM and ACMA members in complying with NGRBC for long-term business success and compliance.

For the Central and State Labour Ministry

SII has been recommending and advocating for the following:

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

For the ILO and Trade Unions

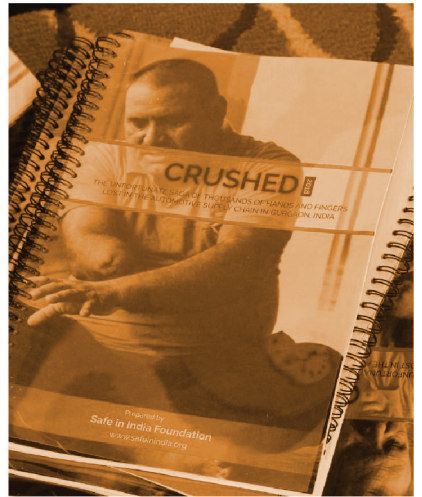
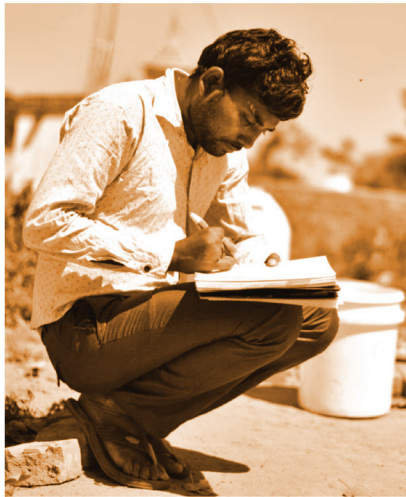
SII has been presenting/communicating its reports findings and recommendations to ILO, because ILO has 'OSH in supply chain' as an area of its work and has publications on the subject of OSH in MSMEs.

- ILO's recent inclusion of OSH as one of the Fundamental Principles and Rights at Work: Clearly ILO will pursue adoption of these in India and SII will support ILO as much as possible in this aspect.
- SII's other recommendations to ILO as reported in SafetyNiti 2021 continue to be to specifically focus on auto-sector supply chain safety, as it is one of the largest sector of manufacturing globally, include the voice of workers who are not part of the organized unions, expand its SCORE programme (ILO presented the highlights of this programme at SII-MSME Ministry-QCI event in June 2022).

Next Steps

SII will continue to publish its two annual series of reports for prevention of accidents in the auto-sector: CRUSHED and SafetyNiti, to highlight both the situation on the ground and the OEM policy framework for their supply chains, including any gaps, opportunities, and progress made.

SII will also continue to pursue with key industry stakeholders, mainly with SIAM, top 10 OEM brands and ACMA. In addition, Ministry of Labour and its relevant agencies, Niti Ayog, Ministry of MSMEs, SEBI and other relevant government ministries and departments will also be pursued to improve both the policy and its implementation on the ground.



About Safe in India Foundation



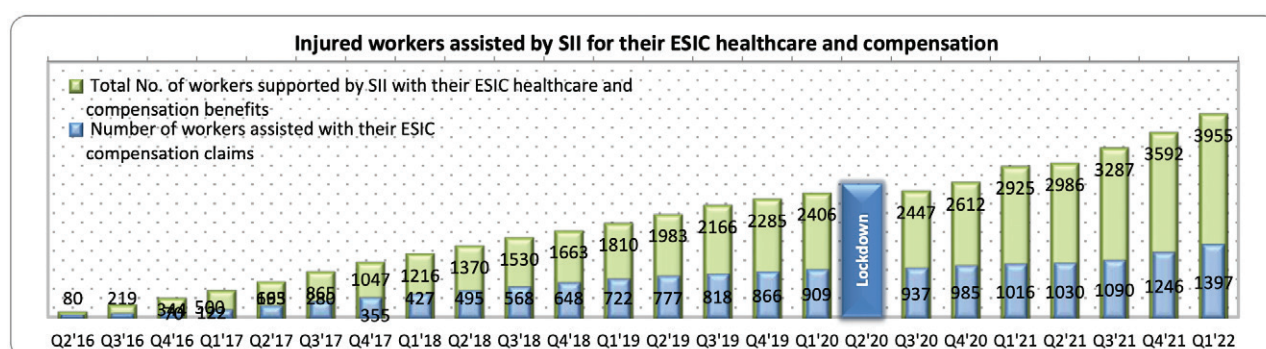
02



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 (pillars):

Pillar 1: Assisting injured workers

Since setting up its first Worker Assistance Centre in December 2016, SII has provided free-of-cost assistance to 3955 workers, of which nearly 84% (3311) are injured auto-sector workers in distress – by helping them obtain better ESIC healthcare and compensation.



During Covid, SII assisted another 1,400+ workers in applying for the Atal Beemit Vyakti Kalyan Yojana (ABVKY) – ESIC's unemployment scheme – of which 184 workers received Rs. 34+ lakh compensation.

In January 2021, SII opened its second Worker Assistance Centre in Faridabad. In September 2022, a third Worker Assistance Centre will be opened in Pune, Maharashtra.

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

As noted in SafetyNiti and CRUSHED annual series of reports, drawing on the experiences of workers it assists, SII engages with top 10 auto-sector 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.

SII has now published five annual reports: CRUSHED 2019, CRUSHED 2020, CRUSHED 2021, SafetyNiti 2021 and this – SafetyNiti 2022 – covering and analysing 3,000+ worker accidents in the auto sector in Haryana, Uttarakhand, and Rajasthan. CRUSHED 2022 will also cover auto-sector hubs in Gujarat, Karnataka, Maharashtra, and Tamil Nadu.

These reports have resulted in a number of improved policies and actions by a few (not all ten) OEMs, SIAM, ACMA and the central and state government, which have been commented on in these reports. SafetyNiti 2022 shows improvement in OSH policies by many of the top ten OEMs. In 2021, Haryana ISH (Industrial Safety and Health) agreed to set up a joint ISH-Maruti-Honda-Hero-SII discussion platform which has now conducted 30 audits of Tier 2 suppliers as part of a cluster safety assessment. A report is awaited on best practices to inform joint and/or common actions across the deeper supply chain.

DGFASLI, India's central factory safety advisory, conducted three pilot worker safety trainings with SII and we hope they scale it up in future. In a suo moto case, the Haryana Human Rights Commission, based on SII's CRUSHED report series, has sought response from stakeholders, including a few OEMs. A few large Indian corporates have also approached SII for advice on worker safety and SII is trying to assist them within its limited capacity. SII is also an advisor on workplace safety to other relevant social initiatives like Social Compact.

Pillar 3: Improving ESIC's healthcare and insurance compensation services nationally

SII engages with ESIC regionally and nationally to help improve the design and implementation of mainly their compensation services to workers, who are ESIC's insurance-premium-paying customers. These changes have the potential to help over 34 million workers and the beneficiary population of 132 million¹, who depend on ESIC for healthcare and compensation in case of injuries, sickness, maternity, death, etc. ESIC has issued more than ten national notifications based on SII's recommendations, and several others are under discussion.

In May 2021, SII started a series of worker surveys called "ESIC Ki Baat, Aap Ke Saath" to make worker voice reach ESIC's top management. These surveys have brought to light several issues and possible actions to improve the situation. Their findings and recommendations are reported on SII website.

One such positive change was in the redesign of ESIC's worker Covid Unemployment Scheme, where ESIC accepted seven of the ten process improvement recommendations given by SII. As a result, the scheme was able to improve its disbursements to Rs. 80 cr. by December 2021 (Rs 1 cr until Mar21). One of these seven SII recommendations saved Rs. 2-3 cr for c.50,000 workers by eliminating the need for an affidavit. The scheme was also agreed to be extended until June 2022.

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. 1,700+ workers have attended SII's support group meetings. 20,000 workers per month now follow its Hindi Facebook page², which has reached more than 1 million people, with 20,000+ engagements per month in 2022 and 55,000+ video views in 2021. SII's English Facebook page³ also has 6000+ followers now.

One-time COVID-19 relief:

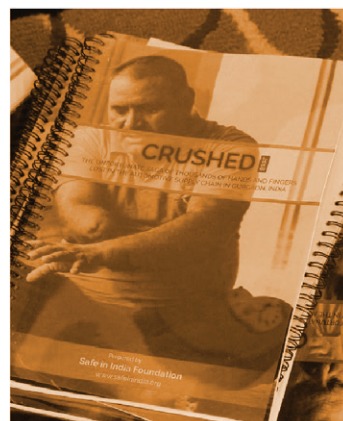
During the COVID-19 pandemic, SII temporarily repurposed to support the time-sensitive need in the worker community around Manesar. In addition to distributing 450,000+ adult ration units, 25,000+ masks, and helping 250+ workers get back home, SII provided oxygen cylinders for ESIC hospitals in NCR, Bihar and Karnataka. In addition, with the support of a partner, SII supplied a 440 LPM oxygen plant to an ESIC Hospital. SII is currently in discussions with ESIC to improve the health infrastructure for workers in two ESIC hospitals with funding from a donor specifically for the equipment.

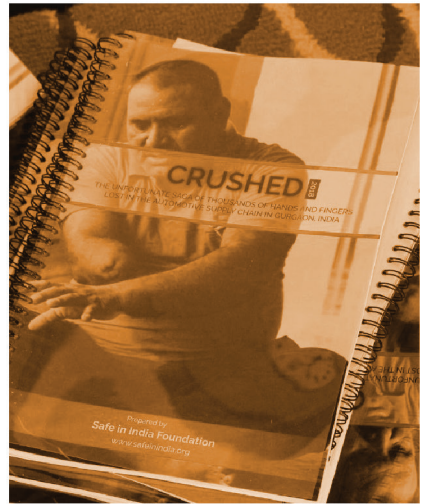
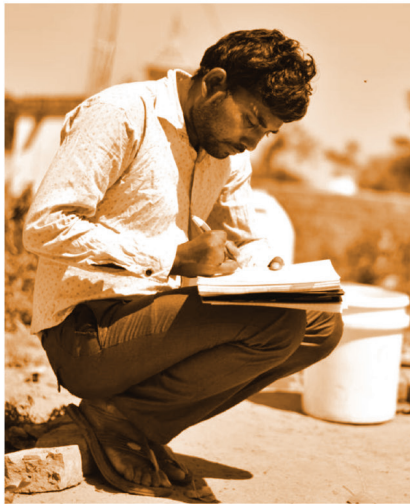
More on SII's work at www.safeinindia.org/blog.

¹ International Labour Organisation, India (2022). Accessing medical benefits under ESI Scheme: A demand-side perspective https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-new_delhi/documents/publication/wcms_841438.pdf

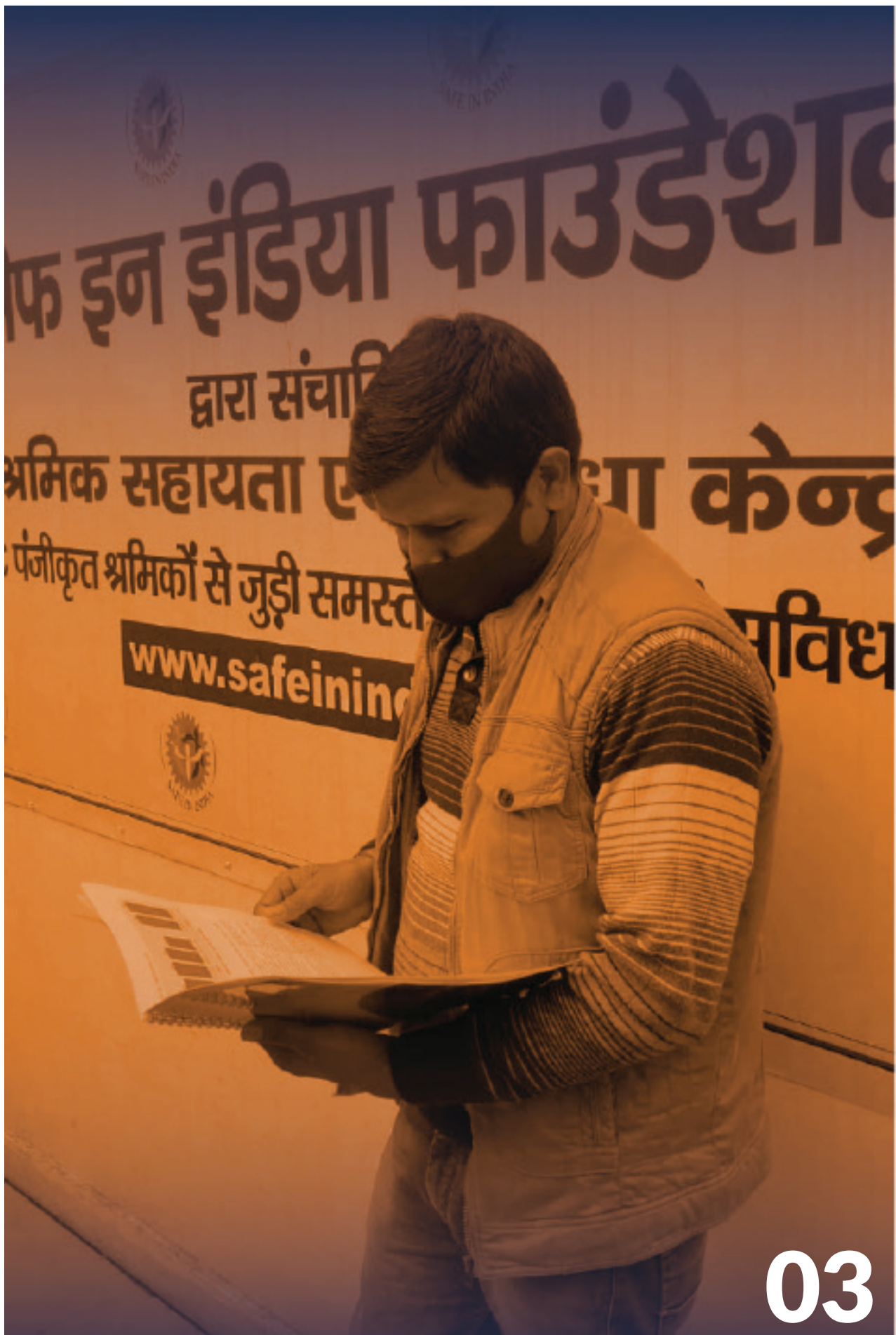
² www.facebook.com/safeinindiafb

³ www.facebook.com/safeinindia/





Report Objectives





This report is the second in a planned annual series to report on OSH policies and procedures for top ten auto-sector brands for their deeper supply chain with the aim of preventing thousands of workers losing their hands and/or fingers in these factories.

SII continues to hope that this accelerates the change started by SafetyNiti 2021 and the CRUSHED annual series of reports.

With OSH now becoming a fundamental principle and right at work at the International Labour Conference (ILC) in June 2022, this report assumes further importance for more than 10m supply chain workers in the auto-sector.

The objectives of this report continue to be the same as SafetyNiti 2021, while also including reporting on any improvements in OEM Policies recommended in SafetyNiti 2021:

- 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 their OSH policy documents 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 including OEMs to:**

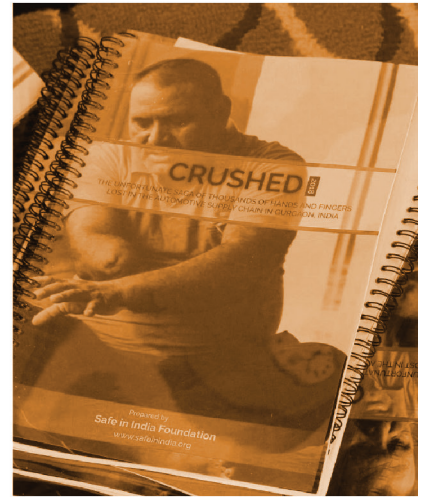
- Improve their OSH policies, practices, and reporting, specifically for the deeper supply chain, **aligning with the principles of UNGC Responsible Business and NGRBC**, which should translate into a reduction in the number of accidents across the supply chain.
- Achieve **parity between treatment of contract workers and permanent workers**, especially regarding OSH, which is indicative of broader working conditions in auto component factories.
- **Define "supplier" consistently and improve transparency** in supplier policies with categorical mentions and with clear directions to cascade OSH down the deeper supply chain. This should include reporting of injuries, accidents, and OSH actions in the deeper supply chain even if it is implemented in phases.
- Encourage **a phased process of defining Indicator 8.8 of SDG 8** for 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 annual business responsibility reporting (BRSR from next FY).
- Offer recommendations to the ILO and trade unions to raise the issue in tripartite discussions and leverage their cross-sectoral expertise to advocate for removal of thresholds for adoption of OSH as defined in Factories Act 1948 (and OSH&WC code in future).
- 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 and the potential to improve not only the working conditions but also labour and business productivity in India.

This report is based exclusively on information disclosed in the public-domain by the companies mentioned here, and any information provided by the seven companies that interacted with us. All this information is taken at face value and has not been validated through independent assessments or investigations. It is possible that some of the information available in the public domain has been missed despite our best efforts, especially for the remaining three companies that did not respond to our requests. All documents used for this analysis are listed in section 5.2. We welcome all ten companies to provide us with any additional information to correct any data points/analysis in the report as soon as possible and more importantly, act on the recommendations here to make their OSH policies better and accelerate/improve their implementation.

The Issue





Thousands of workers continue to be injured in India's fast-growing auto-sector supply chain every year. Most of these are migrants and in contractual employment. They are among India's most vulnerable demographic as highlighted by COVID-19, and noted in a recent industry report –

"The workforce in India's automotive industry is largely composed of migrant workers - 92%, out of which around 81% of them are educated only up to grade 10. This community of workers is also underpaid with 71% of them earning less than 10,000 a month despite working under strenuous conditions for approximately 12 hours every day." ¹

Employers and industry experts acknowledge that the bulk of the employment in the auto components sector is contractual while the industry is one of the largest and most profitable in the country:

"We started focusing more on this issue [safety in supply chain] and would continue to work with our member OEMs on sharing best practices, OSH policies and experiences. In our engagement with OEMs, we will focus on operational safety & health policies and second how do we engage with all levels of the supply chain."

– Rajesh Menon, DG SIAM, at the launch of SafetyNiti 2021

"I genuinely believe that as the industry evolves, it needs to set right its index on the health and safety of the employee. We made it mandatory for the cluster programs to have at least 15 to 20 percent of the education devoted to health and safety."

– Vinnie Mehta, DG ACMA, at the launch of SafetyNiti 2021

According to the International Labour Organization (ILO), every year approximately 337 million people are victims of work accidents, and more than 2.3 million people die from occupational injuries or work-related diseases ². Moreover "65 percent of work-related injuries and deaths happen in Asia. With nearly 1.8 million such injuries and deaths, it has the highest work-related mortality among five regions of the world" ³. It is in this context, coupled with the Covid pandemic, that the International Labour Organization has been championing "Decent work is safe work" ⁴, for several years and in **June 2022 Occupational Safety and Health was included as a fundamental principle and right at work by the ILO.**

In addition to the cost to the worker, their family, society, and nation at large, these accidents also cost the business in lost time and production, payment for losses, medical expenses, repair and replacement of damaged machinery and equipment, negative impact on other workers. These all have an impact on profit, productivity, and quality. **Protection of human lives, therefore, is a human rights issue, and protection of human lives at the workplace is simultaneously a human rights issue, a labour rights issue, and a business issue.**

ILO estimates global economic cost of accidents and diseases in the workplace to be 4% of the global Gross Domestic Product (GDP) ⁵. **A 2013 study in the European Union found that "the productivity rate increases as a result of health and safety interventions" and "safety interventions should be understood as an investment rather than a cost".** ⁶

¹ Health & Safety Hazards in Automotive Industry: How can India Combat Challenges on the Ground? KARREP, May 2022. https://asdc.org.in/files/ASDC_KARREP_Mag_May_2022_P17-19.pdf

² https://d306pr3pise04h.cloudfront.net/docs/issues_doc%2Flabour%2Ftools_guidance_materials%2FOccupational_Safety_Health_in_the_Supply_Chain.pdf

³ "World has failed to respond to accidents and diseases at work", Down To Earth, <https://www.downtoearth.org.in/dte-infographics/\ occupational/fatal-accidents.html>

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

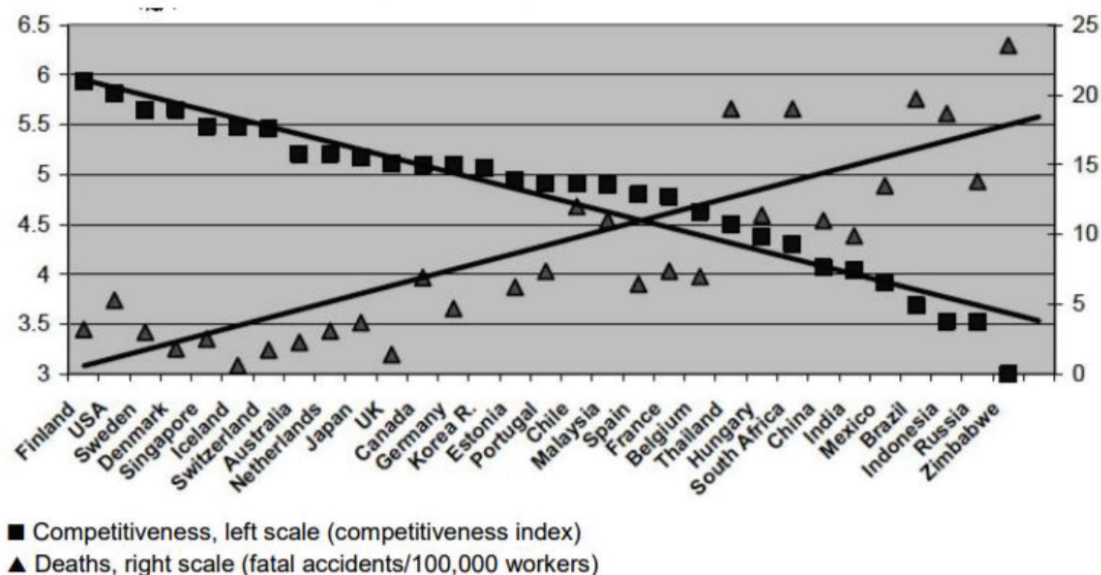
⁵ https://www.ilo.org/global/topics/safety-and-health-at-work/programmes-projects/WCMS_149466/lang--en/index.htm ⁶ https://hesapro.org/files/Background_Research.pdf

⁶ hesapro.org/files/Background_Research.pdf April 2013



Highlighting the macro implications of unsafe workplaces on the global economy, the study “demonstrates the strong correlation between national competitiveness and the national incidence rates of occupational accidents” in the graph below.

Figure 3 - Correlation between competitiveness and the incidence of accidents at work



Source: ILO, 2006

SafetyNiti 2021 reported that, in India, most industrial accidents occur while operating machinery, according to 2014-2017 data⁷ from IndustriALL, a global union of workers. A news article⁸ reported the Labour Ministry’s response in Parliament in 2021, on data pertaining to factory deaths between 2014 and 2018 (the latest that the Ministry had) – factory deaths rose by 20% between 2017 and 2018 and according to the ministry, “the reasons behind the ‘occupational deaths’ includes explosion, fire, prime movers, **machinery moved by mechanical powers**, accident due to motor vehicles at construction site and electrocution, among others.”

SII has recorded first-hand this dismal state of worker safety by locating and assisting 3,000+ injured workers in the past five years with 1000+ workers just in FY 21-22 only in Haryana.

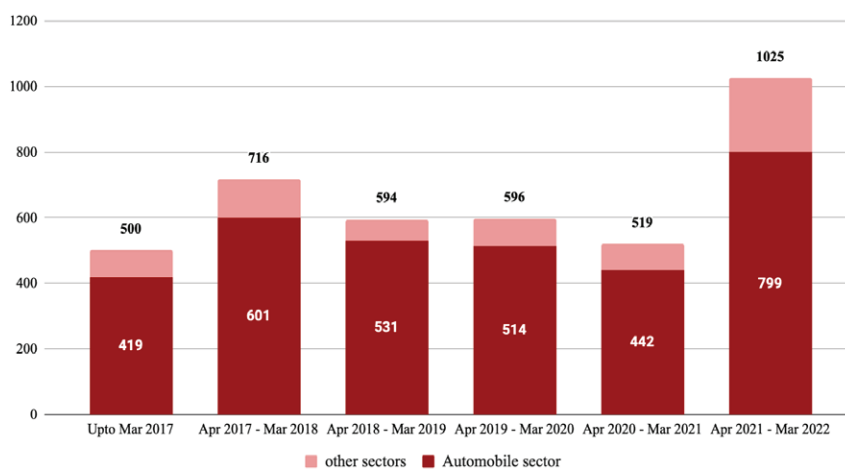


Figure O1: Number of injured workers from the auto sector SII has assisted during Dec2016-Mar2022 and the continuing high proportion of auto-sector injuries in them.

⁷ www.thehindu.com/data/industrial-accidents-claimed-over-6300-lives-between-2014-and-2017/article32040544.ece

⁸ <https://www.livemint.com/news/india/at-least-6-500-employees-died-on-duty-at-factories-mines-11616095209657.htm>

A relatively small outreach team at SII, which operates mainly in Gurugram, Manesar, and more recently also in Faridabad, has met and assisted 3955 such injured workers during 2016-2022. Of which c.80% are from the auto sector supply chain. 63.6% of them have lost hands and/or fingers, disabling them permanently.

Just in FY21-22 SII assisted 1000+ workers of whom c.80% were again from the automobile industry. This increase is mainly due to SII expanding its operations in Faridabad, which appears to have even poorer working conditions than Gurugram.

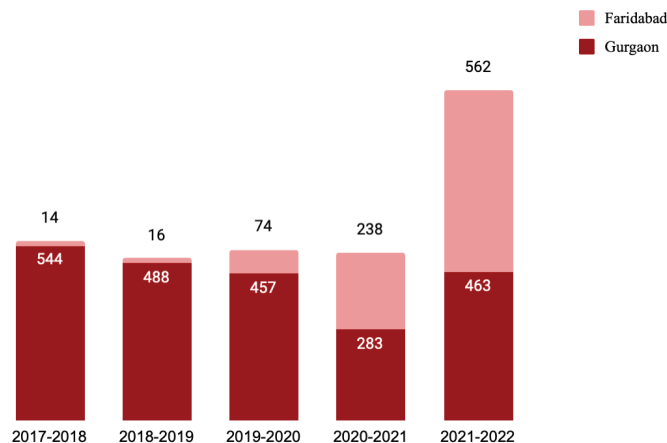


Figure 02: 02: Number of injured workers assisted by SII in Gurugram and Faridabad in the period Apr2017-Mar2022.

There is a large increase in the number of workers assisted in Faridabad for 2021-22 because of expansion of SII's operation in the region in December 2020. Gurugram accidents appear to be back to pre- covid levels. CRUSHED 2022 will endeavour to correlate it with industrial production data.

Most injured auto-sector workers in the Gurugram-Manesar-Faridabad industrial belt continue to be from factories supplying to three largest OEMs in Haryana

Approximately 80% of workers in the automobile sector assisted by SII in FY21-22 reported that they were injured in factories supplying to one or more of the three largest OEMs in the Gurugram-Manesar-Faridabad belt: Maruti Suzuki, Hero and Honda. Although this has reduced from 90% in the past year, the impact of covid on this trend is unclear. These three, therefore, remain the largest OEMs with most potential to improve this situation.

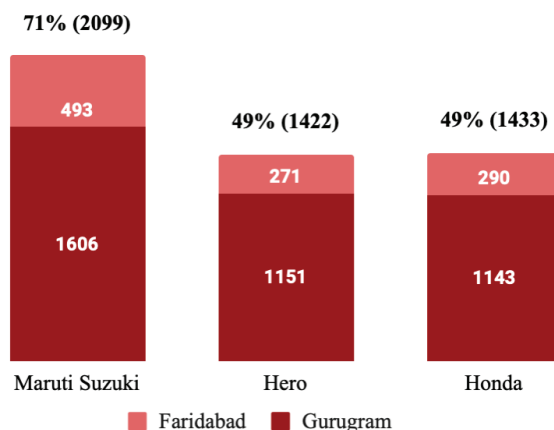


Figure 03: Total number of injured workers assisted by SII in the last five years from top three OEMs' supply chains.

The absolute number and the percentage of workers assisted is greater than 3,955 (total auto-sector workers assisted) because many factories serve multiple OEMs.

Other than these top three OEMs in Haryana, many other brands' suppliers also contribute to these accidents

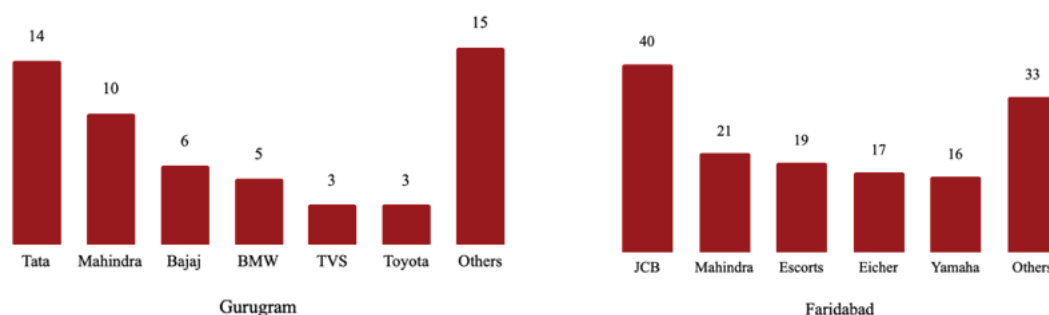


Figure 04: Accidents in the supply chain of JCB, Tata Motors, Mahindra, Bajaj, Escorts, BMW, Yamaha, Eicher, TVS, Toyota and Others in Gurugram and Faridabad during FY 2021-22.

The OEMs with highest number of injured workers, other than the top three OEMs in Gurugram were – Tata Motors, Mahindra, Bajaj, BMW, TVS, and Toyota. In Faridabad, the other OEMs with the highest number of accidents were JCB, Mahindra, Escorts, Eicher, and Yamaha.

A similar issue exists in auto-sector hubs in Rajasthan and Uttarakhand, with a different OEM supply chain mix

In Rajasthan (Neemrana) and Uttarakhand (Rudrapur), the auto-hubs have similar accidents though the OEM mix is different from Haryana. Tata Motors and Bajaj are the largest in the combined data of these two locations, unlike in Haryana.

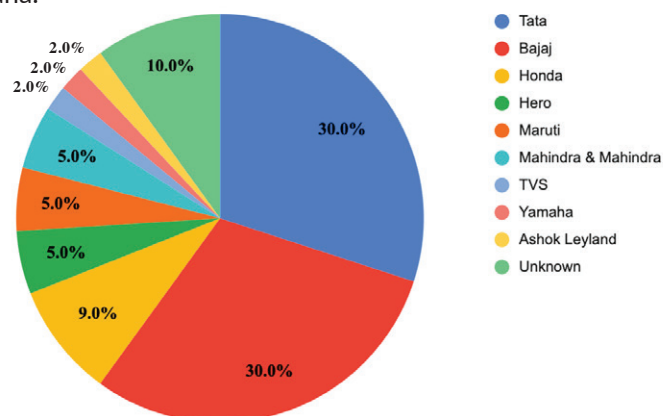


Figure 05: OEMs whose supplier factories had worker injuries in Rudrapur and Neemrana – a survey conducted by SII in Oct-Nov 2021 of 54 injured workers – reported in CRUSHED 2021

Migrant workers continue to be the most vulnerable and largest in proportion in the automobile sector

In FY 21-22, 87% of the injured workers assisted by SII were interstate migrants from across India; c.80% of these had migrated from Uttar Pradesh and Bihar. This proportion dropped from 92% in the previous five years reported in CRUSHED 2021, probably on account of reverse migration during Covid lockdowns.

As stated in past reports, the quality of lives and work of Indian migrants is intertwined to a significant extent with the quality of work offered by India's auto sector – the largest GDP contributor to overall manufacturing sector. Without improving working conditions for these migrant workers – there are around 450 million of them in the country – and indeed non-migrants, we cannot achieve a decent work environment for workers or expect a thriving country that is equitable for all its citizens.

Contractual employment remains a dominant pattern of employment for auto-sector workers in Haryana (Gurugram and Faridabad) and indeed nationally

In FY21-22, 56% of the total workers assisted by SII were in contractual employment. This is a reduction from the previous years, especially in Faridabad, which appears to have a lower proportion of injured contract

workers (47%, down from 64%) in the year than Gurugram (68%, down from 75%). This drop may be a result of Covid reverse-migration when contract workers may have left in larger numbers than permanent workers. Alternatively, the working conditions for permanent workers may have deteriorated further given that the total injured workers assisted were back to pre-covid levels. This will be explored further in CRUSHED 2022. The above is broadly in line with ACMA reports that state that in the components industry, nearly 70 per cent of the workforce comprises contract workers⁹. SafetyNiti 2022 therefore specifically seeks treatment of contract workers at par with permanent workers in OEM policies for their own factories and those of their suppliers.

A large proportion on of crushed injuries are first treated in non-ESIC smaller private hospitals before taking them to ESIC hospitals – potentially resulting in worse disabilities than should have been the case.

On average, 1.97 fingers per injured workers are lost to crush injuries¹⁰, which has a devastating financial and psychological impact on workers and their families and restricts their already limited livelihood options.

As reported in previous SII reports, a large proportion (47% in FY21-22) of the injured workers supported by SII 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. Although, this proportion is significantly lower than the 59% reported in SafetyNiti 2021, it remains extremely large. It is too early to say if this drop is due to the impact of SII's work in the Gurugram-Manesar industrial area – CRUSHED 2022 will explore this further.

A significant proportion of workers continue to not have their ESIC card, they ought to have on the date of joining the job, before accidents

SII continues to find a high number of workers who get their ESIC cards after they meet with an accident. In the last FY 2021-22, SII found that 60%+ of the workers assisted had no ESIC cards until the injuries occurred and were therefore unable to use ESIC facilities for their and their families' healthcare before their accidents – a similar proportion as previous five years. As reported previously, it appears that although they were working in the formal sector – these factories are registered with ESIC – the employment status of these workers is often casual, informal, and precarious, the very opposite of decent work as defined by the ILO¹¹.

Almost all 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 continues to raise this issue with ILO given their tripartite mandate and prior work on OSH in MSMEs.

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 as pointed out above. Such a high toll of injuries and disabilities has an economic impact on the nation's stock of skilled labour and therefore on labour productivity in India, which has fallen further from 115 in 2021 to 128 to 2022¹².

Improvements to worker safety in India's auto-sector has the potential to benefit nearly 10m people

According to one estimate¹³ "the industry supports employment for 13 people per truck, 6 people per car, 4 per three-wheeler and 1 per two-wheelers manufactured in the country, across the value chain."

⁹ <https://www.eepcindia.org/news-details.aspx?ms=23&id=N190725114829&news=Auto%20parts%20industry%20fears%201mn%20jobs%20could%20be%20at%20stake>

¹⁰ Reported in CRUSHED 2021.

¹¹ Decent work according to the ILO is employment that pays a fair income; guarantees a secure form of employment, and safe working conditions. ¹² <https://ilostat.io.org/topics/labour-productivity/>

¹³ <https://www.motorindiaonline.in/growing-indo-german-relationship-in-automotive-sector/>



Furthermore, the government aims “to increase contribution of automobile sector to India’s GDP to 12 per cent from the present 7.1 per cent and grow employment generation to 50 million from the current 37 million.”¹⁴

Without improving working conditions, including occupational health and safety, for all workers employed in the sector it will be difficult for the industry to continue to grow at the pace at which it intends, to achieve its 2030 Agenda for Sustainable Development and contribute to the ‘Sab Ka Saath, Sab Ka Vikaas’ strategy.

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 ILO¹⁵ 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

Though many stakeholders are responsible for this issue, SII continues to maintain that OEMs need to and 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.

Auto-sector industry associations SIAM and ACMA acknowledged the importance of worker safety during the launch events of CRUSHED 2020 and SafetyNiti 2021.

Auto-sector consumers agree with the primary responsibility of OEMs and indeed SafetyNiti recommendations

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

In the latest SII poll in July 2022, over 90% of 196 respondents opined that auto brands need to take responsibility for providing OSH benefits to all non-regular workers in their own factories at par with regular/permanent workers, and nearly 86% feel that auto brands should also take responsibility for supply chain workers. Over 90% respondents believe that auto brands should have their OSH policies in the public domain and demand that their suppliers follow the ESI Act. 80%+ respondents want the auto brands to require their suppliers to provide appointment letters to all their workers, provide annual health check-ups for workers above 45 years of age, and ensure that workers get paid the legally mandated double wage rate for overtime. Similarly, 80%+ respondents prefer that auto brands follow global norms and report against SDG Indicator 8.8 at par with global businesses.

The findings are given on the next page.

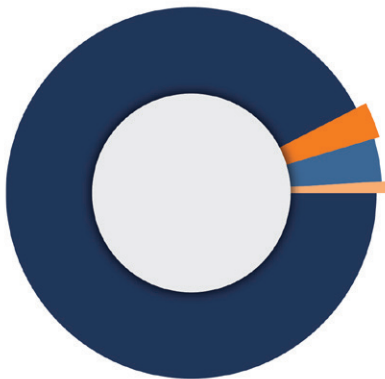
¹⁴ https://www.business-standard.com/article/automobile/govt-aims-to-raise-auto-sector-contribution-to-gdp-job-creation-gadkari-121082501375_1.html

¹⁵ www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/meetingdocument/wcms_741659.pdf

Consumer Poll on responsibility of the auto-sector brands

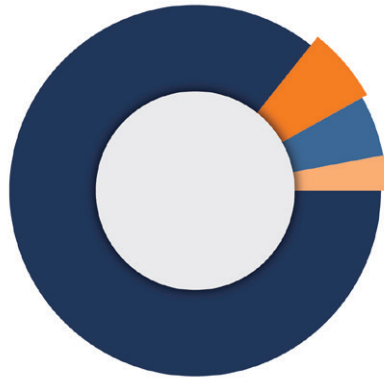
196 respondents to an SII poll in July 2022 replied to 9 questions on OEM's OSH policies and several also shared their thoughts and opinions. A few are shared below.

1



Do you think the Occupational Safety and Health (OSH) policies of these auto brands for their **contract/casual/temporary workers should be at par with their permanent employees?** (Currently, this is not explicitly stated in auto brands' OSH Policies. Laws require this to be at par)

2



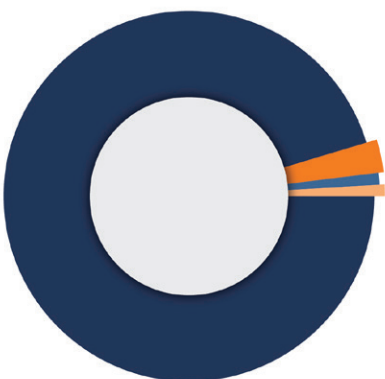
Do you think these brands' OSH policies should also **cover workers in their supply chain**, i.e. direct suppliers and suppliers to these direct suppliers? (currently they do in some brands to some extent. This is not a legal necessity but expected under India's National Guidelines for Responsible Business Conduct)

3



Should the brands' OSH policies be **in the public domain?**

4



Do you think the auto brands should demand from their suppliers that all workers in establishments/businesses that have over 10 staff get their **ESIS cover (Employees' State Insurance Scheme) for their healthcare and compensations?** (This is required under the ESI Act but often not followed by the suppliers.)

5



65% of workers assisted by SII did not have ESI cards at time of injury. Do you think the auto brands should demand from their suppliers that their **ESI cards be given to workers on the day of joining?** (This is required under ESI Act).

6



Two-thirds of the workers assisted by SII are on contractual employment. Do you think these auto brands should demand from their suppliers that all workers making parts for them should have **at least a written, even if brief, letter of employment/appointment letter?**

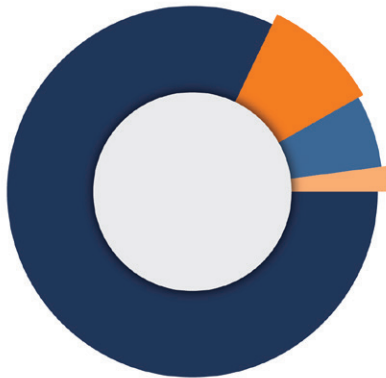
Yes

No

I don't know enough

I don't know enough. Please send me more information.

7



Do you think the auto brands should demand from their suppliers that workers above 45 years of age undergo a **health examination**, as also required under the new Labour Code? (currently this is not standard or common practice)

8



Four hours of overtime work appears to be standard practice in many auto sector MSMEs. Do you think the auto brands should demand from their suppliers that all workers get paid the **legally mandated double wage rate for overtime**?

9



Almost all global businesses now report their performance against the United Nations Sustainable Development Goals (SDGs). SDG 8.8 refers to protecting labour rights and promoting worker safety for all workers. Do you think these brands too should **report against SDG 8.8** at par with global businesses?



Yes



No



I don't know enough



I don't know enough. Please send me more information.

Consumer Poll on responsibility of the auto-sector brands

"...If you want auto cos to demand from suppliers, why should it be only demand. Let it be that they will pay 3% higher to such suppliers (or if it hits profit that 3% profit will be distributed to such suppliers) or that they will pay for the health check-ups as in point 7."

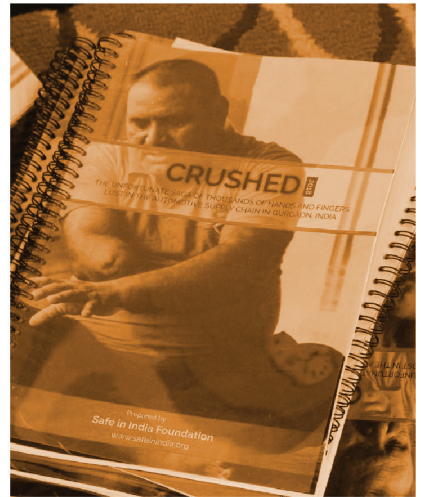
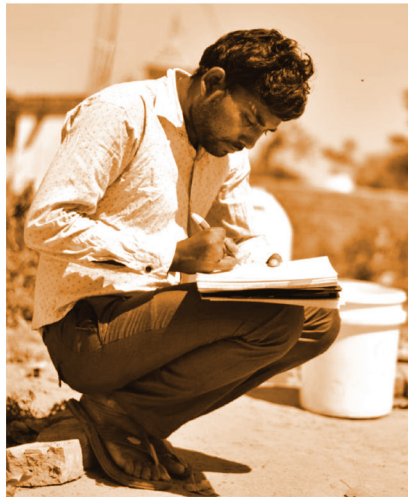
"The questions in this poll, as also each one of your reports, are an eye opener, and leave each one of us with so much to think about. What 'responsible' truly means and what it will take for this gap to bridge. Your messaging needs to be amplified, in ways that make each car owner think thru' their decisions to purchase a vehicle- which today is governed by aesthetics, performance metrics and perceived value for money spent...."

"Yes, worker safety should be given more importance. However, all responsibilities of enforcing implementation of laws should not be passed on to auto majors. It adds to their cost. Govt. has to play its role effectively as it is collecting the taxes and is supposed to enforce the laws."

"Ensure that women and trans workers needs are specifically addressed as well and workers are not homogenised as all 'male'".

Methodology and Engagement with Auto-Sector Brands (OEMs)





5.1 Selection of top ten OEMs 2022

SII identified the top eight NSE-listed OEMs¹ based on market capitalization as on 31 March 2022, for the study. Six OEMs out of these are also in the top 100 of the BSE listing². Two largest unlisted MNC OEMs are also included as they are placed at the second position by sales in their respective product categories. 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, 2022	Market Capitalization (Rs in Crores)	Net Sales Turnover in INR Crores (March 2022)	Name of the OEM
01	23	22,841	88,296	Maruti Suzuki India Limited*
02	35	14,403	47,264	Tata Motors Limited*
03	47	10,570	33,145	Bajaj Auto Limited*
04	48	10,026	57,446	Mahindra & Mahindra Limited*
05	01	6,718	10,123	Eicher Motors Limited*
06	104	4,583	29,45	Hero MotoCorp Limited*
07	137	01	21,688	Ashok Leyland Limited
08	159	01	20,790	TVS Motor Company Limited
09				Honda Motorcycles and Scooters India PVT LTD
10				Hyundia Motor Company India

Table 1: List of companies whose OSH policies and procedures for their supply chain 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.

Some auto-component manufacturing companies in NSE top 1000 companies (as of 31 March 2022) who should also follow the OEM OSH policies and recommendations here

Since top 1000 listed companies are required to follow Business Responsibility Reporting requirements of SEBI, the below listed auto component manufacturing companies should also take cognizance of this report and table it at their Board meetings for action.

¹ <https://www.nseindia.com/regulations/listing-compliance/nse-market-capitalisation-all-companies>

² <https://www.bseindia.com/markets/equity/eqreports/topmarketcapitalization.aspx> those marked with an * in the table above.



Sl. No.	NSE Ranking	Company	Market Capitalization (Rs in Lakhs)
01	108	Motherson Sumi Systems	44,03,739
02	143	MRF Ltd.	32,61,914
03	173	Minda Industries Ltd.	26,62,839
04	239	SKF India Ltd.	17,47,335
05	317	Asahi India Glass Ltd.	10,47,718
06	417	Mahindra CIE Automotive Ltd.	6,51,445
07	465	JBM Auto Ltd.	5,17,095
08	478	Minda Corp. Ltd.	4,94,416
09	625	Rajratan Global Wire Limited	2,61,826
10	671	Sharda Motor Industries Ltd.	2,22,601
11	683	Subros Ltd.	2,13,778
12	696	M M Forgings Ltd.	2,04,171
13	771	Gabriel India Ltd. (Anand Group)	1,60,738
14	775	Swaraj Engines Ltd. (owned by M&M)	1,58,765
15	777	Pricol Ltd.	1,58,629
16	780	Sriram Pistons	1,55,287
17	799	Federal-Mogul Goetz (India) Limited	1,47,787
18	840	Precision Camshaft	1,25,904
19	846	Wheels India Ltd. (TVS Group)	1,23,247
20	850	TVS Srichakra Ltd. (TVS Group)	1,22,348
21	864	Fiem Industries Limited	1,18,458
22	878	Lumax Auto Technologies Ltd.	1,14,198
23	902	Alicon Castalloy Limited	1,04,719
24	905	GNA Axles Limited	1,49,169
25	933	India Nippon Electricals Ltd.	96,130
26	936	India Motor Parts and Accessories Limited/IMPAL (TVS Group)	94,236
27	942	Automotive Stampings and Assemblies Limited (TATA Autocomp Systems Limited subsidiary)	92,696
28	980	Rane Holdings Ltd.	84,139
29	982	Lumax Industries Ltd.	82,933

Table 2: Auto-component manufacturing companies in NSE top 1000 companies

5.2 OEM documents and policies referred to as part of this study

5.2.1 OEM Policy documents

SII identified and analysed the following OSH-relevant documents, where available in the public domain, of the above top ten OEMs. There may be other relevant documents internal to OEMs and not available to SII.

- Annual Report, including Business Responsibility Report (AR, BRR)
- Business Responsibility Policy³
- Code of Conduct (CoC)
- Human Rights Policy
- Safety and Health/OSH Policy (OSH)
- Supplier Code of Conduct (SCoC)
- Sustainability Report (SR)
- Whistle Blower Policy
- Any other relevant documents that were accessible in the public domain or provided by the OEM during discussions

The documents available and reviewed for each OEM are listed in the Table 3 on page 41, and are available at: <https://tinyurl.com/3njdb6jn>.



³ Mahindra is the only OEM with a standalone Business Responsibility Policy in the public domain.



Document	Ashok Leyland	Bajaj	Eicher	Hero	Honda	Hyundai	Mahindra	Maruti Suzuki	Tata	TVS
Code of Conduct (CoC)	Y	Y	Y	Y	Y Global	N	Y	Y	Y	Y
OSH Policy (shared/public domain)	Y	Y	N	Y	Y	N	Y	Y	Y	N
Supplier Code of Conduct (SCoC)	N	N	Y	N	Y	Y Parent Co.	Y	N	Y	N
Sustainability Policy	Y	N	N	Y	N	N	N	N	Y	N
Business Responsibility Policy	N	N	N	N	N	N	Y	N	N	N
Business Responsibility Report (BRR)	Y	Y	Y	Y	N	N	Y	Y	Y	Y
Sustainability Report (SR)	Y	N	Y	Y	Y Global	Y Parent Co.	Y	Y IR	Y IR	N
Annual Report (AR)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Whistle Blower Policy	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Human Rights Policy	N	Y	Y	N	Y Parent Co.	Y Parent Co.	Y	Y*	Y*	Y*
Green Supply Chain or Procurement Policy	-	-	-	-	-	-	Y	Y	-	-
Other Documents		(a)				(b) HMC parent company	(b) 2019-20		(b) 2021-22	(c) (d)

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

* "Formulated"/"Drafted" but not in public domain

Coloured boxes indicate change from last year

- (a) Charter of Fair and Responsible workplace Guidelines - contract workers
 (b) Global Communication of Progress/UN Global Compact
 (c) Modern Slavery Statement
 (d) Letter of Commitment to UN Global Compact, 24 September 2021.

3 OEMs (Tata, Mahindra, Hyundai Motor Company Korea) are doing global reporting to UN Global Compact. TVS has given a letter of commitment, and it is the first Indian two-wheeler company to join UN Global Compact.

2 publicly listed auto component suppliers (Motherson Group, Balu Forge Industries Ltd.,) are also participants in UN Global Compact.

Source: UN Global Compact, tinyurl.com/4ens4zzt & tinyurl.com/24kdjrd3

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

SII identified, in SafetyNiti 2021, a number of relevant international and Indian OSH policies, guidelines, and reporting frameworks. Those are updated here.

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

- Constitution of India and Directive Principles therein
- The Factories Act, 1948
- OSH Policy of 2009
- OSH&WC Labour Code
- Guidance Document on ESG Disclosures by BSE
- NGRBC of 2019
- SEBI Circulars for Business Responsibility Reporting and Integrated Reporting & SEBI circular for BRSR

Some of the **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 Sustainable Development Goals (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.

5.3 The 12 OSH issues raised with every OEM - same as SafetyNiti 2021 for consistency

(3 questions have been refined for clarity. These issues will be further fine-tuned for SafetyNiti 2023 based on findings and progress in this report).

The analysis in this report series, of the adequacy of OSH policies and procedures for each OEM is based on 12 issues derived from relevant national and international frameworks described in Section 6, under three broad categories:

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

- OSH policy for the OEM's own employees
- Publicly declared policy of OEM's that includes OSH for contract workers (includes other non-permanent workers) at par with permanent employees*
- Human Rights policy, as per NGRBC Principle 5/ESG/UNHR

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)
- Consistency of OSH policies enforced in the supply chain in Indian and in international operations
- Business Responsibility Reporting on NGRBC Principles 1, 3, and 5
- Policies for reporting and monitoring supply chain sustainability in OSH in accordance with SDG Indicator 8.8



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 supply chain
- 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.

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

** Very few OEMs have defined "suppliers" clearly and where done it is in different documents such as CoC, SCoC etc. In addition, it is mostly unclear if the usage of 'suppliers/vendors' includes the deeper supply chain component manufacturers.

SII is therefore seeking standardization and categorical inclusion of non-permanent worker categories from OEMs in their documents and policies; and definition of suppliers to include deeper supply chain suppliers.

5.4 Continuing engagement with OEMs to verify SII's SafetyNiti findings and advocate for improvements in their OSH policies since November 2020

2022-23

Maruti, SIAM, ACMA, Haryana State, DGFASLI, NSC, Hero, Honda, BIS, Eicher, UNSAF, ASDC, Letters to SEBI, QCI, Social Compact, ILO, Bajaj

2021-22

Maruti, SIAM, ACMA, Haryana State, DGFASLI, NSC, Hero, Honda, BIS, Eicher, UNSAF, ASDC, QCI, Social Compact, ILO

2020-21

Maruti, SIAM, ACMA, Haryana State (ISH Forum), DGFASLI, NSC, Hero, Honda, BIS, Mahindra, Eicher, UNSAF, GoI (OSH&WC Rules), ASDC, MCA

2019-20

GoI (OSH&WC Code), Haryana State, SIAM, ACMA, NSC, BIS, Maruti, Honda, NSC, NLI, Mahindra, Eicher

2018-19

Labour Ministry GoI (ISH), Maruti, ACMA, Labour Department, Haryana State

2017-18

Labour Minister GoI

Figure 01: SII's engagements with the auto-sector industry and the government to improve OSH in auto-sector supply chain since 2017

In addition to the earliest engagement with Maruti Suzuki since 2018; followed by SIAM and ACMA in 2019, and then Honda and Hero, SII also started engaging with other seven OEMs, in phases, since April 2019 regarding its findings and recommendations of SafetyNiti 2021 and 2022. SafetyNiti 2021 was sent to the Board members of all top ten OEMs and meetings were requested/conducted to discuss the findings and recommendations made in SII Reports SafetyNiti 2021 and CRUSHED 2021. A summary of these discussions has also been included in the OEM analysis tables in section 7.3.

In addition, SII shared its findings with the OEMs against the 12 questions listed in Section 5.3 with each of the ten OEMs between May and July 2022 with a request to confirm and/or provide any missing information. Those OEMs that responded were sent revised and corrected findings to confirm.

Seven out of ten OEMs have responded through written letters, emails, in-person/online meetings, or telephonic discussion – an improvement from last year when six out of ten OEMs engaged. The intensity of engagement with many of these seven also increased significantly making the understanding of the issue and progress reported here better. SII is thankful for their engagement and input. No response has been received from Ashok Leyland, Mahindra, and TVS though Mahindra attended the first joint industry meeting with SIAM on 5 August 2022 and supported the cause. SII hopes to now engage constructively with Mahindra too.

On 5 August 2022, on SII's request, SIAM hosted a meeting to discuss initial findings of SafetyNiti 2022 and of CRUSHED 2021; 15 OEMs attended this meeting to discuss next steps – jointly and severally.

The findings presented here have been informed by the OEMs' inputs where applicable. The final analyses are based on SII's subjective assessment, the methodology for which is explained below.

5.5 Limitations of the analysis

SII's analysis of OEMs' documents for the purpose of this report has been limited to identifying the presence and description of the stated policies and procedures only from the lens of OSH/accident prevention in the auto-sector supply chain, specifically the deeper Tiers 2/3/4. The analysis thus far has not focused on 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.

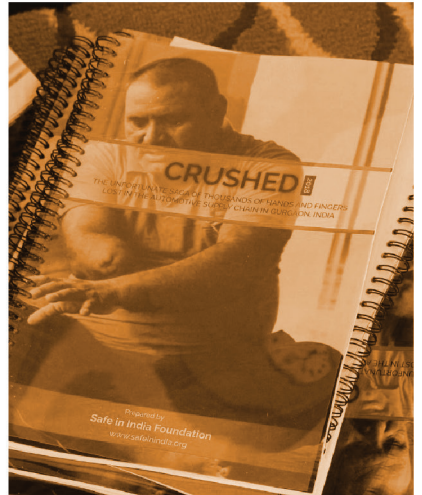
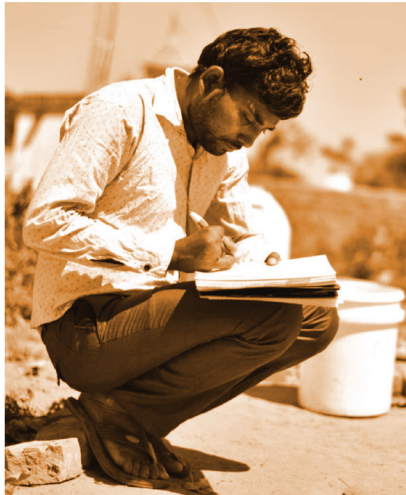
This focus will be re-evaluated for SafetyNiti 2023 since, as stated in the past reports, mere presence of policies is not sufficient to ensure prevention of accidents in the deeper supply chain. Much more is required to be done to ensure effective implementation of OSH policies with real impact on OSH conditions in the deeper supply chains through improved accountability, monitoring, and transparency.

A finding stating that “a company has a policy”, for example, only confirms its presence in the public domain – or an OEM having advised SII of its presence – and not its quality or its implementation.

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 Gurugram, Manesar, Bawal, and Faridabad and the assessment in Neemrana and Rudrapur have indicated that OEM policies and/or their implementation are still not adequate for their supply chains across the country. This evidence will continue to be reported in the CRUSHED series of reports and will be expanded nationally in phases.

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





Key OSH Policies, Guidelines, and Reporting Frameworks – Indian and International





This chapter lists the intent of Indian and international OSH policies, frameworks, and guidelines (Tables 2-4) regarding OSH, especially the new landmark inclusion of OSH in Fundamental Principles and Rights at Work (FPRW) in ILO's June 2022 convention and the new OSH reporting required by SEBI's Business Responsibility and Sustainability Reporting (BRSR) for value chain (which includes the deeper supply chain).

6.1 ILO Fundamental Principles and Rights at Work – New

ILO Declaration on Fundamental Principles and Rights at Work was adopted in 1998.

In June 2022, the 110th session of the International Labour Conference (ILC) of the International Labour Organization (ILO) adopted a resolution on the inclusion of a safe and healthy working environment in the ILO's framework of fundamental principles and rights at work. The resolution also declares that the Occupational Safety and Health Convention, 1981 (No. 155) and the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187) shall be considered as fundamental conventions.

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

Governments, employers, workers, OSH experts and other stakeholders involved in decision making processes should be well informed of the implications of the inclusion of the right to a safe and healthy working environment as a fundamental principle and right at work while creating and implementing OSH policies and programmes.

Industrial injuries in India are a serious concern, even though they are highly under-reported and statistics concerning them are incomplete in terms of coverage...

According to S 84 of the [OSH&WC] code, the occupier of every factory involving hazardous processes shall disclose information relating to dangers and health hazards to the workers, inspectors, and the general public. The same "disclosure principle" could be made applicable for all establishments and workers and the public relating employers' and employees' duties and rights under S (6)(2) and (14) (2).

- Professor K R Shyam Sundar, Economic & Political Weekly 26 September 2022.

6.2 Business Responsibility and Sustainability Reporting (BRSR) - New

BRSR will replace BRR (Business Responsibility Report) from FY 22-23 and now listed companies will have to improve reporting on supply chain, including "Leadership Indicators" on OSH.

SEBI circular of May 2021¹ on BRSR makes it mandatory for top 1000 listed companies to report in the BRSR format from FY 22-23. This is an improvement over BRR which did not have significant reporting on the supply chain of these business.

The BRSR format has several new policy and implementation level questions including direct questions related to OSH and human rights. As SII lays emphasis on OSH for contract workers (BRSR uses the term "other than permanent workers") in OEMs' own factories and OSH in their supply chain, the points relevant to OSH in P1, P3, P5 (of NGRBC) are highlighted below which the listed companies will have to respond to in their BRSR submissions.

OEMs are advised to note the following new/improved disclosures on OSH for company employees, workers, and value chain:

Note: The deeper supply chain referred to in this report is part of the company value chain and as SII is working to prevent accidents in the auto-sector supply chain, SII has laid emphasis on the deeper supply chain.

I General Disclosures

Section A (18): Number of Employees and workers

- a) Both permanent and **other than permanent**.
- b) Differently-abled

Section A (23): Complaints/Grievances on any of the principles (Principles 1 to 9 of NGRBC)

Workers and **value chain partners included** in stakeholder groups from whom complaint is received.

¹ https://www.sebi.gov.in/legal/circulars/may-2021/business-responsibility-and-sustainability-reporting-by-listed-entities_50096.html

II Policy

Section B (3): Do the enlisted policies (for NGRBC 9 Principles) extend to your value chain partners.

II Governance, Leadership, Oversight:

Section B (7): Statement by director responsible for the business responsibility highlighting ESG related challenges, targets, and achievements.

III Performance Disclosure points in BRSR

Sl. No.	BRSR Reference	Indicator Description	Workers Included	Specific Reporting or other than permanent Y/N	Specific Reporting for Supply Chain/Value Chain Y/N
Principle 1					
01	Section C (1E1)	Percentage coverage by training and awareness programmes on any of the principles.	Y	N	N
02	Section C (1L1)	Awareness Programmes conducted for value chain partners on any of the Principles	Y	NA	Y
Principle 3					
03	Section C (3E1b)	Percentage of workers covered by health, accident insurance, maternity/ paternity benefit, day care facilities.	Y	Y	N
04	Section C (3E6)	Mechanism available to receive and redress grievances	Y	Y	N
05	Section C (3E10)	a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?			
06		b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?			
07		c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)			
08		d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)			
09	Section C (3E11)	Details of safety related incidents, LTIFR, fatalities, high consequence work related injury or ill-health	Y	N	N
10	Section C (3E12)	Describe the measures taken by the entity to ensure a safe and healthy workplace			
11	Section C (3E13)	Number of Complaints: Working Conditions, Health and Safety	Y	N	N
12	Section C (3E14)	Assessment for the year: Working Conditions, Health, and Safety. Percentages of Plants and offices assessed.			
13	Section C (3E15)	Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.			
14	Section C (3L5)	Details of Assessment Per Value Chain Partners: Percentage of value chain partners that were assessed on Health and Safety Practices and Working Conditions	N	NA	Y
15	Section C (3L6)	Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.	N	NA	Y
Principle 5					
16	Section C (5E1)	Employees and workers who have been provided training on human rights issues and Policies	Y	Y	N
17	Section C (5E4)	Do you have a focal point responsible for addressing Human Rights impacts or issues...			
18	Section C (5E5)	Describe the internal mechanisms in place to redress grievances related to human rights			
19	Section C (5E6)	Number of complaints made on ... other Human Rights issues	Y	N	
20	Section C (5L4)	Details on assessment of Value Chain partners: Percentage of value chain Partners that were assessed on sexual harassment, discrimination at workplace, Child labour, Forced/ involuntary labour, wages, others (please specify)	N	NA	Y

Table 1: Performance Disclosure points in BRSR

#E/L* Explanation: # = Principal Number, E=Essential Indicator, L=Leadership Indicator, *=serial number of questions in BRSR, NA: Not Applicable



6.3 A summary of Indian Policy framework for OSH (other than BRSR above) reported in SafetyNiti 2021

Applicable Indian laws and guidelines discussed in SafetyNiti 2021 are summarised below. (Details can be found on pages 26-28 and 81 of SafetyNiti 2021)

Indian Policy, Laws, Orders

The Indian Laws and policies which outline Indian Government's Intent to ensure Occupational Health and Safety

Constitution of India

Art 21: No person shall be deprived of his life or personal liberty except according to procedure established by law.

Art 42: The state shall make provisions for securing just and humane conditions at work.

Art 43: 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....

The Factories Act 1948

- Section 7A (3) "...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...."
- Chapter 3: Health section 11 to 20
- Chapter 4: Safety section 21 to 41
- Chapter 6: Working Hours section 51 to 66
- Sections 88 and 88A

Notice of certain accidents and dangerous occurrences

- Section 108: Display of Notices
- Section 111A: Rights of Workers

Occupational Health and Safety Policy, 2009

Point 1.5 "Government of India firmly believes that without safe, clean environment as well as healthy working conditions, social justice and economic growth cannot be achieved, and that safe and healthy working environment is recognized as a fundamental human right..."

SEBI Circulars

- Integrated Reporting
 - Integrated Reporting may be adopted on a voluntary basis from the financial year 2017-18 by top 500 companies which are required to prepare BRR.
- Business Responsibility and Sustainability Reporting (BRSR)
 - See Table 1, page 48

Table 2: Indian Policy, Laws, Orders

Indian Guidelines

Indian Government has issued guidelines in line with its international commitments towards UNGP, SDG, Climate Change, ILO core conventions 138 and 182. Agencies like BSE, ICAI, have also issued guidelines listed below.

- **National Guidelines for Responsible Business Conduct (NGRBC; signed 2019) earlier NVG 2011.** 9 Principles, each introduced as a statement with a narration of essential aspects of the Principle.
- Each Principle is accompanied by a set of requirements and actions that are essential to the operationalisation of the Principle. These are referred to as Core Elements. 9 Principles have 53 core elements.

BSE Guidance document for ESG disclosures

Key Performance Indicators for

- Governance
 - Supplier Code of Conduct
 - Business Ethics and Code of Conduct
- Social
 - Human Rights Policy
 - Human Rights Violation
 - Health care benefits
 - Training and Development Hours

ICAI SUSTAINABILITY REPORTING MATURITY MODEL (SRMM)* VERSION 1.0

SRMM Version 1.0 is a self-assessment tool, for corporates and professional accounting firms assisting them in sustainability reporting, for assessing their sustainability maturity and taking steps to move up the SRMM maturity model.

Table 3: Indian Guidelines

6.4 National Action Plan on OSH needed

National Action Plans (NAPs) are policy documents in which a government articulates priorities and actions that it will adopt to support the implementation of international, regional, or national obligations and commitments with regard to a given policy area or topic.

The UN Working Group on human rights and transnational corporations and other business enterprises (UN Working Group), mandated by the Human Rights Council to promote the effective and comprehensive implementation of the UN Guiding Principles on Business and Human Rights (UNGPs), noted in its 2016 Guidance on business and human rights that NAPs can be an important means to promote the implementation of the UNGPs.

Many nations have published National Action Plans 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 a work in progress.**





6.5 A Summary of International guidelines and Frameworks for Reporting (in SafetyNiti 2021)

Applicable international guidelines and reporting frameworks discussed in SafetyNiti 2021 are summarised below (details can be found on pages 24-26 and 77-79 of SafetyNiti 2021).

Guidelines issued by international bodies

There are a few key international bodies and 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.

International Guideline Highlights

The Universal Declaration of Human Rights, 1948

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

- 30 articles emphasize the right of every human to dignity, which includes safety and security at the workplace.

OECD Guidelines for Multinational Enterprises, (2011 Update)

<https://www.oecd.org/daf/inv/mne/48004323.pdf>

- The most comprehensive set of government-backed recommendations on responsible business conduct

ILO Centenary Declaration for the Future of Work, 2019

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

- All workers should enjoy adequate protection in accordance with the Decent Work Agenda, including safety and health at work.

UN Sustainable Development Goals, 2015

<https://sdgs.un.org/goals>

- SDG 8 aims to “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.”

Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy by ILO, 1977 (amended in 2017)

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

- Provides direct guidance to enterprises on social policy and inclusive, responsible and sustainable workplace practices.

Table 4: Guidelines issued by international bodies

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.

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

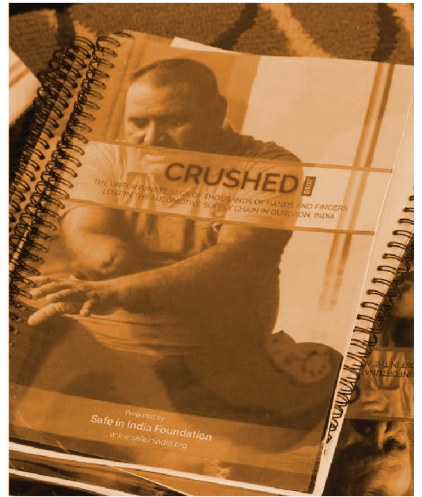
- GRI 403 sets out reporting requirements for OSH
- OSH for workers working in the supply chain is included in the scope of the reporting organisation (OEMs in this case) as defined in the scope of standards

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

- Applicable to entities with over 500 employees
- Per Directive 2014/95/EU large companies are required to include non- financial statements in their Annual Reports from 2018 onwards
- EU guidance document 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

Table 5: International reporting frameworks





Findings and Recommendations

for the OEMs, SIAM, and ACMA





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

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 Ltd., Tata Motors Ltd., TVS Motor Company Ltd.

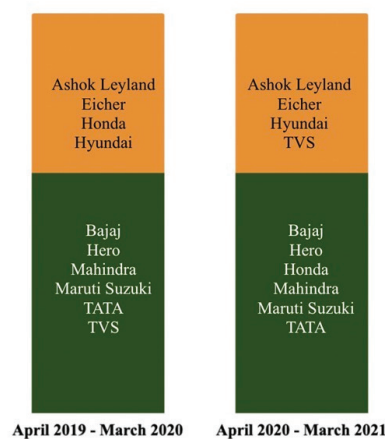
FINDING 1: OSH Policy in Public Domain

Although all ten OEMs mention they have an OSH policy for their own factories, six have it in the public domain (Bajaj, Hero, Honda, Mahindra, Maruti Suzuki, Tata), while remaining four (Ashok Leyland, Eicher, Hyundai, TVS) claim to have the policy but continue to not have them in public domain.

■ OEMs which mention an OSH policy in their reports but do not provide them in the public domain

■ OEMs which have their OSH policies in the public domain

OEMs with their OSH policies in the public domain



FINDING 2: OSH Policy for Non-Permanent Workers at par with Permanent Workers

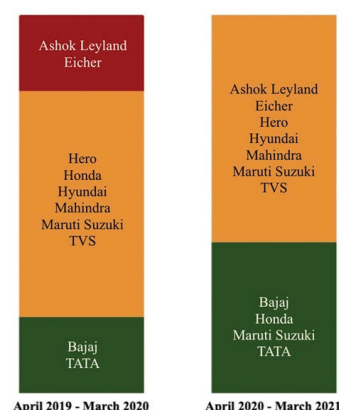
OSH policies of most OEMs do not explicitly state that they cover contract/casual/ temporary workers and other categories such as trainees/apprentices/probationers even in their own factories.

■ OEMs which do not have publicly declared OSH policy for contract workers

■ OEMs which do not have a clear stated OSH policy for contract workers

■ OEMs which have publicly declared OSH policy that includes contract workers

OEMs with OSH policies that cover non-permanent workers in their factories



- 2 OEMs have a charter of workplace guidelines for contract workers which includes health and safety (Bajaj) or a CoC that covers OSH and is applicable to contract workers (Hero).
- 5 OEMs that have mentioned compulsory safety induction/trainings of contract workers in their reports (Eicher, Mahindra, TATA, Ashok Leyland, TVS).
- 4 OEMs that have advised SII that their OSH policies cover them (Honda, Hyundai, Maruti Suzuki, TATA).

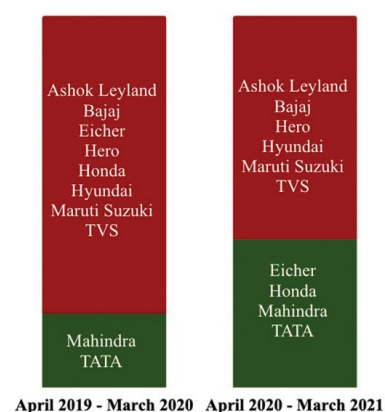
FINDING 3: Supplier Code of Conduct

Four OEMs (Eicher, Mahindra TATA, Honda-parent company) now have SCoC (Supplier Code of Conduct).

■ OEMs which do not have an SCoC (Supplier Code of Conduct)

■ OEMs which have an SCoC (Supplier Code of Conduct)

OEMs which have SCoC



The above four SCoCs now in public domain have mentions of applicability to deeper supplier chain as noted below:

- Mahindra mentions SCoC is applicable to all suppliers, and it includes (a) OSH compliance & (b) suppliers at each tier expected to exercise due diligence in regard to social and environmental responsibility.
- Honda mentions SCoC is applicable to all suppliers, and it states, “to disseminate these guidelines to sub-tiers throughout the supply chain”.
- Eicher has an SCoC which includes OSH and expects “The Supplier shall implement a sustainable procurement policy for its own suppliers, aligned to EML’s Supplier Code of Conduct”.
- TATA SCoC includes OSH and has defined “Supplier” as meaning “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.”

Three OEMs (Ashok Leyland, TVS, Hero) now do not appear to have policies and processes to ensure OSH in the deeper supply chain (especially Tiers 2/3/4).

The remaining two OEMs (Bajaj, Maruti Suzuki) do not appear to have SCoC, and Hyundai (not clear of applicability of parent company SCoC), have mentioned safety engagements with Tier 2 suppliers in their documents and in meetings with SII.

3 OEMs do not explicitly state Tier 2 or lower tier suppliers (Ashok Leyland, Hero, TVS).

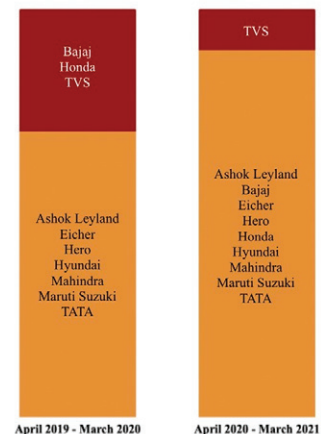
FINDING 4: Human Rights Policy in public domain

- Four OEMs now have a stated human rights policy in the public domain (Bajaj, Eicher, Mahindra, Honda- parent company).

■ OEMs which do not have a stated human rights policy in the public domain

■ OEMs that cover human rights in some documents but not .but not in accordance with UN Human Rights Convention

OEMs with human rights policy in the public domain



- 1 OEM’s parent company has a human rights policy, which also mentions OSH, working hours, and grievance redressal, and which they verbally advised last year is applicable to the Indian company, too (Hyundai Motors).
- 3 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, Hero, TVS).
- 3 OEMs have now confirmed in their documents that their human rights policy is formulated but it is not in the public domain (Maruti Suzuki, Tata, TVS).

FINDING 5: Standard Operation Procedures (SOP) for deeper supply chain

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

■ OEMs which have an SOP or a comprehensive OSH implementation plan for their deeper supply chain

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

OEMs which appear to have an SOP or a comprehensive OSH implementation plan for their deeper supply chain





However, 3 OEMs have reported ISO 18001/45001 certification for their vendors in their Annual Reports (Bajaj, Hyundai, Maruti Suzuki). This is an increase of 2 (from 1 to 3) since last year. SII has yet to notice a correlation between this certification and accidents in the supply chain.

■ OEMs which have reported ISO 18001/45001 certification for their vendors in their Annual Reports

■ OEMs which have not reported ISO 18001/45001 certification for their vendors in their Annual Reports

OEMs which have reported ISO 18001/45001 certification for their vendors in their Annual Reports

Ashok Leyland
Eicher
Hero
Honda
Hyundai
Mahindra
Maruti Suzuki
TATA
TVS
Bajaj

April 2019 - March 2020

Ashok Leyland
Eicher
Hero
Honda
Mahindra
TATA
TVS
Bajaj
Hyundai
Maruti Suzuki

April 2020 - March 2021

FINDING 6: Reporting on Indicator 8.8 of SDG 8

No 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/set targets to achieve Indicator 8.8, same as last year.

■ OEMs which have not referenced Indicator 8.8 of SDG 8, or activities/set targets to achieve Indicator 8.8

■ OEMs which have referenced Indicator 8.8 of SDG 8, or activities/set targets to achieve Indicator 8.8

OEMs which have referenced Indicator 8.8 of SDG 8 or activities/set targets to achieve Indicator 8.8

Ashok Leyland
Bajaj
Eicher
Hero
Honda
Hyundai
Mahindra
Maruti Suzuki
TATA
TVS

April 2019 - March 2020

Ashok Leyland
Bajaj
Eicher
Hero
Honda
Hyundai
Mahindra
Maruti Suzuki
TATA
TVS

April 2020 - March 2021

A Few Good Practices Identified

SII has identified several relatively better OSH practices among the OEMs that can be replicated across the industry, although SII is unable to comment on the quality of their implementation in this report:

- **Mahindra** reports that it implements its Human Rights Policy through contractual agreement – "All formal agreements with such prospective business associates/partners must have clauses that endeavour to seek adherence to Human Rights."
- **Maruti, Honda, and Hero** are members of the ISH-Maruti-Honda-Hero-SII joint platform at Gurugram to prevent accidents in the auto-sector supply chain. 30 audits of suppliers have been conducted by the three OEMs. A report is awaited on best practices to inform joint and/or common actions across the deeper supply chain.
- **TATA** advises that "SDG 8 is a priority. And initiatives are planned with industry body in FY22-23 to address the issue in deeper supply chain."
- **TATA CoC** states that "We shall comply with the laws of the countries in which we operate and any other laws which apply to us. With regard to those provisions of the Code that are explicitly dealt with under an applicable law or employment terms, the law and those terms shall take precedence. In the event that the standards prescribed under any applicable law are lower than that of the Code, we shall conduct ourselves as per the provisions of the Code."
- **Honda Supplier Sustainability Guidelines** states "We expect our suppliers to uphold these guidelines and

cascade them down to their supply chain". And as per the Honda General Purchase Agreement (GPA) applicability, penalty is imposed to supplier based on criticality of non-adherence adherence to the supplier sustainability guidelines.

- **MACE** Maruti Centre for Excellence, a joint initiative of Maruti and its suppliers, lists trainings on OSH as coming soon. Training on press machine safety and handling dies was scheduled on 8 June 2022.
- **Eicher** SCoC states that, "The Supplier shall ensure that an effective grievance redressal procedure has been established to ensure that any worker/employee, acting individually or with other workers, can submit a grievance without suffering any prejudice or retaliation of any kind."

7.1.2 Key Recommendation

SII continues to recommend 5 policy and 5 operational recommendations to OEMs given below.¹

Four policy recommendations to OEMs as reported first in SafetyNiti 2021

(For SII's five operational recommendations, see Image on next page.)

- 1. Include all contract workers in own factories in the OSH policy framework (at par with permanent workers)**
 - Share OSH Policy in public domain and specifically mention inclusion of contract/temporary/casual workers at par with its permanent workers in all factory premises. (ST)
 - Its implementation status should be part of Company Board Agenda.
- 2. Create, publish, and implement a Supplier Code of Conduct (SCoC)**
 - OEMs Publish Supplier Code of Conduct/Supplier Sustainability Guidelines in public domain. (MT)
 - The SCoC should have:
 - A clear statement for OSH for all workers at supplier factories. (ST)
 - Ask Tier-1 suppliers to cascade OSH, Human Rights, SDG 8.8 and NGRBC principles (issued by Ministry of Corporate Affairs) to the deeper supply chain. (ST)
 - Define 'Suppliers' in it with specific mention of Tier 1/2/3
 - Make provisions of the code/guidelines contractually binding and include accident reporting in Tier 1 contracts
 - Ask publicly listed suppliers to report on SEBI BRSR for the top 1000 listed companies. (MT)
 - State in annual reports consistency of all policies including OSH and human rights policies in own and supply chain factories of the Indian and international operations. (MT)
 - OEMs to support SIAM in broad basing its good practices across the sector. SIAM has committed to work with its members to develop an SCoC during release of SafetyNiti 2021. (ST)
- 3. Create, publish, and implement a standard operating procedure (SOP) for supply chain factories**
 - For suppliers with ISO certification, its impact on the factory floor should be included in the audit to ensure that workers (permanent and non-permanent) have safe working conditions. (ST)
 - Develop simple SOPs for the deeper supply chain and communicate to Tier 1/2/3/n suppliers. (MT)
- 4. Report annually on Indicator 8.8 of SDG 8 (the only SDG indicator about worker safety)**
 - Start reporting under SDG 8.8 (link below) which is concerned with labour safety for India operations. (ST)
 - Report on GRI403 framework for India operations (link below), as it includes supply chain worker safety. For these, OEMs will need to adopt ILO Decent Work Principles (link below) to define the same in their own factories and for their supply chain. (MT)
 - Hyundai and Honda India, despite being unlisted, should report for their Indian supply chain as it promotes transparency, accountability, and sustainability, and creates a level playing field for all businesses.

Useful links:

- Indicator 8.8.1 and 8.8.2 of SDG 8
- GRI 403, 2018
- Decent Work

¹ Suggested next steps/explanations/additional information and suggested time scales: ST=Short Term, MT=Medium Term, LT= Long Term

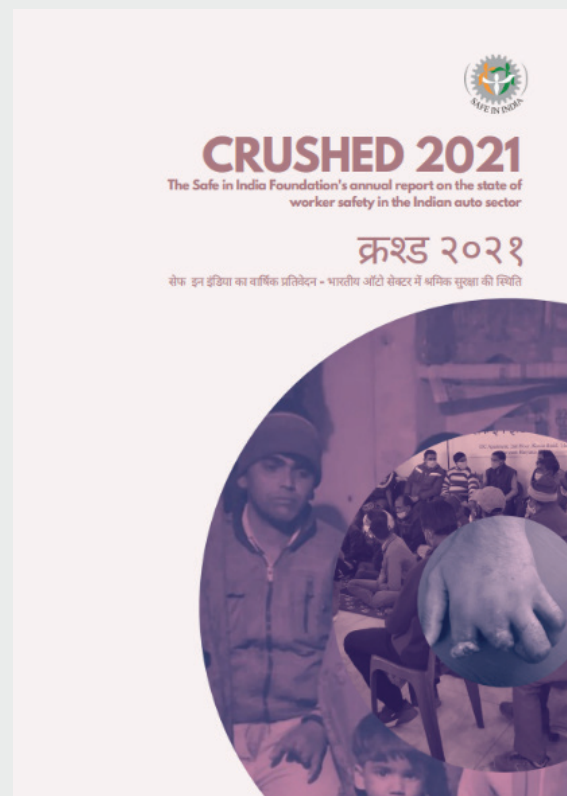
5. Demand minimum compliance from the supply chains (e.g., all workers should be covered by ESIC from their first workday as required under ESIC Act)

- SII had recommended a number of measures for compliance in the deeper supply chain for all in Tier 1 (ST) and Tier 2/3 MT):
 - letter of employment
 - health examination
 - double payment for overtime
 - ESIC registration
 - Making ESIC Card available to all workers on the date of joining

NB: c.65% of workers SII has assisted did not have ESIC card on the date of the injury and suffered immensely as a result and possibly never received the right treatment. Informing the worker of ESIC registration is equally important.

In addition to the above five policy recommendations, SII has also made 5 operational recommendations to auto brands (OEMs) on worker safety, for themselves and their deeper supply chain, as proposed in CRUSHED 2021.

1. OEMs' boards should take ownership of OSH in their deeper supply chain, which will not only help deliver genuinely on the environmental, social, governance (ESG) principles and Sustainable Development Goal (SDG) 8.8, but also help India improve its manufacturing professionalism and labour-productivity for the future.
2. Create a joint industry-level task force to address this issue of preventing accidents in deeper supply chain and establish a level playing field (see recommendations to SIAM).
3. Map the deeper supply chain starting with Tier 2s and conduct periodic safety assessments in the deeper (Tier 2/3/4) supply chain with the objective of improving their safety standards sustainably, even if it is done in phases.
4. Improve transparency and accountability for worker safety/injuries in the deeper supply chain, leading to weeding out repeat offenders of worker safety in the deeper supply chain, while commercially rewarding safer suppliers.
5. Initiate and drive a number of ground-level improvements as soon as possible, e.g.:
 - Create an industry-level system of training all workers (especially migrants and contractual) on OSH.
 - Provide supply chain workers an effective grievance redressal mechanism.
 - Set up a web portal for information relating to workplace safety, including machine safety in simple and pictorial language e.g. safety information for power presses used by Tier 2/3/4 suppliers, the required quality of PPE, cost-benefit case studies for 'Better working conditions improve productivity, quality and reliability of supply.'
 - Set up a facility to answer safety-related queries of deeper supply chain members.
 - Support ASDC in launching a national programme for recognising workers' prior learning and a certification programme for workers in the supply chain.



Top 5 recommendations for Society of Indian Automobile Manufacturers (SIAM) and Automotive Component Manufacturers Association (ACMA)

Five recommendations to SIAM (also see page 53 of CRUSHED 2021)

1. Bring the auto industry together to create a joint task force for OEMs and other stakeholders to prevent accidents in the auto sector deeper chain, while also improving productivity.

- Call a regular meeting of selected/all OEMs for SIAM and SII to present findings and agree next steps. We thank SIAM for the first meeting conducted on 5th August 2022. Next steps awaited.

2. Set up a permanent joint safety team/working group of SIAM and ACMA, with SII's participation as required, to showcase good practices and train members on strategic and tactical costs of accidents and how to reduce them.

- Form a task force with ACMA and SII, which can start by e.g., agreeing next steps, possible communication to suppliers from SIAM and ACMA, champion with OEMs to bring together industry expertise to create a business case for safety, and evaluate good practices highlighted by SII and any other channels. (ST)

3. Establish industry standards for safety in auto sector manufacturing.

- Create a model SCoC with any assistance from OEMs, SII and/or industry experts. (ST)
- Organise a joint meeting with SIAM and a set of ACMA members to set standards for safety and Standard Operating Procedures (SOPs) for the deeper supply chain. (MT)

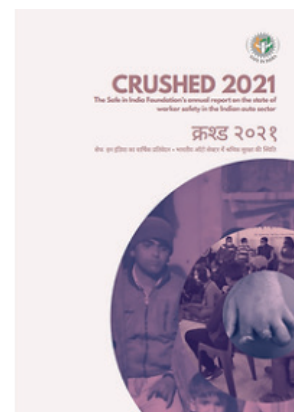
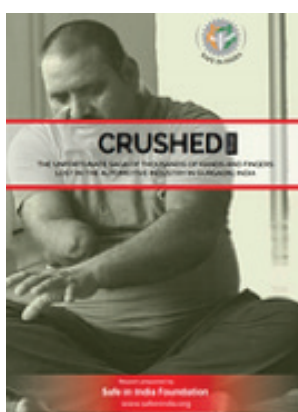
4. Integrate worker safety and health as core organizational values of its members.

- Start a series of webinars/seminars to inform members of the issue, possible solutions targeted as 'safety is good for business,' and discussion around SII recommendations as appropriate, e.g., below:
 - Having an OSH policy in the public domain. Specifically mention inclusion of contract/temporary/casual workers in all factory premises. (ST)
 - Worker training in own factories including contract workers and deeper supply chain. (ST/MT)
 - Creating an industry-level training system especially for migrant/contract workers. (MT)
 - Start designing of a web portal for simplified OSH material for supply chain workers, supervisors, managers, owners. (ST/MT)
 - Developing the cost-benefit case of OSH for suppliers. (MT)
 - Setting up OSH technical help line/advisory for deeper supply chain questions on issues/best practices/etc. (MT)
 - Supporting ASDC on prior learning project with SII. (ST)

5. Support SIAM and ACMA members in complying with NGRBC for long-term business success and compliance.

- Organise an online seminar/seminar to inform members of NGRBC principles which include:
 - OSH for workers in own factories and cascading the same in the deeper supply chain. (ST/MT)
 - Protection of Human Rights in own factories and cascading the same in the deeper supply chain. (ST/MT)
 - Setting up a grievance redressal mechanism in deeper supply chain. (MT)

Similar recommendations for ACMA are listed in our last reports CRUSHED 2021, CRUSHED 2020, CRUSHED 2019





7.1.3 International Best Practice that OEMs are recommended to follow in India

AIAG and Drive sustainability have issued “Automotive sustainability practical guidance” document¹. It has specific guidance for Human Rights and Working Conditions and Health and Safety amongst other sustainability parameters for suppliers. The document also outlines steps for the Responsible Supply Chain Management. See an extract below.

Responsible Supply Chain Management

Due Diligence:

- Suppliers should effectively communicate to their suppliers the expectations expressed in the Guiding Principles.
- Suppliers should assess ESG risks in their supply chain, build a plan to manage the risks of non-compliance of their suppliers with the Guiding Principles and, where possible, make efforts to ensure the risks are mitigated.
- Suppliers should monitor and track supplier performance in dealing with identified risks, e.g., country of origin for focus materials and emissions reduce targets.
- OECD Due Diligence Guidance for Responsible Business Conduct outlines six practical actions that constitute the due diligence process:
 - Suppliers should embed responsible business conduct into the enterprise’s policies and management systems
 - Suppliers should identify and assess adverse impacts in operations, supply chains and business relationships.
 - Suppliers should cease, prevent or mitigate adverse impacts.
 - Suppliers should track implementation and results.
 - Suppliers should communicate how impacts are addressed.
 - Suppliers should provide for or cooperate in remediation where appropriate.
- Step 2: Identify and assess risk in the supply chain...
- Step 3: Design and implement a strategy to respond to identified risks. In particular this includes reporting findings of the supply chain risk-assessment to senior management plan and monitoring and tracking performance; undertaking additional fact and risk assessments for risks requiring mitigation, or after a change of circumstances.
- Step 4: Carry out independent third-party audit of supply chain due diligence at identified points in the supply chain.
- Step 5: Report on supply chain due diligence.

As an example, Hyundai’s parent company has an SCoC which is based on Drive Sustainability’s Global Automotive Sustainability Practical Guidance (although its applicability to Indian subsidiary is not clear):

“Our Supplier Code of Conduct is based on Drive Sustainability’s Global Automotive Sustainability Practical Guidance and refers to the Responsible Business Alliance’s Code of Conduct. However, should the recommendations in this Supplier Code of Conduct contradict the laws of the countries in which our suppliers operate, the laws of the relevant countries shall supersede the content contained herein.”

¹ <https://www.aiag.org/corporate-responsibility/environmental-social-governance>

7.2 Summary of Findings at the OEM-level

Table 1 below 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 seven OEMs that engaged with SII. SII has compiled all analyzed OEM documents as of May 2022 in its repository.²

In order of decreasing existence, adequacy, and clarity (weighted: green 0, amber -1, red -2)

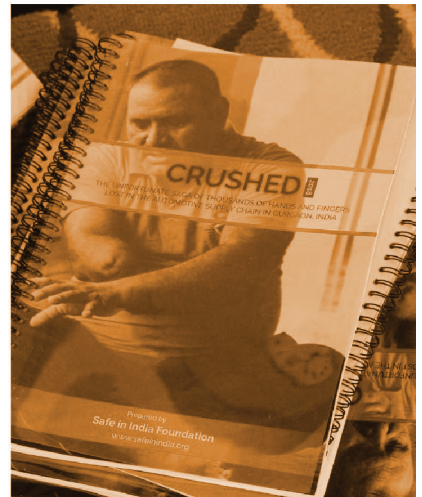
Question	Maruti Suzuki	Honda Motorcycle	Tata	Mahindra	Bajaj	Hyundia	Eicher	Hero	Ashok Leyland	TVS
Publicly declared policies applicable to the OEM's own factories										
OSH policy for the OEM's own employees		↑								↓
Publicly declared policy of OEM's that includes OSH for contract workers* at par with permanent employees		↑					↑		↑	
Human Rights policy, as per NGRBC Principle 5/ESG/UNHR		↑			↑					
Publicly declared policies applicable to the supply chain										
OSH policy for the OEM's Tier 1 suppliers		↑								↓
OSH policy for the OEM's deeper supply chain (Tier 2/3/4)		↑		↑						
Consistency of OSH policies enforced in the supply chain in Indian and in international operations	↓		↑	↑	↑					
Business Responsibility Reporting on NGRBC Principles 1, 3, and 5.		↑	↑		↑	↑	↑		↑	
Policies for reporting and monitoring supply chain sustainability in OSH in accordance with SDG Indicator 8.8.							↓			
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 supply chain					↑	↓			↑	↑
Grievance redressal mechanism for workers across supply chain to report unsafe work conditions					↑		↓			↓

Table 1: A summary view of the existence, adequacy, and clarity of OEMs' OSH policies and procedures.

*Contract workers includes other non-regular categories of temporary/ casual workers/ trainees/ apprentices/ probationers as stated in Section 5.3.

	Green: Available in the public domain or OEM has informed of its presence to SII in writing, or OEM has shared with SII.
	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 address the issue even partially.

² <https://tinyurl.com/3njdb6jn>



Detailed Findings at OEM-Level



7.3



ASHOK LEYLAND (AL)



FINDINGS	RECOMMENDATIONS
Publicly declared policies applicable to the OEM's own factories	
1. OSH policy for the OEM's employees	
<p>SafetyNiti 2021 reported there was no OSH policy in the public domain.</p> <p>This year -</p> <ul style="list-style-type: none"> There is an Environment, Health and Safety (EHS) Policy (henceforth OSH statement) on AL website. However, the OSH statement appears inadequate and lacks details that should be included in a comprehensive policy (e.g. Mahindra's OSH policy). 	<p>Publish a comprehensive OSH policy in the public domain.</p>
2. Publicly declared policy of the OEM that includes OSH for contract workers (includes other non-permanent workers) at par with permanent employees	
<p>SafetyNiti 2021 could not report on this due to non-availability of the OSH policy in the public domain.</p> <ul style="list-style-type: none"> This year the OSH policy does not mention contract workers – only “our employees and relevant stakeholders”. <p>However, there are a few positive mentions in the Sustainability Report -</p> <ul style="list-style-type: none"> SR20-21 states that “In addition to hazard identification and risk assessment, we also have measures like walk-through safety audits, corrective and preventive actions, behaviour-based safety trainings, and safety score card for contract employees for determining the nature and mitigation measures for each risk.” (SR20-21, p.51) It also mentions - “All employees are trained on the OSH Policy upon joining and provided periodic refresher trainings to ensure a culture of compliance. This year, we also conducted several safety drills at our locations.” (SR20-21, p.51) “16,450 daily wagers participated in the workplace safety awareness sessions.” (SR20-21, p.69) However, the structure, periodicity, and coverage of training; if “employees trained” includes contract workers, trainees, and any other temporary workers is unclear. 	<p>Categorically include all non-permanent workers (contract / temporary / casual workers / trainees etc.) at par with permanent workers under the same OSH policy.</p>
3. Human Rights policy as per NGRBC Principle 5/ESG/UNHR	
<ul style="list-style-type: none"> AL still does not have a Human Rights Policy in the public domain. In addition, the materiality table in Sustainability Report 20-21 does not include human rights as an external impact topic. SR 20-21 notes: “that no instances of discrimination or human rights violations were recorded in FY 2020-21. Same as last year. And the BRR 20-21 states “We also ensure that human rights clauses such as collective bargaining, equal opportunities and prohibition of child and forced labour are practiced and included in our contracts with our suppliers.” (BRR 20- 21, p.78) 	<p>Publish Human Rights Policy in the public domain.</p> <p>Human Rights Policy should specifically state that it covers the deeper supply chain and should also include UN Human Rights Convention Articles 3, 5, 19, 24 and 25 which refer to right to life, freedom of opinion and expression, rest and leisure, standard of living adequate for health and wellbeing of self and family, and protection from cruel, inhuman, degrading treatment or punishment (if not already done); and include it in contracts with suppliers (for example, as done by Mahindra).</p>

ASHOK LEYLAND (AL)



FINDINGS	RECOMMENDATIONS
Publicly declared policies applicable to OEM's deeper supply chain	
4. OSH policy for the OEM's Tier 1 suppliers	
<ul style="list-style-type: none"> SR 2018-19 had mentioned OSH as one of the aspects for onboarding suppliers and work in progress regarding sustainable procurement framework. However, this year neither the SCoC nor sustainable procurement framework is in the public domain but SR20- 21 says "There is a management approved SCoC". (SR20-21, p. 74) SR20-21 also states, "We expect our suppliers to have an occupational health and safety management system that is compliant with OHSAS 18001 or its equivalent". (SR20- 21, p.51) And it says, "We assess our new suppliers as per our Plan- Do-Check-Act cycle to ensure that they are in compliance with our standards." (SR 20-21, p. 74-75) OSH is clubbed with road safety in the material topics and the impact boundary for materiality is external and internal It is not clear if reporting of accidents or near-misses by suppliers is part of the supplier monitoring or assessment system. There is no mention of Supplier Buddy system this year as was done last year. 	<p>Publish the SCoC in the public domain, include the deeper supply chain and ensure cascading of OSH and NGRBC Principles down the supply chain, even if in phases.</p> <p>Define 'suppliers' in SCoC and Sustainability Strategy (if not already done) to include deeper supply chain.</p> <p>Include accident reporting in Tier 1 contracts.</p>
5. OSH policy for the OEM's deeper supply chain (Tier 2/3/4)	
<ul style="list-style-type: none"> SII is still unable to find the definition of 'suppliers' or assess if the deeper supply chain is considered part of it, same as last year. 	<p>Same recommendations as in question 4.</p> <p>Include compliance with OSH legislations such as the Factories Act 7A (3) which requires each company to have a written OSH statement/ policy.</p> <p>Ensure Tier 1 suppliers make OSH principles contractually binding for their own suppliers (i.e., OEM's Tier 2 suppliers).</p>
6. Consistency of OSH policies enforced in the supply chain in Indian and in international operations	
<ul style="list-style-type: none"> SII was still unable to assess this due to non-availability of relevant information in the public domain. 	<p>Publish the Group's OSH policy for international operations, if different from domestic operations; else clarify that the same or better policy is applicable (e.g. Mahindra SCoC and Tata CoC).</p>
7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5	
<ul style="list-style-type: none"> It is not clear in BRR or SR, how AL plans to cascade the principles of NGRBC across the supply chain, same as last year. SR 20-21 states that "We have also incorporated our ESG objectives and factors in our supply chain strategy and supplier selection process to deliver quality products, while managing our costs and keeping up with the latest technology." (SR20-21, p74) BRR states "that human rights clauses... included in our contracts with our suppliers" (BRR 20-21, p.78) as reported above in question 3. <p>In SR20-21 AL changed the format of materiality assessment.</p> <ul style="list-style-type: none"> "We conduct our business operations in compliance with the environmental and social norms set by the relevant local authorities. 	<p>In view of BRSR leadership indicators (which will be applicable from FY22-23) requiring reporting on health and safety practices and working conditions for value chain / deeper supply chain partners,</p> <ul style="list-style-type: none"> Encourage and support suppliers to follow NGRBC guidelines, even if done in phases Include OSH in supply chain sustainability risk assessment, if not already included.

Continued



ASHOK LEYLAND (AL)



FINDINGS	RECOMMENDATIONS
7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5	
We have a wide network of suppliers, and we motivate them to adopt the same sustainability standards as we do." (SR 20-21, p. 73)	
8. Policies for reporting and monitoring supply chain sustainability in OSH in accordance with SDG Indicator 8.8	
<ul style="list-style-type: none"> Specific SDGs are still not stated against activities, same as last year. In the stakeholder engagement table in SR 20-21, OSH is still not mentioned as a key engagement subject with suppliers, same as last year. No targets are included to achieve Indicator 8.8 of SDG 8 in the deeper supply chain. 	Define and include clear targets to achieve Indicator 8.8 of SDG 8 in the deeper supply chain.
Publicly declared procedures to ensure safety across the supply chain	
9. Mapping of the deeper supply chain to be able to improve safety Principles 1, 3, and 5	
<p>AL has 770 suppliers in its supply chain. (SR20-21, p.75)</p> <ul style="list-style-type: none"> However, it is not clear whether they are only Tier1 suppliers or include Tier2/3/4 suppliers, same as last year. 	<p>Map the deeper supply chain as advised in the NGRBC, even if done in phases. Tier 1 and 2 suppliers first, for example, for pressing and stampings vendors.</p> <p>Include status of deeper supply chain mapping in next year's reports.</p> <p>Include supplier definition in the company's policy documents available in the public domain.</p>
10. Actions taken by the OEM to prevent accidents in its supply chain	
<ul style="list-style-type: none"> SR20-21 gives more information than last year and includes the following: <p>"The Supplier Evaluation Audit (SEA) is a scorecard-based audit conducted on an annual basis for all our suppliers to ensure that their practices are in compliance with the applicable rules and regulations...In FY 2020-21, 283 surveillance audits were carried out and no breaches related to legal compliance or human rights were reported...also take into account their social and environmental impacts... Additionally, we ensure the fair treatment of our suppliers' employees - on parameters like the freedom of association, right to collective bargaining, training and development, and equal remuneration - through dedicated clauses in our General Purchase Agreement. We ensured that 283 of our audited suppliers abide by these practices and have agreed to improve on their existing systems. All of our suppliers are ISO 9001:2015 certified." (SR20-21, p. 76)</p> However, it is not clear if the SEA audit includes OSH; and it is not clear if deeper supply chain (tier2/3/4) is audited; same as last year. 	<p>Ensure effective implementation of OSH policies with real impact on OSH conditions in the deeper supply chains through improved accountability, monitoring and transparency (e.g. reporting accident and near-misses; safety audits; SOPs; appropriate training; online platform for knowledge sharing of best practices, safety information for workers; and commercial consequences of poor safety record).</p> <p>Increase number of annual safety audits, especially of Tier 2 suppliers and report status in next year's reports.</p>
11. Monitoring by Tier 1s (direct suppliers) to improve safety in their deeper supply chain	
<ul style="list-style-type: none"> SafetyNiti 2021 was unable to report on this due to non- availability of relevant information in the public domain. <p>This year there are a few positive mentions:</p> <ul style="list-style-type: none"> SR20-21 states that the "supply chain 4.0 framework has been adopted to increase transparency, and improve efficiency and flexibility, while also reducing lead time by leveraging digital technology. This is a continuous process, and we are at the initial stages of transitioning through this journey. (SR20-21, p. 78) 	<p>Require and support Tier 1 suppliers to ensure quality implementation of OSH policies with real impact on OSH conditions in the deeper supply chains, even if done in phases, through improved accountability, monitoring and transparency and report to the OEM.</p> <p>Include OSH in the ESGQ parameters if not already done.</p>

Continued

ASHOK LEYLAND (AL)



FINDINGS	RECOMMENDATIONS
11. Monitoring by Tier 1s (direct suppliers) to improve safety in their deeper supply chain	
<ul style="list-style-type: none"> It also states that "Using the Supplier Performance Insight Relationship Improvement Tool (SPIRIT) dashboard, we efficiently monitor our suppliers, performance on different aspects. This dashboard is easily accessible to our supplier and stakeholders through the Tableau software." (SR20- 21, p. 79) However, it is unclear if, <ul style="list-style-type: none"> a) OSH is included the tools mentioned above for deeper supply chain b) AL requires its Tier 1 to monitor/improve safety in their suppliers 	<p>Include evidence of Tier 1 suppliers cascading OSH practices to the deeper supply chain in next year's reports.</p>
12. Grievance redressal mechanism for workers across supply chain to report unsafe work conditions	
<p>Grievance redressal and People Red Book information is same as last year.</p> <ul style="list-style-type: none"> SR20-21 states that "We did not receive any complaints regarding our labour practices in FY2020-21, and 100% of minor grievances during the year were resolved as on March 31, 2021." (SR20-21, p.50) However, it continues to be unclear if: <ul style="list-style-type: none"> Contractual/casual/temporary employees/workers can report OSH violations Grievance redressal is part of the supplier audit process 	<p>Categorically include contract workers and OSH in the scope of whistleblower policy and grievance redressal mechanism.</p> <p>Encourage Tier 1/2/3/4 suppliers to have similar policies for their permanent and contract workers and include OSH in the scope of these policies.</p>



BAJAJ



FINDINGS	RECOMMENDATIONS
Publicly declared policies applicable to the OEM's own factories	
1. OSH policy for the OEM's employees	
<ul style="list-style-type: none"> Safety Health and Environment (SHE) policy is in the public domain. [henceforth referred to as OSH Policy] 	
2. Publicly declared policy of the OEM that includes OSH for contract workers (includes other non-permanent workers) at par with permanent employees	
<p>SafetyNiti 2021 had reported that Bajaj has an OSH Policy and the 'Charter for Fair and Responsible Workplace Guidelines for Contract Workers' (adopted from CII2017)</p> <ul style="list-style-type: none"> This year BRR reports that "5573 contractual workmen [were] trained on SHE across 3 Bajaj plants (BRR20-21, p. 10) Bajaj advises that the OSH Policy covers "all who work for and on behalf of Bajaj Auto Ltd" and confirms that this includes contract, temporary workers and trainees. Bajaj advises that OSH activities for contract workers includes: <ul style="list-style-type: none"> OSH & Job specific training ESI scheme registrations Involvement in OSH Kaizens and appreciation for participation 	<p>Categorically include all non-permanent workers (contract / temporary / casual workers / trainees etc.) at par with permanent workers under the same OSH policy.</p>
3. Human Rights policy as per NGRBC Principle 5/ESG/UNHR	
<ul style="list-style-type: none"> Human Rights Policy is in the public domain. 	<p>Human Rights Policy should specifically state that it covers the deeper supply chain and should also include UN Human Rights Convention Articles 3, 5, 19, 24 and 25 which refer to right to life, freedom of opinion and expression, rest and leisure, standard of living adequate for health and wellbeing of self and family, and protection from cruel, inhuman, degrading treatment or punishment (if not already done); and include it in contracts with suppliers (for example, as done by Mahindra).</p>
Publicly declared policies applicable to OEM's deeper supply chain	
4. OSH policy for the OEM's Tier 1 suppliers	
<ul style="list-style-type: none"> SII could not find a Bajaj SCoC in the public domain. Although Bajaj advises that suppliers have been defined in OSH and OHSAS Policies, it remains unclear. <p>However, there are a few positive mentions this year -</p> <ul style="list-style-type: none"> Bajaj reports in BRR20-21, like last year, that "BAVA [Bajaj Auto Vendors Association] Safety Committees have been formed at Chakan, Waluj and Pantnagar to institutionalize safety among the Company's vendors; and "136 safety cross-audits have been conducted among vendors within these clusters by the members of Committee. these audits serve to...assess the vendor safety practices [and] function as a platform for sharing best practices and cross-learning among the BAVA members." (BRR 20-21, p. 5) 	<p>Publish an SCoC in the public domain, include the deeper supply chain and ensure cascading of OSH and NGRBC Principles down the supply chain, even if in phases.</p> <p>Make provisions of SCoC contractually binding and include accident reporting in Tier 1 contracts.</p>
<i>Continued</i>	

BAJAJ



FINDINGS	RECOMMENDATIONS
Publicly declared policies applicable to OEM's deeper supply chain	
4. OSH policy for the OEM's Tier 1 suppliers	
<ul style="list-style-type: none"> Bajaj has shared sample OSH policies of some suppliers with SII and advises that BAVA members' safety audit reports are received by Bajaj. In addition, it advises that Bajaj team conducts surprise safety audit of Tier 1 suppliers. 	
5. OSH policy for the OEM's deeper supply chain (Tier 2/3/4)	
<p>As reported in SafetyNiti 2021, it continues to be unclear if OSH policies are applicable to deeper supply chain (Tier 2/3/4).</p> <p>Bajaj reports in BRR 20-21 that –</p> <ul style="list-style-type: none"> It "has a Total Productive Maintenance (TPM) Policy which assists Tier I and Tier II vendors to enhance their operational, human and cost efficiencies. In FY 2020-21, 174 Tier I vendor groups and 295 Tier II vendors were practising TPM" (BRR 20-21, p.5). The numbers are similar to those reported in the previous year. "A portal has been developed for all BAVA members to upload their compliance status and this portal is also used for sending alerts to ensure timely renewal actions" (BRR 20-21, p. 5). "Inaugurated new Training Centre for contractors at Pantnagar" (BRR 20-21, p. 10). Bajaj advises that "135 identified Tier 1 vendors certified for ISO14001/OHSAS18001." However, it is unclear how many Tier 2/3/4 suppliers are members of the BAVA Safety Committee and if Bajaj OSH policies are applicable to deeper supply chain. 	<p>Same recommendation as in question 4.</p> <p>Include compliance with OSH legislations such as the Factories Act 7A (3) which requires each company to have a written OSH statement/policy.</p> <p>Ensure Tier 1 suppliers make OSH principles contractually binding for their own suppliers (i.e., OEM's Tier 2 suppliers).</p>
6. Consistency of OSH policies enforced in the supply chain in Indian and in international operations	
<p>SafetyNiti 2021 noted:</p> <ul style="list-style-type: none"> It is not categorically mentioned in the documents reviewed that OSH policies are applicable to deeper supply chain (Tier 2/3/4). <p>This year, Bajaj reports in the Annual Report -</p> <ul style="list-style-type: none"> "We started implementation of TPM at our international distributor plants. As of FY2021, 12 distributor plants have been practicing TPM for over a year...now experiencing somewhere between 15% and 20% growth in manpower productivity, production rate and first-time right quality." (AR20-21, p. 28.) Bajaj advises that it is "sharing Learnings & Best Practices to Distributors & International Suppliers." 	<p>Publish the Group's OSH policy for international operations, if different from domestic operations; else clarify that the same or better policy is applicable (e.g. Mahindra SCoC and Tata CoC).</p>
7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5	
<p>SafetyNiti 2021 reported that:</p> <ul style="list-style-type: none"> BRR 2019-20 provides no examples or mechanisms adopted by Bajaj to take P1 and P3 of NGRBC across the supply chain. Human rights policy is now in the public domain. This year Bajaj advises that "One audit is completed at BAL Waluj. Initially we will establish the system at [Bajaj] and then take it to suppliers with top 10 issues to start with." However, we hope Bajaj scales up quickly in order to prevent accidents in the supply chain. 	<p>In view of BRSR leadership indicators (which will be applicable from FY22-23) requiring reporting on health and safety practices and working conditions for value chain / deeper supply chain partners,</p> <ul style="list-style-type: none"> Encourage and support suppliers to follow NGRBC guidelines, even if done in phases. Include OSH in supply chain sustainability risk assessment, if not already included.

BAJAJ



FINDINGS	RECOMMENDATIONS
<p>8. Policies for reporting and monitoring supply chain sustainability in OSH in accordance with SDG Indicator 8.8</p> <p>SafetyNiti 2021 noted:</p> <ul style="list-style-type: none"> ● A portal has been developed for all BAVA members to upload their compliance status with applicable laws. It has reported the same in BRR20-21 this year. ● BRR 2019-20 had stated that Bajaj has a 'Green Purchasing Policy' [GPP] which is "applicable to its entire supply chain". The policy lists the requirements related to water, energy, and natural resource conservation". Although the GPP is not available in the public domain, Bajaj has now shared it with SII. <p>This year:</p> <ul style="list-style-type: none"> ● Bajaj advises that – <ul style="list-style-type: none"> ● BAVA portal will soon include OSH parameters for accident reporting, corrective analysis, and preventing accidents in the deeper supply chain ● OSH will be incorporated in SCoC ● However, it is unclear if Bajaj has defined parameters and targets to achieve Indicator 8.8 of SDG 8 in the deeper supply chain. 	<p>Define and include clear targets to achieve Indicator 8.8 of SDG 8 in the deeper supply chain.</p>
Publicly declared procedures to ensure safety across the supply chain	
<p>9. Mapping of the deeper supply chain to be able to improve safetyPrinciples 1, 3, and 5</p> <ul style="list-style-type: none"> ● BRR 20-21 says "295 Tier II vendors were practising TPM" (BRR 20-21, p.5) and Bajaj advises that "180 T1 & 298 T2 practicing TPM & 135 T1 are certified for OHSAS18001." ● Bajaj advises that they have "1000-1200 Tier 2 companies in India". We assume this means all Tier 2 suppliers are mapped. ● It is unclear if the deeper supply chain (Tier 3/4) is also mapped. Although Bajaj advises Tier 3 suppliers are a very small percentage. 	<p>Include status of deeper supply chain mapping in next year's reports.</p>
10. Actions taken by the OEM to prevent accidents in its supply chain	
<p>SafetyNiti 2021 noted:</p> <ul style="list-style-type: none"> ● BRR 2019-20 states: "Bajaj Auto Vendor Association (BAVA) Safety Committees at its plants in Chakan, Waluj and Pantnagar"; but it was unclear whether BAVA members included Tier 2/3/4 suppliers too and whether BAVA members have OSH policies in their own organisations. ● This year, Bajaj reports that – <ul style="list-style-type: none"> ● "Conducted by the members of BAVA Safety Committees, these audits serve to not only assess the vendor safety practices but also function as a platform for sharing best practices and cross-learning among the BAVA members." (BRR20- 21, p.5) ● Bajaj also advises that – <ul style="list-style-type: none"> ● BAVA members' safety audit reports are received by Bajaj ● Tier 1 suppliers are advised to conduct Safety audits at Tier 2 ● However, it remains unclear (as also reported in SN21) whether BAVA members include Tier 2/3/4 suppliers too and whether BAVA members have OSH policies in their own organisations. 	<p>Ensure effective implementation of OSH policies with real impact on OSH conditions in the deeper supply chains through improved accountability, monitoring and transparency (e.g. reporting accident and near-misses; safety audits; SOPs; appropriate training; online platform for knowledge sharing of best practices, safety information for workers; and commercial consequences of poor safety record).</p>

BAJAJ



FINDINGS	RECOMMENDATIONS
11. Monitoring by Tier 1s (direct suppliers) to improve safety in their deeper supply chain	
<ul style="list-style-type: none"> Bajaj advises "it is a regular agenda of BAVA meetings and also mail communication to Suppliers for safety audits" 	<p>Require and support Tier 1 suppliers to ensure quality implementation of OSH policies with real impact on OSH conditions in the deeper supply chains, even if done in phases, through improved accountability, monitoring and transparency and report to the OEM.</p> <p>Include evidence of Tier 1 suppliers cascading OSH practices to the deeper supply chain in next year's reports.</p>
12. Grievance redressal mechanism for workers across supply chain to report unsafe work conditions	
<ul style="list-style-type: none"> This year, the Whistle Blower Policy has been amended to include contract workers & OSH-related practices. However, Bajaj does not require its suppliers to have a similar whistleblower policy/grievance redressal mechanism. 	<p>Encourage Tier 1/2/3/4 suppliers to have similar policies for their permanent and contract workers and include OSH in the scope of these policies.</p>



EICHER



FINDINGS	RECOMMENDATIONS
Publicly declared policies applicable to the OEM's own factories	
<p>1. OSH policy for the OEM's employees</p> <ul style="list-style-type: none"> ● SII is still unable to access an OSH policy in the public domain. <p>Although this year Eicher reported a few new positive entries related to OSH, they do not appear to be comprehensive and there is no standalone OSH policy in the public domain.</p> <ul style="list-style-type: none"> ● Eicher Human Rights Policy mentions - "We are committed to providing a safe and healthy workplace free from any recognized hazards, through implementing effective measures to prevent any workplace injuries and ill health... preventive health and safety measures...work environment that promotes physical and mental well-being of all our employees and provides a conducive environment to promote growth and productivity." (p. 2) ● "A comprehensive Occupational Health and Safety (OHS) management system is outlined and rigorously implemented to monitor safe working conditions... covers all employees and workmen within the organisation's premises as well as community dwellings around the area." (AR20-21, p. 122) 	<p>Publish a comprehensive standalone OSH policy in the public domain (example, Mahindra's OSH policy).</p>
<p>2. Publicly declared policy of the OEM that includes OSH for contract workers (includes other non-permanent workers) at par with permanent employees</p> <ul style="list-style-type: none"> ● As mentioned above, in absence of a publicly available standalone comprehensive OSH policy, it is not clear that contract workers etc. are covered. <p>However, Annual Report 2020-21 now has a few positive mentions -</p> <ul style="list-style-type: none"> ● "Implementation of a comprehensive Occupational Health and Safety (OHS) management system has ensured health, safety, and well-being of all permanent and contract workers at the manufacturing facilities. Your Company also extends its safety priority to the external stakeholders dealing with a probability of being impacted by its business operations." (AR20-21, p. 77) ● "A sharp focus on the well-being of the organisation's workforce (both permanent and contractual) combined with meaningful ongoing dialogue form the foundational social sustainability...the Company pays strong attention in minimising occupational hazards. Regular training management diagnostics are conducted to ensure the safety of its workforce." (AR20-21, p.114) ● "All socio-economic rules and regulations are observed with strictest compliance by the organization. Issues related to contract labour, for instance payment of wages, overtime, maternity benefits etc. are given due attention and recourse." (AR20-21, p. 114) 	<p>As recommended above publish a comprehensive standalone OSH policy in the public domain, and categorically include all non-permanent workers (contract/temporary/casual workers/ trainees etc.) at par with permanent workers under the same OSH policy.</p>
<p>3. Human Rights policy as per NGRBC Principle 5/ESG/UNHR</p> <p>SafetyNiti 2021 noted:</p> <ul style="list-style-type: none"> ● SR 2019-20 stated, "...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." <p>Additional findings this year:</p> <ul style="list-style-type: none"> ● Eicher now has a human rights policy this year and it is says that "We <p style="text-align: right;"><i>Continued</i></p>	<p>Human Rights Policy should specifically state that it covers the deeper supply chain and should also include UN Human Rights Convention Articles 3, 5,19, 24 and 25 which refer to right to life, freedom of opinion and expression, rest and leisure, standard of living adequate for health and wellbeing of self and family, and protection from cruel, inhuman, degrading treatment or punishment (if not already done); and include it in contracts with suppliers (for example, as done by Mahindra).</p>



FINDINGS	RECOMMENDATIONS
<p>3. Human Rights policy as per NGRBC Principle 5/ESG/UNHR</p> <p>are also guided by internationally accepted standards such as the UN Guiding Principles on Business and Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work."</p> <ul style="list-style-type: none"> ● However, the human rights policy does not cover provisions of UN Human Rights Convention Article 3, 5, 19, 24 and 25 (which refer to right to life, freedom of opinion and expression, rest and leisure, standard of living adequate for health and wellbeing of self and family, and protection from cruel, inhuman, degrading treatment or punishment) ● SCoC states "Supplier shall comply with all applicable local, state and national laws regarding human rights, as well as the Company's Human Rights Policy". ● "Protection of human rights across operations" is mentioned in the Annual Report. (AR20-21, p. 89) However, it does not clarify whether it covers the deeper supply chain. 	
Publicly declared policies applicable to OEM's deeper supply chain	
<p>4. OSH policy for the OEM's Tier 1 suppliers</p> <p>As reported in SafetyNiti 2021, SR 19-20 had stated several OSH practices followed by Eicher for including safety criteria in onboarding suppliers and in supplier audits post onboarding.</p> <ul style="list-style-type: none"> ● This year Eicher has published an SCoC which has a further positive mention: "Eicher expects its Suppliers / Vendors to comply with and act in accordance with all applicable safety, health, environmental and employee welfare regulatory norms and to run their businesses in compliance with the applicable laws and regulatory requirements." ● In addition, Eicher confirmed in a meeting with SII, that it is in the process of putting in place a sustainability governance system which will have cross-sectional senior team members; and OSH in supply chain may be included in the sustainability goal of the company "Thriving Resilient People". ● Eicher also concurred that incorporating OSH in supply chain in Tier 1 contracts is possible and may be considered. 	<p>Make provisions of SCoC contractually binding and include accident reporting in Tier 1 contracts.</p>
<p>5. OSH policy for the OEM's deeper supply chain (Tier 2/3/4)</p> <p>SafetyNiti 2021 noted:</p> <ul style="list-style-type: none"> ● SR19-20 mentions "304 suppliers (including Tier 2) suppliers were assessed as per audit checklist". This year SR20-21 has reported a similar number of suppliers (307) audited as per revised checklist and ESG. ● While the SCoC requires the suppliers to comply with a few current legislations (child labour, forced labour and sexual harassment), it is not clear if legislations pertaining to OSH Policy such as the Factories Act 7A (3) are included to align vendor contracts for their supply chain. 	<p>Include compliance with OSH legislations such as the Factories Act 7A (3) in SCoC which requires each company to have a written OSH statement/policy.</p> <p>Ensure Tier 1 suppliers make SCoC principles contractually binding for their own suppliers (i.e., OEM's Tier 2 suppliers).</p>
6. Consistency of OSH policies enforced in the supply chain in Indian and in international operations	
<ul style="list-style-type: none"> ● Although SCoC mentions "Supplier must take steps to ensure their business operations are free from slavery and human trafficking practices both internally and within their supply chains and other external business relationships," it is not clear from the documents in the public domain whether the company's international operations are covered by their OSH policy or any other articulated policy in the public domain. 	<p>Publish the Group's OSH policy for their international operations, if different from domestic operations; else clarify that the same or better policy is applicable (e.g. Mahindra SCoC and Tata CoC).</p>



EICHER



FINDINGS	RECOMMENDATIONS
<p>7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5</p> <ul style="list-style-type: none"> ● Since SII's first discussions in 2019, Eicher has started reporting BRR in the required SEBI format. ● However, BRR does not categorically state requirement for suppliers to follow NGRBC Principles or cascade it across its suppliers and the supply chain <p>This year's Annual Report has some positive mentions –</p> <ul style="list-style-type: none"> ● "Sustainability risk assessment through supplier audit frameworks" (AR20-21, p. 83) and it states, "The Company has put in place measures to ensure that vendor contracts align with recognized regulations, particularly those related to child labour, forced labour and sexual harassment." (AR20-21, p. 211) ● "Associate Engineers (AEs), NEEM Trainees and Contract Resources undergo a calendarised training and development programme that covers both technical and behavioural aspects of work. Each new employee joining as an AE or Trainee undergoes a comprehensive induction programme covering key aspects... and safety practices" (AR20-21, p. 117) 	<p>In view of BRSR leadership indicators (which will be applicable from FY22-23) requiring reporting on health and safety practices and working conditions for value chain / deeper supply chain partners,</p> <ul style="list-style-type: none"> ● Encourage and support suppliers to follow NGRBC guidelines, even if done in phases. ● Include OSH in supply chain sustainability risk assessment, if not already included.
<p>8. Policies for reporting and monitoring supply chain sustainability in OSH in accordance with SDG Indicator 8.8</p> <ul style="list-style-type: none"> ● SDG Alignment section in AR20-21 does not mention OSH in supply chain. ● Integrated Annual Report does not include any reporting for SDG 8 indicators including for indicator 8.8 of SDG 8. ● "Responsible supply chain" is placed on high priority in material issues mapping same as last year. However, it is not clear whether the company includes OSH in the definition of responsible supply chain. ● AR20-21 mentions that mandatory aspects in supplier assessments at time of onboarding and after includes "requirements on safety.... Supplier processes are continuously monitored and controlled through periodic audits and necessary steps are taken to close gaps identified in the audit process." (AR20-21, p. 126) However, it is not clear which Tier suppliers (Tier 1/2/3/4) are included in the responsible supply chain processes. 	<p>Define and include clear targets to achieve Indicator 8.8 of SDG 8 in the deeper supply chain.</p>
<p>Publicly declared procedures to ensure safety across the supply chain</p>	
<p>9. Mapping of the deeper supply chain to be able to improve safetyPrinciples 1, 3, and 5</p> <ul style="list-style-type: none"> ● It is unclear if Eicher has mapped deeper supply chain. 	<p>Map the deeper supply chain as advised in the NGRBC, even if done in phases. Tier 1 and 2 suppliers first, for example, for pressing and stampings vendors.</p>
<p>10. Actions taken by the OEM to prevent accidents in its supply chain</p> <ul style="list-style-type: none"> ● Last year, Eicher SR 19-20 made mentions of supplier audits and online training modules. However, it did not mention OSH categorically in the training modules. This continues to be the case in SR20-21. ● This year's Annual Report mentions has a Stakeholder Engagement Table (p. 85). However, safety or OSH is not a key topic or focus area for engagement with suppliers in it. (AR20-21, p. 85) ● It states, "Till date, it has assessed over 300 suppliers on its supplier assessment criteria including Tier-2 suppliers." (AR20-21, p. 72) It is not clear however, how many Tier 2 suppliers have been assessed. 	<p>Ensure effective implementation of OSH policies with real impact on OSH conditions in the deeper supply chains through improved accountability, monitoring and transparency (e.g. reporting accident and near-misses; safety audits; SOPs; appropriate training; online platform for knowledge sharing of best practices, safety information for workers; and commercial consequences of poor safety record).</p> <p>Increase number of annual safety audits, especially of Tier 2 suppliers and report status in next year's reports.</p>

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FINDINGS	RECOMMENDATIONS
11. Monitoring by Tier 1s (direct suppliers) to improve safety in their deeper supply chain	
<ul style="list-style-type: none"> It is not clear/conclusive from the documents in the public domain, like last year, because it is not categorically mentioned that suppliers (Tier1) are expected to monitor/ improve safety in their supply chain. SCoC does not categorically mention that suppliers (Tier 1) are expected to monitor/improve safety in their supply chain. SCoC does not categorically mention that suppliers should follow NGRBC or cascade it across the supply chain 	<p>Require (in SCoC) and support Tier 1 suppliers to ensure quality implementation of OSH policies with real impact on OSH conditions in the deeper supply chains, even if done in phases, through improved accountability, monitoring and transparency and report to the OEM.</p> <p>Include evidence of Tier 1 suppliers cascading OSH practices to the deeper supply chain in next year's reports.</p>
12. Grievance redressal mechanism for workers across supply chain to report unsafe work conditions	
<p>SafetyNiti 2021 noted: Eicher has a Whistleblower Policy cum Vigil Mechanism.</p> <p>This year's Annual Report mentions that: "Any conflicts arising in relation to such [forced or compulsory] labour practices within the Company's operations can be addressed via the Grievance Redressal Mechanism as well as the Whistleblower policy." (AR20-21, p. 121)</p> <ul style="list-style-type: none"> However, OSH is not a subject/situation for making complaints under the whistleblower policy; and it is not clear that OSH is a subject in the Grievance Redressal mechanism. SCoC does not categorically mention that suppliers should cascade/ promote grievance redressal mechanisms, including OSH for their permanent and contractual employees, across the supply chain. Although, a positive movement noted is that the SCoC states that, "The Supplier shall ensure that an effective grievance redressal procedure has been established to ensure that any worker/ employee, acting individually or with other workers, can submit a grievance without suffering any prejudice or retaliation of any kind." 	<p>Categorically include contract workers and OSH in the scope of whistleblower policy and grievance redressal mechanism.</p> <p>Encourage Tier 1/2/3/4 suppliers to have similar policies for their permanent and contract workers and include OSH in the scope of these policies.</p>

HERO MOTOCORP



FINDINGS	RECOMMENDATIONS
Publicly declared policies applicable to the OEM's own factories	
1. OSH policy for the OEM's employees	
<ul style="list-style-type: none"> Occupational Safety and Health (OSH) policy is in the public domain. 	
2. Publicly declared policy of the OEM that includes OSH for contract workers (includes other non-permanent workers) at par with permanent employees	
<ul style="list-style-type: none"> OSH policy mentions employees, contractors, and visitors; however, it does not categorically mention contract/ temporary/casual workers trainees/ apprentices/ probationers – any category of worker working on the shopfloor. BRR 20-21 states that – <ul style="list-style-type: none"> “...employees given safety & skill up-gradation training in FY 20-21 - (a) Permanent Employees (All plants & CIT*): 49.0% (b) Permanent Women Employees: 83.6% (c) Casual/Temporary/Contractual Employees: 100.0% (All plants & CIT) [improvement from 71% contract employees from last year] (d) Employees with Disabilities: 97.6% *CIT is Global Centre of Innovation and Technology in Jaipur In addition, the CoC which covers OSH states that it is applicable to “associates on third party contract /payroll” and encourages “compliance with all applicable health and safety policies.” 	<p>Categorically include all non-permanent workers (contract / temporary / casual workers / trainees etc.) at par with permanent workers under the same OSH policy as it appears to be mentioned in the CoC.</p>
3. Human Rights policy as per NGRBC Principle 5/ESG/UNHR	
<p>SafetyNiti 2021 noted:</p> <ul style="list-style-type: none"> 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 2019 in its materiality matrix, Hero placed ‘Responsible supply chain and Human Rights’ under ‘High-High Importance’ for “stakeholders and Hero”. <p>Additional findings this year:</p> <ul style="list-style-type: none"> Although AR20-21 now mentions “Non-Discrimination and Human Rights Policy to treat every employee with respect and dignity”, Hero still does not have this policy in the public domain. Sustainability Strategy in SR20-21 states that Value Chain Sustainability will have strong tone of Human Rights, Health Safety & Well Being. SR 20-21 states, “Our approach on Human Rights extends to those who we partner with, such as suppliers and contractors.... we are planning to conduct Human rights risk assessments in couple of years within our eco-system in phases.... The company is working towards developing a due diligence and a review process to proactively identify and assess potential impacts and risks relating to human rights in our own operations, value chain, mergers, joint ventures and acquisitions.” (SR 20-21, p. 46-7) However, the policy/approach does not appear to cover provisions of UN Human Rights Convention Article 3, 5, 19, 24 and 25 (which refer to right to life, freedom or opinion and expression, rest and leisure, standard of living adequate for health and wellbeing of self and family, and protection from cruel, inhuman, degrading treatment or punishment) 	<p>Human Rights Policy/approach should specifically state that it covers the deeper supply chain and should also include UN Human Rights Convention Articles 3, 5, 19, 24 and 25 which refer to right to life, freedom or opinion and expression, rest and leisure, standard of living adequate for health and wellbeing of self and family, and protection from cruel, inhuman, degrading treatment or punishment (if not already done); and include it in contracts with suppliers (for example, as done by Mahindra).</p>

HERO MOTOCORP



FINDINGS	RECOMMENDATIONS
Publicly declared policies applicable to OEM's deeper supply chain	
4. OSH policy for the OEM's Tier 1 suppliers	
<p>SafetyNiti 2021 noted:</p> <ul style="list-style-type: none"> 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" <p>Additional findings this year:</p> <ul style="list-style-type: none"> There is still no SCoC in the public domain and the word 'suppliers' is not defined in any of the Hero documents referred by us to include or exclude the deeper supply chain. 	<p>Publish an SCoC in the public domain, include the deeper supply chain and ensure cascading of OSH and NGRBC Principles down the supply chain, even if in phases.</p> <p>Define 'suppliers' in SCoC and Sustainability Strategy (if not already done) to include deeper supply chain.</p> <p>Include accident reporting in Tier 1 contracts.</p>
5. OSH policy for the OEM's deeper supply chain (Tier 2/3/4)	
<ul style="list-style-type: none"> This is still not categorically mentioned in the OSH policy. 	<p>Same recommendations as in question 4.</p> <p>Include compliance with OSH legislations such as the Factories Act 7A (3) which requires each company to have a written OSH statement/policy.</p> <p>Ensure Tier 1 suppliers make OSH principles contractually binding for their own suppliers (i.e., OEM's Tier 2 suppliers).</p>
6. Consistency of OSH policies enforced in the supply chain in Indian and in international operations	
<ul style="list-style-type: none"> This is still 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 whether best practice in Hero's international operations are followed in India 	<p>Publish the Group's OSH policy for their international operations, if different from domestic operations; else clarify that the same or better policy is applicable (e.g. Mahindra SCoC and Tata CoC).</p>
7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5	
<p>SafetyNiti 2021 noted:</p> <ul style="list-style-type: none"> BRR 2019-20 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." The above is not mentioned in BRR 20-21. CoC has been made applicable to contract workers but still not made applicable to suppliers as stated in BRR 2019-20 last year. There are still no examples given in BRR 20-21 (despite our recommendations), of initiatives taken to cascade NGRBC across the supply chain. 	<p>In view of leadership indicators (which will be applicable from FY22-23) requiring reporting on health and safety practices and working conditions for value chain / deeper supply chain partners,</p> <ul style="list-style-type: none"> Encourage and support suppliers to follow NGRBC guidelines, even if done in phases Include OSH in supply chain sustainability risk assessment, if not already included.
8. Policies for reporting and monitoring supply chain sustainability in OSH in accordance with SDG Indicator 8.8	
<ul style="list-style-type: none"> SR20-21 mentions Sustainable Procurement Guideline (SPG) and creating awareness about Hero's OSH policy is included in the SPG, however it is unclear if it has been published/rolled out as mentioned last year in SR2019. It also says that the company is "committed to its sustainable growth of its value chain... envisage that our value chain partners will not only implement necessary guidelines and procedures at their own company, 	<p>Define and include targets to achieve Indicator 8.8 of SDG 8 in the deeper supply chain.</p> <p>Publish and roll out the Sustainable Procurement Guidelines in the public domain, including method of its implementation, as mentioned in SR2019.</p>

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FINDINGS	RECOMMENDATIONS
8. Policies for reporting and monitoring supply chain sustainability in OSH in accordance with SDG Indicator 8.8	
<p>but they will also monitor its own supply chain to ensure commitment to Environmental, Social, Governance & Quality parameters... Adhere to leading environmental, social, governance and quality management standards including Hero MotoCorp's Sustainable procurement guidelines." (SR20-21, p. 73)</p> <ul style="list-style-type: none"> ● However, method of SPG implementation is unclear and implementation and monitoring down the supply chain is not mandatory. ● Targets to achieve Indicator 8.8 of SDG 8 in the deeper supply chain are not mentioned. In fact, targets set by the company for itself for SDGs as mentioned in SR2019 are not mentioned this year in SR20-21. ● In SR20-21 "Responsible Value Chain" is placed in mid- scale amongst their strategic areas (SR20-21, p.27), not high in the scale. 	
Publicly declared procedures to ensure safety across the supply chain	
9. Mapping of the deeper supply chain to be able to improve safety Principles 1, 3, and 5	
<ul style="list-style-type: none"> ● AR 20-21 mentions "Vendor Zone mapping dashboard to ensure minimal disruptions to the supply chain" and the Company has "created a central supplier repository to track and improve the visibility of suppliers". (AR20-21, p. 48) ● Hero advises that its definition of "suppliers" now includes Tier 1 and Tier 2 suppliers. However, it needs to be included in the company's policy documents available in the public domain. 	<p>Include status of deeper supply chain mapping in next year's reports.</p> <p>Include supplier definition in the company's policy documents available in the public domain.</p>
10. Actions taken by the OEM to prevent accidents in its supply chain	
<p>This year Hero reported a couple of positive entry related to OSH in SR20-21:</p> <ul style="list-style-type: none"> ● "Supply Chain Partners are given specific training on all six pillars of GPDP [Green Partner Development Program] and mapping of processes/ equipment is carried out based on logical analysis so as to identify the gaps in environmental and safety aspects and accordingly improvements projects are undertaken for implementation." (SR20-21, p.72) However, the six pillars of the GPDP do not include OSH. ● Fire and safety audits were conducted "As a part of our de-risking drive of our supply chain partners...though external certified auditor for supply chain partners selected on the basis of criticality of process, dependability & critical hazardous chemical/ waste handling." (SR20-21, p.72) ● Hero is a member of the ISH-Maruti-Honda-Hero-SII joint platform at Gurugram to prevent accidents in the auto sector supply chain. 30 audits of suppliers have been conducted by the three OEMs. A report is awaited on best practices to inform joint and/or common actions across the deeper supply chain. <p>However, actions on the ground need acceleration to have real impact.</p>	<p>Ensure effective implementation of OSH policies with real impact on OSH conditions in the deeper supply chains through improved accountability, monitoring and transparency (e.g. reporting accident and near-misses; safety audits; SOPs; appropriate training; online platform for knowledge sharing of best practices, safety information for workers; and commercial consequences of poor safety record).</p> <p>Increase number of annual safety audits, especially of Tier 2 suppliers and report status in next year's reports.</p> <p>Include OSH in pillars of GPDP and in SPG.</p>
11. Monitoring by Tier 1s (direct suppliers) to improve safety in their deeper supply chain	
<ul style="list-style-type: none"> ● As mentioned in question 8 above, SR20-21 notes that "We envisage that our value chain partners will not only implement necessary guidelines and procedures at their own company, but they will also 	<p>Require and support Tier 1 suppliers to ensure quality implementation of OSH policies with real impact on OSH conditions in the deeper supply</p>

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FINDINGS	RECOMMENDATIONS
11. Monitoring by Tier 1s (direct suppliers) to improve safety in their deeper supply chain	
<p>monitor its own supply chain to ensure commitment to Environmental, Social, Governance & Quality [ESGQ] parameters.” (SR20-21, p. 73)</p> <ul style="list-style-type: none"> ● However, it is not clear if OSH is included in the ESGQ parameters. 	<p>chains, even if done in phases, through improved accountability, monitoring and transparency and report to the OEM.</p> <p>Include OSH in the ESGQ parameters if not already done.</p> <p>Include evidence of Tier 1 suppliers cascading OSH practices to the deeper supply chain in next year’s reports.</p>
12. Grievance redressal mechanism for workers across supply chain to report unsafe work conditions	
<ul style="list-style-type: none"> ● BRR reporting in AR20-21 now mentions that the Whistleblower policy applies “to not just the Company, but it also extends to all our direct and indirect subsidiaries, and all their employees and directors whether working in India or not. The Policy also extends to our consultants, vendors, suppliers, dealers, customers and contractors working for and/or on behalf of any of the group entities. (AR20-21, p. 131). ● BRR 20-21 now also says “The [Whistleblower] Policy also extends to our consultants, vendors, suppliers, dealers, customers and contractors working for and/or on behalf of any of the group entities.” (p. 131-32) ● However, provisions for contract /casual / temporary workers to report OSH violations are still not included in the Whistleblower Policy. ● It also does not specify that suppliers should establish similar grievance redressal mechanisms that include provisions for reporting of OSH violations and ensure applicability for their permanent and contractual employees. 	<p>Categorically include contract workers and OSH in the scope of whistleblower policy and grievance redressal mechanism.</p> <p>Encourage Tier 1/2/3/4 suppliers to have similar policies for their permanent and contract workers and include OSH in the scope of these policies.</p>



HONDA MOTORCYCLE & SCOOTER INDIA LTD. (HONDA)



FINDINGS	RECOMMENDATIONS
Publicly declared policies applicable to the OEM's own factories	
1. OSH policy for the OEM's employees	
<ul style="list-style-type: none"> The Honda Health and Safety Policy is now in the public domain. 	
2. Publicly declared policy of the OEM that includes OSH for contract workers (includes other non-permanent workers) at par with permanent employees	
<ul style="list-style-type: none"> Honda advises that "Honda Health and Safety Policy" is applicable to all associates working in or on behalf of HONDA. The term "Honda Associates" covers all associates namely Management associates, workmen, company casuals, apprentice. "Third-party associates" covers "Fixed Term Employee" who are engaged on basis of contract of employment for a fixed period." In addition, Honda advises that this statement in Honda Health & Safety Policy includes coverage of all persons working in Honda: "Spread Health & Safety education and awareness to all persons working in company premises including HONDA associates, visitors, transporters, contractors, vendors & third-party associates." Honda confirms that "OSH is included as contractual obligation. All contractual obligations are being taken care by their contractors as per agreement between Honda and the contractor. Honda being the principal employer all responsibilities lie with Honda." 	Categorically include all non-permanent workers (contract/ temporary/casual workers/ trainees etc.) at par with permanent workers under the same OSH policy
3. Human Rights policy as per NGRBC Principle 5/ESG/UNHR	
<ul style="list-style-type: none"> Honda advises that "Human rights policy is available on the Honda Global website and on the Honda Web Portal; and that the policy is applicable at Honda. Further, for monitoring, various platforms are available [BEPL, mails, etc.] where any associate can raise his concern with valid information." However, the above monitoring mechanism does not appear to be proactive and it is not clear if the deeper supply chain is covered under the Policy. 	Establish a proactive monitoring and reporting mechanism to ensure prevention of accidents in the deeper supply chain.
Publicly declared policies applicable to OEM's deeper supply chain	
4. OSH policy for the OEM's Tier 1 suppliers	
<ul style="list-style-type: none"> Honda advises that: <ul style="list-style-type: none"> It has "declared & shared the 'Health & Safety Policy' directly with Tier 1 suppliers through written communication. Honda Supplier Sustainability Guidelines 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." Sharing of these guidelines has been done with all Tier 1 suppliers and acknowledgement of the same has also been received from suppliers. This is considered a priority task and is a regular process every year in case of change in supplier profile [name change, address change, etc.] or addition of new suppliers. Honda implements the Honda Supplier Sustainability Guidelines with Tier 1 suppliers and urges them to share with the concerned supply chain. However, it is however unclear how Honda is monitoring implementation of the above policies by Tier 1 suppliers; and if the Honda Supplier Sustainability Guidelines are contractually binding. 	Make provisions of SCoC contractually binding and include accident reporting in Tier 1 contracts.

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FINDINGS	RECOMMENDATIONS
5. OSH policy for the OEM's deeper supply chain (Tier 2/3/4)	
<ul style="list-style-type: none"> ● Honda advises – <ul style="list-style-type: none"> ● Tier 1 suppliers have initiated cascading OSH Policy down the line & the same is being monitored by Honda. ● Honda Supplier Sustainability Guidelines states “We expect our suppliers to uphold these guidelines and cascade them down to their supply chain”. 	<p>Include compliance with OSH legislations such as the Factories Act 7A (3) which requires each company to have a written OSH statement/policy.</p> <p>Ensure Tier 1 suppliers make OSH principles contractually binding for their own suppliers (i.e., OEM's Tier 2 suppliers).</p>
6. Consistency of OSH policies enforced in the supply chain in Indian and in international operations	
<ul style="list-style-type: none"> ● Honda advises that the global HQ checks evidence of Tier 1 suppliers acknowledging and signing Honda Supplier Sustainability Guidelines, and the policy of monitoring is through “The selection of supplier [in India] ...done along with ASH [Asia Honda, Thailand].” It appears that national and international OSH policies are aligned for suppliers. 	<p>State in public documents that parent company policies are applicable across countries (e.g TATA statement).</p>
7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5	
<ul style="list-style-type: none"> ● Honda advises that in the Honda Supplier Sustainability Guidelines shared with Tier 1 suppliers, <ul style="list-style-type: none"> ● “P1 is clearly stated under ‘Compliance’ - To maintain a high degree of trust with all stakeholders, it is therefore a core responsibility to conduct business in an open, honest and ethical manner. This includes upholding all laws in the places where we do business. ● P3 and P5 are covered in the Honda Supplier Sustainability Guidelines under “Human Rights and Working Conditions”. ● However, there is no reporting in Honda's global Sustainability Report for P1, P3 and P5 specifically for India, and Honda advises it “does not do BRR (SEBI) reporting as it is a private limited/unlisted company in India”. 	<p>In view of BRSR leadership indicators (which will be applicable from FY22-23) requiring reporting on health and safety practices and working conditions for value chain / deeper supply chain partners,</p> <ul style="list-style-type: none"> ● Encourage and support suppliers to follow NGRBC guidelines, even if done in phases. ● Include OSH in supply chain sustainability risk assessment, if not already included. <p>Although NGRBC is a guideline, every large business entity should do BRR reporting as it is good practice even if the company is unlisted, as it promotes transparency, accountability, and sustainability, and creates a level playing field for all businesses.</p>
8. Policies for reporting and monitoring supply chain sustainability in OSH in accordance with SDG Indicator 8.8	
<ul style="list-style-type: none"> ● Honda advises that, <ul style="list-style-type: none"> ● “Indicator 8.8 in SDG 8 [Decent work] - The points are addressed in Honda Supplier Sustainability Guidelines which are shared with & acknowledged by all Tier 1 supply chain. ● Point #2 [Human Rights and Working Conditions] & Point #4 [Compliance] of Honda Supplier Sustainability Guidelines state the intent with regard to policies for supply chain sustainability in OSH. ● Honda is also in process of doing “Safety Assessment” of supply chain to nurture & develop safety culture at supplier end.” ● However, Indicator 8.8 (OSH) does not appear to be defined, so it is unclear how targets have been set and are monitored in the deeper supply chain in India. 	<p>Define and include clear targets to achieve Indicator 8.8 of SDG 8 in the deeper supply chain in India.</p>



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FINDINGS	RECOMMENDATIONS
Publicly declared procedures to ensure safety across the supply chain	
9. Mapping of the deeper supply chain to be able to improve safety Principles 1, 3, and 5	
<ul style="list-style-type: none"> ● Honda advises that "Honda supply chain is mapped based on direct and indirect suppliers." ● However, it is unclear if the deeper supply chain (Tier 3/4) is also mapped. 	<p>Include status of deeper supply chain mapping in next year's reports.</p>
10. Actions taken by the OEM to prevent accidents in its supply chain	
<ul style="list-style-type: none"> ● Honda advises that "Honda has extended various initiatives at Supplier end to strengthen safety: <ul style="list-style-type: none"> • Safety assessment was carried out at 10 Suppliers, as a Pilot, by competent external agency (recognized by Chief Inspector of Factories, Haryana) and Honda Safety Team. A structured methodology of conducting Safety assessment was followed where-in Safety checks were done according to Indian Standard IS 14489. In the current financial year, the total target of safety assessments at Tier 1 suppliers is 50. • Safety training at supply chain has been initiated by Honda safety team wherein Honda safety practices are being shared with supply chain and concerned members are educated in detail. Along-with training on safety systems, health domain is also covered where-in training on health & wellbeing is being imparted to supply chain members by Honda Chief Medical Officer. • Regarding Tier 2 suppliers – 166 Tier 2 critical process suppliers having plating and painting processes will be assessed for fire and safety by the end of the year." ● Honda is a member of the ISH-Maruti-Honda-Hero-SII joint platform at Gurugram to prevent accidents in the auto sector supply chain. 30 audits of suppliers have been conducted by the three OEMs. A report is awaited on best practices to inform joint and/or common actions across the deeper supply chain. <p>Above positive actions should be scaled up and accelerated to have significant impact on the ground.</p>	<p>Ensure effective implementation of OSH policies with real impact on OSH conditions in the deeper supply chains through improved accountability, monitoring and transparency (e.g. reporting accident and near-misses; safety audits; SOPs; appropriate training; online platform for knowledge sharing of best practices, safety information for workers; and commercial consequences of poor safety record).</p> <p>Increase number of annual safety audits, especially of Tier 2 suppliers and report status in next year's reports.</p>
11. Monitoring by Tier 1s (direct suppliers) to improve safety in their deeper supply chain	
<ul style="list-style-type: none"> ● Honda advises that Honda Supplier Sustainability Guidelines is in itself is a monitoring mechanism based on which Tier 1 suppliers are monitored on various parameters, safety being part of it. Training and awareness sessions are organised by Honda across Tier 1 suppliers to improve/strengthen the safety systems at their locations. ● Safety assessment is conducted across suppliers Tier 1 & Tier 2. ● Corrective action & preventive action is demanded from Supplier along with countermeasure explanation. ● As per General Purchase Agreement (GPA) applicability, penalty is imposed to supplier based on criticality of non-adherence to the supplier sustainability guidelines. ● Standard Format is under approval, which shall be circulated to all critical suppliers based on which data sharing of adherence to Guidelines shall be collected as declaration from suppliers as per set frequency. <p>Above positive actions should be scaled up and accelerated to have significant impact on the ground.</p>	<p>Require and support Tier 1 suppliers to ensure quality implementation of OSH policies with real impact on OSH conditions in the deeper supply chains, even if done in phases, through improved accountability, monitoring and transparency and report to the OEM.</p> <p>Include evidence of Tier 1 suppliers cascading OSH practices to the deeper supply chain in next year's reports.</p>

HONDA MOTORCYCLE & SCOOTER INDIA LTD. (HONDA)



FINDINGS	RECOMMENDATIONS
12. Grievance redressal mechanism for workers across supply chain to report unsafe work conditions	
<ul style="list-style-type: none"> ● Honda has a Vigil Mechanism Policy (VMP) Version 4 dated 1 July 2020. ● As per the VMP, directors and associates can report – “4.1.5. Negligence causing substantial and specific danger to associate safety and health.” It also states in clause 7.1 that whistleblower will be protected from harassment and victimization. ● Honda clarifies that contract/casual/temporary workers and trainees/apprentices are covered by VMP and can report under the VMP for OSH issues. ● However, the Honda Supplier Sustainability Guidelines does not include grievance redressal mechanism and therefore it is unclear how suppliers practice and cascade/ promote grievance redressal mechanisms, including OSH for their permanent and contractual employees, across the supply chain. 	<p>Encourage Tier 1/2/3/4 suppliers to have similar policies for their permanent and contract workers and include OSH in the scope of these policies.</p>



HYUNDAI MOTOR COMPANY INDIA (HYUNDAI)



FINDINGS	RECOMMENDATIONS
Publicly declared policies applicable to the OEM's own factories	
1. OSH policy for the OEM's employees	
<ul style="list-style-type: none"> Hyundai OSH Policy is not in public domain. However, Principle 4 of Hyundai Motor Company's Global Ethics Charter and Code of Conduct states "We shall respect our members as independent individuals, and to this end, we provide fair working conditions and safe working environments." Hyundai Motor Company's Global Sustainability Report 2021 (p.17) states that the company "Achieved zero critical accidents at workplaces for fourth consecutive year in Korea (2017 to 2020); Strengthened critical accident prevention and response system; Strengthened activities to reduce incidence of serious accidents at suppliers' facilities." However, the Global Sustainability Report includes no reporting of operations in India. Hyundai India team confirmed during the meeting that the company has been awarded for safety for consecutive four times and has an elaborate safety system. 	Publish OSH Policy in the public domain.
2. Publicly declared policy of the OEM that includes OSH for contract workers (includes other non-permanent workers) at par with permanent employees	
<ul style="list-style-type: none"> The OSH Policy shared last year did not categorically mention contract workers. Hyundai India team confirmed during the meeting that the company's safety practices cover all [including contract workers] those working inside the Hyundai factory. 	<p>Same recommendation as in question 1 above.</p> <p>Categorically include all non-permanent workers (contract / temporary / casual workers / trainees etc.) at par with permanent workers under the same OSH policy.</p>
3. Human Rights policy as per NGRBC Principle 5/ESG/UNHR	
<ul style="list-style-type: none"> Hyundai Motor Company has a global Human Rights Charter dated 2021, and Article 7 Guarantees Industrial Safety. "Hyundai Motor Company regularly inspects the facilities, equipment, tools and others of the business premises for all officers and employees to work in a safe work environment and prepares the support plan for post management and appropriate measures for the purpose of preventing physical and mental hazards." The Charter applies to "applies to all executives and employees (including those working in irregular positions) of Hyundai Motor Company, including production and sales corporate bodies at home and abroad, subsidiaries, second-tier subsidiaries, and joint ventures. In addition, executives and employees of Hyundai Motor Company follow this Charter for Human Rights when collaborating with suppliers, sales, and service organizations, and furthermore, we recommend that all stakeholders under the transaction relations respect this Charter for Human Rights. In the event that the matters handled under this Charter for Human Rights contradict the laws and regulations of the local state, the local laws and regulations are complied with first, and with the exception of cases of having special provisions in the laws of local states, articles of incorporation or company regulations of organization, and so forth the works are carried out in accordance with this Charter for Human Rights of Hyundai Motor Company". Hyundai Motor Company's global sustainability report 2021 (p.17) states that the company "Developed employee human rights risk assessment indicators; Conducted human rights risk assessment at all business sites (100%) in Korea; And strengthened employee human rights risk management." However, there is no reporting on Hyundai Motor India human rights approach. 	Report in public domain on Hyundai Motor India's human rights approach.

HYUNDAI MOTOR COMPANY INDIA (HYUNDAI)



FINDINGS	RECOMMENDATIONS
Publicly declared policies applicable to OEM's deeper supply chain	
4. OSH policy for the OEM's Tier 1 suppliers	
<ul style="list-style-type: none"> Hyundai Motor Company, South Korea, has a Suppliers Code of Ethical Conduct" (SCoEC) and Section 5 details Safety and Health and Occupational Health and Safety Management System for suppliers, requiring suppliers to "operate an occupational health and safety management system...to prevent health and safety-related accidents... install and manage protective interlocks and walls and emergency devices to prevent injury hazards to workers that may occur when operating hazardous or otherwise dangerous machines, equipment, and tools in the workplace...provide protective equipment to safeguard individual employees in the workplace... investigate the causes of industrial accidents or illness and endeavour to provide relevant improvement plans to reduce their incidence...regularly conduct workplace safety assessments...provide employees with information on accident risks and factors based on a risk factor assessment... regularly implement general or special medical examinations for employees...take necessary measures...to allow employees to attend medical examinations." Section G of the SCoEC policy on Management of Trade Partners (Subcontractors) states that "Suppliers should recommend that subcontractors with contractual obligations in planning, designing, selling and manufacturing goods and services should manage ethical, environmental, labour/ human rights, safety/health factors...Suppliers should strive to recommend that their subcontractors improve violations or risks concerning ethical, environmental, labour/human rights, and safety/health laws and provisions when they identify such violations or recognize such risks." Hyundai Motor India team confirmed in a meeting with SII, that of the 900 Tier 1 companies (15% unique to Hyundai), 75% are certified ISO 45000, 14000, and 99% are certified IATF16949* <p>* IATF 16949:2016 is the International Standard for Automotive Quality Management Systems.</p> <ul style="list-style-type: none"> However, it is unclear if the above stated practices in the sustainability report are part of contractual obligations in India; and it is unclear if the Hyundai Motor Company and Kia Supplier Code of Conduct (June 2021) is applicable in India. 	<p>Make provisions of SCoEC applicable in India; and make the provisions contractually binding and include accident reporting in Tier 1 contracts in India.</p>
5. OSH policy for the OEM's deeper supply chain (Tier 2/3/4)	
<ul style="list-style-type: none"> Section of the SCoEC policy on "Preventing supplier fatalities in the Global Sustainability Report 2021 (p. 35) states that Hyundai has been making a wide range of efforts to prevent fatalities since a critical accident happened to an employee of one of its suppliers at its Ulsan Plant 1 in Korea. They include issuing management's declaration in favour of enhanced safety management, conducting on- site inspections by the management of all work processes having an enhanced potential for accidents, re-establishing a health and safety management system for its suppliers, developing standards and programs for evaluating their health and safety competencies, and assisting them in improving their health and safety management processes." It is not clear if the SCoEC mentioned above is contractually binding on the suppliers and if they are required to cascade it down the supply chain in India. 	<p>Include compliance with OSH legislations such as the Factories Act 7A(3) in India as part of SCoEC which requires each company to have a written OSH statement/policy.</p> <p>Ensure Tier 1 suppliers make SCoEC principles contractually binding for their own suppliers (i.e., OEM Tier 2 suppliers).</p>



HYUNDAI MOTOR COMPANY INDIA (HYUNDAI)



FINDINGS	RECOMMENDATIONS
6. Consistency of OSH policies enforced in the supply chain in Indian and in international operations	
<ul style="list-style-type: none"> Last year it was not clear/conclusive from the documents in the public domain as the subject was not categorically covered/stated. This year, Hyundai India confirms that safety practices are of global standards in its Indian operations. However, it is unclear if the parent company practices apply to the supply chain in India. 	<p>Publish the Group's OSH policy for international operations, if different from domestic (India) operations; else clarify that the same or better policy is applicable (e.g., Mahindra SCoC and Tata CoC).</p>
7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5	
<ul style="list-style-type: none"> The Hyundai Motor Company's global SR 20-21 states that the company "Developed supply chain ESG assessment indicators and processes (ethics, the environment, labour/ human rights, safety/health, management system); Conducted ESG risk assessment of all key Tier 1 and Tier 2 suppliers (100%)." However, there is no reporting for P1, P3 and P5 specifically for India, and Hyundai advises it "does not do BRR (SEBI) reporting as it is a private limited/unlisted company in India". 	<p>In view of BRSR leadership indicators (which will be applicable from FY22-23) requiring reporting on health and safety practices and working conditions for value chain / deeper supply chain partners,</p> <ul style="list-style-type: none"> Encourage and support suppliers to follow NGRBC guidelines, even if done in phases. Include OSH in supply chain sustainability risk assessment, if not already included. <p>Although NGRBC is a guideline, every large business entity should do BRR reporting as it is good practice even if the company is unlisted, as it promotes transparency, accountability, and sustainability and creates a level playing field for all businesses.</p>
8. Policies for reporting and monitoring supply chain sustainability in OSH in accordance with SDG Indicator 8.8	
<ul style="list-style-type: none"> There is hardly any mention of SDGS or value chain sustainability in Hyundai Motor Company's global SR 20-21. 	<p>Define and include clear targets to achieve Indicator 8.8 of SDG 8 in the deeper supply chain in India.</p>
Publicly declared procedures to ensure safety across the supply chain	
9. Mapping of the deeper supply chain to be able to improve safety Principles 1, 3, and 5	
<ul style="list-style-type: none"> Mapping of supply chain is not categorically mentioned in the documents in public domain same as last year. Hyundai advises that Tier1 and Tier 2 companies in India are mapped. However, it is unclear if the deeper supply chain (Tier 3/4) is also mapped. 	<p>Include status of deeper supply chain mapping in next year's reports.</p>
10. Actions taken by the OEM to prevent accidents in its supply chain	
<ul style="list-style-type: none"> The OSH Policy shared with SII last year does not have details stated above and although Hyundai India team reiterated that its international practices are followed in India, we could not find the monitoring system to ensure that suppliers follow guidelines for themselves and deeper supply chain. Like last year we are not aware of definitive steps taken by Hyundai in India to prevent accidents in the supply chain or number of suppliers in India taken for ESG risk assessment. Hyundai advises that all Tier 2 companies in India are ISO 9000 certified. However, ISO 9000 certified is a quality management system and it is unclear if OSH is included in it. 	<p>Ensure effective implementation of OSH policies with real impact on OSH conditions in the deeper supply chains through improved accountability, monitoring and transparency (e.g., reporting accident and near-misses; safety audits; SOPs; appropriate training; online platform for knowledge sharing of best practices, safety information for workers; and commercial consequences of poor safety record).</p> <p>Increase number of annual safety audits, especially of Tier 2 suppliers and report status in next year's reports.</p>

Continued

HYUNDAI MOTOR COMPANY INDIA (HYUNDAI)



FINDINGS	RECOMMENDATIONS
10. Actions taken by the OEM to prevent accidents in its supply chain	
<ul style="list-style-type: none"> Details of FY 20-21 have not been provided as done last year for following points: <ul style="list-style-type: none"> Fire and Safety audits in tier2/3 companies Trainings, sharing of best practices amongst vendors in complete supply chain On ground safety officers to support tier 2/3 suppliers 	<p>Cascade the good initiatives down the supply chain to Tier 2/3/4 suppliers.</p>
11. Monitoring by Tier 1s (direct suppliers) to improve safety in their deeper supply chain	
<ul style="list-style-type: none"> Like last year it is not clear from documents in public domain whether Tier 1s are asked to monitor/improve safety in their suppliers. Unlike last year Hyundai has not confirmed this year that its suppliers are asked to monitor and improve safety in the deeper supply chain. 	<p>Require and support Tier 1 suppliers to ensure quality implementation of OSH policies with real impact on OSH conditions in the deeper supply chains, even if done in phases, through improved accountability, monitoring and transparency and report to the OEM.</p> <p>Include OSH in the ESGQ parameters if not already done.</p> <p>Include evidence of Tier 1 suppliers cascading OSH practices to the deeper supply chain in next year's reports.</p>
12. Grievance redressal mechanism for workers across supply chain to report unsafe work conditions	
<p>SafetyNiti 2021 noted:</p> <ul style="list-style-type: none"> Hyundai India's Whistleblower 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 advised 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." <p>This year,</p> <ul style="list-style-type: none"> However, Hyundai has not confirmed that "Each supplier company in supply chain have their policies and grievance redressal is part of it." Hyundai Motor Company's Global Human Rights Charter (p. 5, Section 3B) states that "Hyundai Motor Company operates grievance procedure for all types of human rights violations related to discrimination, harassment, working conditions, humane treatment, freedom of association and collective bargaining, forced or child labour, industrial safety and human rights of local residents and customers as follows." However, it is unclear how the Global Human Rights Charter is implemented in India. It is unclear how suppliers practice and cascade/promote grievance redressal mechanisms, including OSH for their permanent and contractual employees, across the supply chain in India. 	<p>Report how the Global Human Rights Charter is implemented in India.</p> <p>Encourage Tier 1/2/3/4 suppliers to have similar policies for their permanent and contract workers and include OSH in the scope of these policies.</p>


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FINDINGS	RECOMMENDATIONS
Publicly declared policies applicable to the OEM's own factories	
1. OSH policy for the OEM's employees	
<ul style="list-style-type: none"> ● Safety, Occupational Health and Environment Policy (SOH&E policy) 2018 is in the public domain; (henceforth referred to as OSH Policy). 	
2. Publicly declared policy of the OEM that includes OSH for contract workers (includes other non-permanent workers) at par with permanent employees	
<ul style="list-style-type: none"> ● CoC states "Our contractors and other third parties to commit to the same [as Mahindra's] levels of health and Safety", same as last year. ● Annual Report this year states "70% Casual/Temporary/ Contractual Employees were given safety & skill up- gradation training in the last year (AR20-21, p. 207) 	<p>Categorically include all non-permanent workers (contract / temporary / casual workers / trainees etc.) at par with permanent workers under the same OSH policy.</p>
3. Human Rights policy as per NGRBC Principle 5/ESG/UNHR	
<ul style="list-style-type: none"> ● Policy on Human Rights in Economic Decision Making is now in the public domain. ● In addition, as per SII recommendation, this year Mahindra has articulated the contractual agreement mechanism for adherence to Human Rights under its BR Policy and ScoC. ● Mahindra reports that it implements its Human Rights Policy through contractual agreement - "2. All formal agreements with such prospective business associates / partners must have clauses that endeavour to seek adherence to Human Rights. (Policy on Human Rights in Economic Decision Making, v2, 2015, p.2) ● The Policy on Human Rights in Economic Decision Making referred to above covers the following but does not include OSH - <ul style="list-style-type: none"> ● Freedom of association and effective recognition of the right to collective bargaining; ● No form of forced or compulsory labour; ● No form of child labour; ● No discrimination in respect of employment, remuneration and occupation on basis of gender, caste, religion, nationality. (p.2) 	<p>Human Rights Policy should specifically state that it covers the deeper supply chain and should also include UN Human Rights Convention Articles 3, 5,19, 24 and 25 which refer to right to life, freedom of opinion and expression, rest and leisure, standard of living adequate for health and wellbeing of self and family, and protection from cruel, inhuman, degrading treatment or punishment (if not already done).</p>
Publicly declared policies applicable to OEM's deeper supply chain	
4. OSH policy for the OEM's Tier 1 suppliers	
<ul style="list-style-type: none"> ● Like last year, Mahindra SCoC (2018, revised Feb21) includes OSH, and upholds responsibility of suppliers to provide a safe and healthy work environment for all personnel and to have "well-established safety procedures, preventative maintenance, and protective equipment in compliance with the law" (SCoC 21, p.4-5). ● 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, same as last year. ● Mahindra SCoC asks suppliers "to provide a one-time declaration that they have read and understood this Code, they have not done anything during the past years which would amount to a violation of this Code and they agree to strictly abide by this Code during the tenure of their engagement with M&M, till when this Code of Conduct will be valid unless modified by M&M." 	<p>Include accident reporting in Tier 1 contracts.</p>

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FINDINGS	RECOMMENDATIONS
<p>5. OSH policy for the OEM's deeper supply chain (Tier 2/3/4)</p> <ul style="list-style-type: none"> ● Mahindra's Sustainable Green Supply Chain Management and Procurement Policy (SGSCMPP) mentions engagement with deeper supply chain partners and enhanced sustainability in their own supply chain. ● SCoC is applicable to all suppliers, and it includes OSH compliance – "Suppliers shall maintain and provide a safe and healthy work environment for all personnel that meets or exceeds applicable legal standards for occupational safety and health. Suppliers will comply with all applicable laws regarding working conditions, including worker health and safety, sanitation, fire safety, risk protection and electrical, mechanical structural and machine safety." (SCoC 2021, p.4) ● SCoC also states that "Suppliers need to exercise due diligence in regard to social and environmental responsibility when sourcing materials and parts. Suppliers are urged to have their own suppliers, agents, and affiliates conduct the same due diligence to enable compliance throughout their supply chain." (SCoC, p.6) 	<p>Categorically state in SCoC "Promoting awareness and realization of OSH" across the value chain, which is "within the sphere of our influence" as done in BR Policy for human rights.</p> <p>Include compliance with OSH legislations such as the Factories Act 7A (3) in SCoC which requires each company to have a written OSH statement/policy.</p> <p>Ensure Tier 1 suppliers make SCoC principles contractually binding for their own suppliers (i.e., OEM's Tier 2 suppliers).</p>
<p>6. Consistency of OSH policies enforced in the supply chain in Indian and in international operations</p> <ul style="list-style-type: none"> ● SCoC is "applicable to all suppliers, i.e. domestic and international" and it includes OSH compliance, same as last year. 	
<p>7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5</p> <p>SafetyNiti 2021 stated:</p> <ul style="list-style-type: none"> ● P1: BR policy states "promoting principle 1 to value chain", however, it does not mention how or what is done. ● P3: No mechanisms mentioned to cascade P3 down the deeper supply chain in BRR or SCoC. ● P3: BR policy does not mention promoting Mahindra practices across value chain. <p>Additional findings this year:</p> <ul style="list-style-type: none"> ● P5: Human Rights issues are a part of the supplier selection process also and are included in the contracts drawn up with them. (AR20-21, p. 209) ● However, no provisions are mentioned in BRR or SCoC to require Mahindra suppliers to do the same with their suppliers down the supply chain. ● The reporting of percentage of suppliers that participate in the BR initiatives is more than 60% (AR 20-21, p. 200) - a positive sign. ● But it is unclear how many of these are Tier 2/3/4 suppliers. 	<p>In view of the BRSR leadership indicators (which will be applicable from FY22-23) requiring reporting on health and safety practices and working conditions for value chain / deeper supply chain partners,</p> <ul style="list-style-type: none"> ● Address shortfalls in P1 and P3, and cascading NGRBC principles down the supply chain in the BR Policy. ● Include OSH in supply chain sustainability risk assessment, if not already included.
<p>8. Policies for reporting and monitoring supply chain sustainability in OSH in accordance with SDG Indicator 8.8</p> <ul style="list-style-type: none"> ● Sustainability Report still does not include any reporting for SDG 8 indicators including indicator 8.8, same as last year. ● SafetyNiti 2021 reported: "Business model around the sustainability document includes - making supply chain sustainable; upskilling modules under SDG 8; sustainable supply chain management referred under SDG 17; and SGSCMPP states "Encourage suppliers to develop and publish their own Sustainability Report". <p style="text-align: right;"><i>Continued</i></p>	<p>Define and include clear targets to achieve Indicator 8.8 of SDG 8 in the deeper supply chain.</p>



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FINDINGS	RECOMMENDATIONS
<p>8. Policies for reporting and monitoring supply chain sustainability in OSH in accordance with SDG Indicator 8.8</p> <p>Additional findings this year:</p> <ul style="list-style-type: none"> ● Mahindra reports that the company “revamped the Sustainability Assessment check sheet under 6 categories, 45 check points in line with GRI standards, ISO standards, legal and other requirements of the company, and conducted assessments of 21 supplier facilities. This will enable us to classify the suppliers on the Sustainability Maturity Model.” (SR20-21, p.98) However, it is unclear if the Sustainability Assessment checklist includes OSH as a criterion. 	
<p>Publicly declared procedures to ensure safety across the supply chain</p>	
<p>9. Mapping of the deeper supply chain to be able to improve safety Principles 1, 3, and 5</p> <ul style="list-style-type: none"> ● It is not clear if Mahindra has mapped its entire supply chain. 	<p>Map the deeper supply chain as advised in the NGRBC, even if done in phases. Tier 1 and 2 suppliers first, for example, for pressing and stampings vendors.</p>
<p>10. Actions taken by the OEM to prevent accidents in its supply chain</p> <p>SafetyNiti 2021 noted:</p> <ul style="list-style-type: none"> ● Mahindra has supported ISC (Institute for Sustainable Communities) to start EHS Centre (Environment Health and Safety) at Symbiosis for SMEs; did capacity building with 93 suppliers; and under Supplier Evaluation Standard 121 suppliers were evaluated. <p>However, it is unclear if Tier2/3/4 suppliers were included.</p> <p>Additional positive findings this year appear to be for Tier 1 suppliers, and it is unclear if Tier2/3/4 suppliers were included.</p> <ul style="list-style-type: none"> ● Mahindra reported that under their Supplier Evaluation Standard 136 suppliers were evaluated. (SR20-21, p. 97) ISC & Mahindra jointly prepared a detailed curriculum and training was imparted; “extended... capability programme further with a total of 58 course modules through which 4,669 suppliers of M&M and other OEMs were trained.” (SR20-21, p.98) ● “To maintain a safe working culture at supplier, in FY21 we have initiated supplier safety audits through 3rd party & inputs were given to suppliers for improvement.” (AR20- 21, p. 206) “...suppliers are provided with managerial and technical assistance to train them on practices and procedures that will ensure improvements in Productivity, Quality, Cost, Delivery, Safety and Morale (PQCDSM).” (AR20-21, p. 206) 	<p>Ensure effective implementation of OSH policies with real impact on OSH conditions in the deeper supply chains through improved accountability, monitoring and transparency (e.g., reporting accident and near-misses; safety audits; SOPs; appropriate training; online platform for knowledge sharing of best practices, safety information for workers; and commercial consequences of poor safety record).</p> <p>Increase number of annual safety audits, especially of Tier 2 suppliers and report status in next year’s reports.</p> <p>Cascade the good initiatives down the supply chain to Tier 2/3/4 suppliers.</p>
<p>11. Monitoring by Tier 1s (direct suppliers) to improve safety in their deeper supply chain</p>	
<ul style="list-style-type: none"> ● “Suppliers need to exercise due diligence in regard to social and environmental responsibility when sourcing materials and parts. Suppliers are urged to have their own suppliers, agents, and affiliates conduct the same due diligence to enable compliance throughout their supply chain.” (SCoC, p.6). However, it is not clear if OSH in deeper supply chain is part of the due diligence and how Mahindra monitors the compliance in deeper supply chain. 	<p>Require OSH in SCoC due diligence and support Tier 1 suppliers to ensure quality implementation of OSH policies with real impact on OSH conditions in the deeper supply chains, even if done in phases, through improved accountability, monitoring and transparency and report to the OEM.</p> <p>Include evidence of Tier 1 suppliers cascading OSH practices to the deeper supply chain in next year’s reports.</p>

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FINDINGS	RECOMMENDATIONS
12. Grievance redressal mechanism for workers across supply chain to report unsafe work conditions	
<ul style="list-style-type: none"> ● "The Company has put in place an Ethics & Governance Helpline managed by an external agency to ensure that any violations to its Code of Conduct (including violation of Human rights) are addressed objectively." (AR20-21, p. 209) ● Mahindra has Grievance register in own units for blue collar workers (permanent and flexible). ● As per the SCoC, suppliers can use Mahindra's Whistleblower Policy to report violations. However, it does not require Mahindra suppliers to have a similar whistleblower policy/grievance redressal mechanism that include provisions for reporting of OSH violations and ensure applicability for their permanent and contractual employees. 	<p>Encourage Tier 1/2/3/4 suppliers to have whistleblower policy and grievance redressal mechanism for their permanent and contract workers and include OSH in the scope of the policies.</p>



MARUTI SUZUKI



FINDINGS	RECOMMENDATIONS
Publicly declared policies applicable to the OEM's own factories	
1. OSH policy for the OEM's employees	
<ul style="list-style-type: none"> ● Maruti has an OSH Policy in public domain. 	
2. Publicly declared policy of the OEM that includes OSH for contract workers (includes other non-permanent workers) at par with permanent employees	
<ul style="list-style-type: none"> ● Last year, Maruti Suzuki advised that "contract/temporary/ casual workers are covered by the policy." ● This year's Annual Report notes "The Company regards occupational health and safety as a high-priority business objective and a fundamental value to be upheld at all times by all persons who work at its premises, to ensure that they return home safely at the end of each workday." (AR20-21, p.94) ● However, OSH policy does not categorically state that it applies to contract/ casual/ temporary/ non-regular workers, even though the Annual Report 20-21 notes there are "57% non-regular employees" in Maruti. 	<p>Categorically mention contract workers in own factories in the OSH Policy and that they are covered at par with permanent workers under the same OSH policy.</p>
3. Human Rights policy as per NGRBC Principle 5/ESG/UNHR	
<ul style="list-style-type: none"> ● Annual Report 20-21 again notes, "Respect for human rights is promoted among suppliers through contractual obligations. A standalone policy on human rights has been formulated in accordance with national and international human rights guidelines. The policy will be implemented in a phased manner through a combination of awareness sessions, training programmes and assessments across the value chain" (AR 20-21, p. 73). ● Human Rights continues to be given High Importance in Maruti Suzuki's materiality map in AR20-21, as it was in AR19-20. ● However, the human rights policy is still not in the public domain. 	<p>Publish Human Rights Policy in the public domain.</p> <p>Human Rights Policy should specifically state that it covers the deeper supply chain and should also include UN Human Rights Convention Articles 3, 5,19, 24 and 25 which refer to right to life, freedom of opinion and expression, rest and leisure, standard of living adequate for health and wellbeing of self and family, and protection from cruel, inhuman, degrading treatment or punishment (if not already done); and include it in contracts with suppliers (for example, as done by Mahindra).</p>
Publicly declared policies applicable to OEM's deeper supply chain	
4. OSH policy for the OEM's Tier 1 suppliers	
<p>SafetyNiti 2021 noted:</p> <ul style="list-style-type: none"> ● OSH policy mention 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." ● However, the policy does not mention OSH in supplier premises categorically. <p>Additional findings this year:</p> <ul style="list-style-type: none"> ● AR 20-21 states that "The Company promotes robust Occupational Health and Safety Management Systems among Tier-1 suppliers. As on 31st March 2021, 89% of Tier-1 suppliers have implemented OHSAS 18001 system at their manufacturing facilities." (AR20-21, p. 66 & p. 23). This is an improvement from AR 19-20. ● Maruti Suzuki continues to advise that "Since the company does not have any financial control over the supplier companies, it does not directly dictate policy of supplier companies" and again confirmed that "it is working on the supplier code of conduct (SCoC)." ● However, SCoC is not in the public domain. 	<p>Publish an SCoC in the public domain, include the deeper supply chain and ensure cascading of OSH and NGRBC Principles down the supply chain, even if in phases.</p> <p>Define 'suppliers' in SCoC to include deeper supply chain.</p> <p>Include accident reporting in Tier 1 contracts.</p>
5. OSH policy for the OEM's deeper supply chain (Tier 2/3/4)	
<ul style="list-style-type: none"> ● OSH policy does not categorically state that the deeper supply chain is covered. <p style="text-align: right;"><i>Continued</i></p>	<p>Same recommendations as in question 4.</p>

MARUTI SUZUKI



FINDINGS	RECOMMENDATIONS
5. OSH policy for the OEM's deeper supply chain (Tier 2/3/4)	
<ul style="list-style-type: none"> This year Maruti reports that it is "trying to make its entire value chain safer by working with its supplier partners to adopt OHSAS 18001/ISO 45001 safety management systems to continuously improve their Occupational Health and Safety practices. 89% of Tier-1 suppliers have already adopted this." (AR20-21, p.23) Although Maruti's Sustainable Supply Chain section states that "Accident investigation and implementation of corrective and preventive actions are closely monitored" (AR20-21, p.92) this is not specified in the OSH policy. Supply Chain Sustainability Framework includes Tier 2 development and safety management. (AR20-21, p.91) As noted above, Maruti reports that it is making efforts to "reach deeper and have made a safety programme for Tier- 2 suppliers also." (AR20-21, p. 93) 	<p>Include compliance with OSH legislations such as the Factories Act 7A (3) which requires each company to have a written OSH statement/policy.</p> <p>Ensure Tier 1 suppliers make OSH principles contractually binding for their own suppliers (i.e., OEM's Tier 2 suppliers).</p>
6. Consistency of OSH policies enforced in the supply chain in Indian and in international operations	
<ul style="list-style-type: none"> Not stated categorically in any document <p>However, AR20-21 states, "Around 94% of Tier-1 suppliers are located in India and around 82% of supplier plants in the country are within 100 km of the Company's manufacturing facilities." (AR20-21, p. 91)</p>	<p>Publish the Group's OSH policy for international operations, if different from domestic operations; else clarify that the same or better policy is applicable (e.g. Mahindra SCoC and Tata CoC).</p>
7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5	
<p>This year there are some positive mentions:</p> <ul style="list-style-type: none"> AR20-21 states that "support was extended to Tier-1 suppliers by participating in audits of Tier-2 suppliers." (AR20-21, p.90) "The Company has implemented a Comprehensive Excellence (CE) programme, through which it aims to upgrade the performance of Indian Tier-1 suppliers on nine critical sustainability pillars. "These include Tier 2 development and Manufacturing process control. In addition, we note the Suppliers Comprehensive Excellence Framework includes safety management, human resource development, manufacturing and testing facilities, and risk management. (AR20-21, p. 91) <ul style="list-style-type: none"> However, the pillars of supply chain sustainability mentioned above are not the same as the nine principles of NGRBC. 	<p>In view of BRSR leadership indicators (which will be applicable from FY22-23) requiring reporting on health and safety practices and working conditions for value chain / deeper supply chain partners,</p> <ul style="list-style-type: none"> Encourage and support suppliers to follow NGRBC guidelines, even if done in phases Include OSH in supply chain sustainability risk assessment, if not already included.
8. Policies for reporting and monitoring supply chain sustainability in OSH in accordance with SDG Indicator 8.8	
<ul style="list-style-type: none"> Maruti reports that "By 31st March 2021, 80% of supplier plants achieved the desired performance standards under all pillars [supply chain sustainability framework]. The Company is working with these suppliers to ensure that their performance is sustained in the long run. It is also working with the remaining 20% suppliers to help them meet the standards. (p. 92, AR20-21) Although last year Maruti Suzuki advised that "Principles of SDGs including Indicator 8.8 of SDG 8 will be covered in SCoC, an SCoC has not been placed in the public domain. 	<p>Define and include clear targets to achieve Indicator 8.8 of SDG 8 in the deeper supply chain.</p>
Publicly declared procedures to ensure safety across the supply chain	
9. Mapping of the deeper supply chain to be able to improve safety	
<ul style="list-style-type: none"> Maruti now advises that Tier 2s are completely mapped, and that "majority suppliers get covered in Tier 2. Some Tier 3 suppliers are also covered in mapping. Remaining would be raw material suppliers which are giant companies like steel companies and suppliers of tiny/ standard product items which are difficult to map." 	



MARUTI SUZUKI



FINDINGS	RECOMMENDATIONS
10. Actions taken by the OEM to prevent accidents in its supply chain	
<p>SafetyNiti 2021 noted:</p> <ul style="list-style-type: none"> ● Maruti Suzuki started a "Human Safety Programme" in 2018-19, which was extended to Tier 2s in 2019-20. <p>This year Maruti reports,</p> <ul style="list-style-type: none"> ● "Tier-1 suppliers are being encouraged to adopt safety management systems and make safety an important agenda in internal meetings. Monthly safety performance reports are submitted by Tier-1 suppliers as per a specified framework. Accident investigation and implementation of corrective and preventive actions are closely monitored. (AR20-21, p. 92) ● "In FY 2019-20, the human safety programme was extended to Tier-2 suppliers. Around 650 plants involved in sheet metal production and plastic moulding were estimated to have a high potential risk of accidents. The Company initiated the audit of these Tier-2 suppliers through its Tier-1 suppliers in a phased manner for availability of safety infrastructure and improvement of the same. Till date, in ~340 Tier-2 plants the safety infrastructure has been improved through low-cost measures such as cam guard and safety curtain in press operations and safety doors and purge covers in plastic moulding operations. Going forward, the remaining 310 Tier-2 suppliers will be covered under the programme." (AR20-21, p.92) ● Additionally, MACE Maruti Centre for Excellence, a joint initiative of Maruti and its suppliers, lists trainings on OSH as coming soon. Training on press machine safety and handling dies was scheduled on 8 June 2022. ● Maruti is a member of the ISH-Maruti-Honda-Hero-SII joint platform at Gurugram to prevent accidents in the auto sector supply chain. 30 audits of suppliers have been conducted by the three OEMs. A report is awaited on best practices to inform joint and/or common actions across the deeper supply chain. ● In a joint meeting between Maruti and SII, a few of Maruti's Tier 1 suppliers made a presentation of the steps taken to improve safety in their own premises and in the premises of Tier 2 suppliers. <p>Above positive actions should be scaled up and accelerated to have significant impact on the ground.</p>	<p>Ensure effective implementation of OSH policies with real impact on OSH conditions in the deeper supply chains through improved accountability, monitoring and transparency (e.g. reporting accident and near-misses; safety audits; SOPs; appropriate training; online platform for knowledge sharing of best practices, safety information for workers; and commercial consequences of poor safety record).</p> <p>Increase number of annual safety audits, especially of Tier 2 suppliers and report status in next year's reports.</p>
11. Monitoring by Tier 1s (direct suppliers) to improve safety in their deeper supply chain	
<ul style="list-style-type: none"> ● Maruti continues to report that Tier 1 suppliers audit Tier 2 suppliers (AR20-21, p.91) ● But it is unclear if Tier 1 suppliers are encouraged or required to develop similar safety systems in Tier 2 suppliers to audit/raise sustainability standards of Tier 3, 4 suppliers. 	<p>Include evidence of Tier 1 suppliers cascading and monitoring OSH practices to the deeper supply chain in next year's reports.</p>
12. Grievance redressal mechanism for workers across supply chain to report unsafe work conditions	
<ul style="list-style-type: none"> ● Maruti continues to have a whistleblower policy which includes reporting "Negligence causing substantial and specific danger to public health and safety". It is applicable to "Every" Employee." ● Although last year Maruti Suzuki confirmed that contract/casual/temporary workers can also report OSH issues, the whistleblower policy has not been updated to categorically include contract/ casual/ temporary workers and non-regular employees. 	<p>Categorically include contract workers and OSH in the scope of whistleblower policy and grievance redressal mechanism.</p> <p>Encourage Tier 1/2/3/4 suppliers to have similar policies for their permanent and contract workers and include OSH in the scope of these policies.</p>

TATA MOTORS



FINDINGS	RECOMMENDATIONS
Publicly declared policies applicable to the OEM's own factories	
1. OSH policy for the OEM's employees	
<ul style="list-style-type: none"> ● Safety and Health Policy (SHP) is in the public domain; (henceforth referred to as OSH Policy). 	
2. Publicly declared policy of the OEM that includes OSH for contract workers (includes other non-permanent workers) at par with permanent employees	
<ul style="list-style-type: none"> ● OSH Policy 2016 still does not say categorically that it is applicable to all including contract workers. ● However, Tata advises that contract employees are covered in OSH policy. ● Tata's Annual Report states that they "follow Dupont Safety Culture where safety is monitored at all important levels" and includes "Contractors and vendors safety management" (AR20-21, p.60) and "safety toolbox talks" are done with contract workers every day at start of day. (AR20-21, p.60) ● Annual Report 20-21 also states that "Safety is a part of the induction programme for all employees engaged in operations" AIR20-21, p. 61) and that "The safety induction programme is compulsory for contract workforce prior to their inducted into the system. (AR20-21, p. 96) 	<p>Categorically include all non-permanent workers (contract/ temporary/casual workers/ trainees etc.) at par with permanent workers under the same OSH policy.</p>
3. Human Rights policy as per NGRBC Principle 5/ESG/UNHR	
<ul style="list-style-type: none"> ● Tata advises that human rights are addressed through Tata Code of Conduct (TCoC) which is a binding code for all Tata group companies. ● Annual Report states that "The Company has formulated a Policy on Human Rights. The Company encouraged and set expectations for its suppliers, vendors, contractors, and other business partners associated to adhere to principles of human rights laid out in TCoC, Supplier Code of Conduct, and Sustainability Guidelines for Suppliers & Dealers." (AR20-21, p. 97) ● The Company notes that contractor work contracts generally "includes clauses in relation to Human Rights Protection, Corruption practices and other topics related to ethics (AR20-21, p. 94) ● Sustainability Policy states "Provide safe, healthy, clean and fair working conditions to our employees, business associates and all those working on behalf of us and ensure protection of human Rights in the value chain." 	<p>Publish Human Rights Policy in the public domain and should specifically state that it covers the deeper supply chain and should also include UN Human Rights Convention Articles 3, 5,19, 24 and 25 which refer to right to life, freedom or opinion and expression, rest and leisure, standard of living adequate for health and wellbeing of self and family, and protection from cruel, inhuman, degrading treatment or punishment (if not already done); and include it in contracts with suppliers if not done already (for example, as done by Mahindra).</p>
Publicly declared policies applicable to OEM's deeper supply chain	
4. OSH policy for the OEM's Tier 1 suppliers	
<p>SafetyNiti 2021 noted:</p> <ul style="list-style-type: none"> ● 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." <p>This year:</p> <ul style="list-style-type: none"> ● Tata advised that "SHP [OSH] 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 through training and audits." ● Tata is the only OEM out of the top 10 that has defined suppliers clearly in its SCoC: Supplier has been defined as "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." 	<p>Make provisions of SCoC contractually binding and include accident reporting in Tier 1 contracts.</p> <p>Harmonize OSH terminology and clauses across TCoC, SCoC, OSH Sustainability policies.</p>



TATA MOTORS



FINDINGS	RECOMMENDATIONS
5. OSH policy for the OEM's deeper supply chain (Tier 2/3/4)	
<ul style="list-style-type: none"> It is not categorically mentioned in OSH Policy or SCoC. Although Tata advises again this year that supply chain includes deeper tiers than Tier 1 suppliers, it is still not included in any publicly available document that the OSH policy also applies to Tier 2/3/4 suppliers. SCoC says "The Suppliers shall strive to provide a safe, healthy and clean working environment for its employees." (#6, SCoC, p.2,) But it does not require its suppliers to cascade the same down the supply chain. AR20-21 reports that "The Company has established Sustainability Guidelines for Suppliers covering key topics like... occupational health and safety, labour and human rights. As on 31st March 2021, 388 suppliers were covered under this initiative." (AR20-21, p.95) 	<p>Include compliance with OSH legislations such as the Factories Act 7A (3) in SCoC which requires each company to have a written OSH statement/policy.</p> <p>Ensure Tier 1 suppliers make SCoC principles contractually binding for their own suppliers (i.e., OEM's Tier 2 suppliers).</p>
6. Consistency of OSH policies enforced in the supply chain in Indian and in international operations	
<ul style="list-style-type: none"> TCoC states that "We shall comply with the laws of the countries in which we operate and any other laws which apply to us. With regard to those provisions of the Code that are explicitly dealt with under an applicable law or employment terms, the law and those terms shall take precedence. In the event that the standards prescribed under any applicable law are lower than that of the Code, we shall conduct ourselves as per the provisions of the Code." (TCoC, p.7) Tata advises that Supply chain includes deeper tiers than Tier 1. 	
7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5	
<ul style="list-style-type: none"> Tata advises that SCoC, OSH & Sustainability policies for implementation of principles 1 & 3 is confirmed through periodic assessments & awareness with partners which helps cascade NGRBC principles. 	<p>In view of BRSR leadership indicators (which will be applicable from FY22-23) requiring reporting on health and safety practices and working conditions for value chain / deeper supply chain partners,</p> <ul style="list-style-type: none"> Include OSH in supply chain sustainability risk assessment, if not already included.
8. Policies for reporting and monitoring supply chain sustainability in OSH in accordance with SDG Indicator 8.8	
<ul style="list-style-type: none"> AR20-21 does not mention SDGs or how they are aligned. SII could not locate the GRI/SDG mapping as mentioned in BRR (p. 93). However, Tata advises that "SDG 8 is a priority. And initiatives are planned with industry body in FY22-23 to address the issue in deeper supply chain." 	<p>Define and include clear targets to achieve Indicator 8.8 of SDG 8 in the deeper supply chain.</p>
Publicly declared procedures to ensure safety across the supply chain	
9. Mapping of the deeper supply chain to be able to improve safety	
<ul style="list-style-type: none"> Tata advises "that it is under progress on pilot basis (FY 22-23)" 	<p>Include status of deeper supply chain mapping in next year's reports.</p>
10. Actions taken by the OEM to prevent accidents in its supply chain	
<ul style="list-style-type: none"> SII was unable to find examples of actions taken to prevent, monitor, or audit accidents in supplier factories/facilities. Tata advises that "Report included for channel partners audited", however it is not clear if channel partners refer to suppliers. 	<p>Ensure effective implementation of OSH policies with real impact on OSH conditions in the deeper supply chains through improved accountability, monitoring and transparency</p>

Continued

TATA MOTORS



FINDINGS	RECOMMENDATIONS
10. Actions taken by the OEM to prevent accidents in its supply chain	
	<p>(e.g. reporting accident and near-misses; safety audits; SOPs; appropriate training; online platform for knowledge sharing of best practices, safety information for workers; and commercial consequences of poor safety record).</p> <p>Increase number of annual safety audits, especially of Tier 2 suppliers and report status in next year's reports.</p> <p>Include in reports such as BRR, examples of activities under- taken to improve ESG in deeper Tiers 2/3/4 of the supply chain, specifically regarding prevention of accidents.</p>
11. Monitoring by Tier 1s (direct suppliers) to improve safety in their deeper supply chain	
<p>Although Tata advises that this is being done,</p> <ul style="list-style-type: none"> ● SII was unable to find examples of OSH being a contractual obligation of suppliers. ● The ScoC does not require suppliers to ensure OSH in their supply chain. 	<p>Require (in SCoC) and support Tier 1 suppliers to ensure quality implementation of OSH policies with real impact on OSH conditions in the deeper supply chains, even if done in phases, through improved accountability, monitoring and transparency and report to the OEM.</p> <p>Include evidence of Tier 1 suppliers cascading OSH practices to the deeper supply chain in next year's reports.</p>
12. Grievance redressal mechanism for workers across supply chain to report unsafe work conditions	
<ul style="list-style-type: none"> ● TCoC states "We shall provide avenues for our stakeholders to raise concerns or queries in good faith, or report instances of actual or perceived violations of our Code" (p.7) and "We encourage our employees, customers, suppliers and other stakeholders to raise concerns or make disclosures when they become aware of any actual or potential violation of our Code, policies or law. (p. 30) ● Tata advises, same as last year, that contract workmen & channel partner employees can register grievance under TCoC & Whistleblower Policy. ● However, scope of Whistleblower Policy does not specify that workers from across supply chain can use this policy to report unsafe work conditions and OSH violations. 	<p>Categorically include contract workers and OSH in the scope of whistleblower policy and grievance redressal mechanism.</p> <p>Encourage Tier 1/2/3/4 suppliers to have similar policies for their permanent and contract workers and include OSH in the scope of these policies.</p>



TVS MOTOR COMPANY (TVS)



FINDINGS	RECOMMENDATIONS
Publicly declared policies applicable to the OEM's own factories	
1. OSH policy for the OEM's employees	
<ul style="list-style-type: none"> OSH statement is available as part of the 'Vision Statement' in the public domain, same as last year. "Environment, Occupational Health and Safety Policy" is now mentioned in BRR20-21 (AR20-21, p. 4 and p. 40) but it appears to not yet been approved by the Board (p. 41) 	Publish a comprehensive standalone OSH policy in the public domain (example, Mahindra's OSH policy).
2. Publicly declared policy of the OEM that includes OSH for contract workers (includes other non-permanent workers) at par with permanent employees	
<ul style="list-style-type: none"> BRR 20-21 states the same as stated in BRR 19-20 "100% of contract workforce is also provided health and safety orientation periodically. However, it appears to only be an "orientation". Although, this year BRR 20-21 states that "regular and scheduled role-based, process-based health and safety programmes are conducted for employees." (p.12, BRR 20- 21), it is not clear if contract, temporary, casual workers, and trainees are included in the safety programmes. 	As recommended above publish a comprehensive standalone OSH policy in the public domain, categorically include contract/temporary/casual workers at par with permanent employees under the same policy.
3. Human Rights policy as per NGRBC Principle 5/ESG/UNHR	
<p>SafetyNiti 2021 had noted:</p> <ul style="list-style-type: none"> 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." In 2019-20 however, TVS' Code of Business Conduct and Ethics made no mention of human rights, and it does not mention it even now. <p>Additional findings this year:</p> <ul style="list-style-type: none"> TVS reports that "All contract agreements with stakeholders have clauses pertaining to Industrial & labour laws compliance, which takes care of human rights [and] a separate Human Rights Policy is being drafted." (AR20-21, p.53) "All categories of employees viz., Permanent / Contract & Casual are covered by the Human Rights Policies...100% of business agreements are reviewed so as to ensure protection of Human Rights." (AR20-21, p.53) 	Publish Human Rights Policy in the public domain and should specifically state that it covers the deeper supply chain and should also include UN Human Rights Convention Articles 3, 5, 19, 24 and 25 which refer to right to life, freedom of opinion and expression, rest and leisure, standard of living adequate for health and wellbeing of self and family, and protection from cruel, inhuman, degrading treatment or punishment (if not already done).
Publicly declared policies applicable to OEM's deeper supply chain	
4. OSH policy for the OEM's Tier 1 suppliers	
<ul style="list-style-type: none"> SII was unable to find an SCoC in the public domain. BRR 20-21 states same as BRR 19-20 that "100% of the suppliers and service providers" were assessed for adherence to health and safety practices. BRR 20-21 this year states "In addition, key fabrication suppliers were assessed on occupational health and safety requirements." (BRR 20-21, p. 14) <p>SII assumes these fabrication suppliers include power press machine operators in supplier factories which were identified as key culprits contributing to large number of crush injuries (Refer to annual series of CRUSHED reports).</p>	<p>Publish an SCoC in the public domain, include the deeper supply chain and ensure cascading of OSH and NGRBC Principles down the supply chain, even if in phases.</p> <p>Define 'suppliers' in SCoC and Sustainability Strategy (if not already done) to include deeper supply chain.</p> <p>Include accident reporting in Tier 1 contracts.</p>

TVS MOTOR COMPANY (TVS)



FINDINGS	RECOMMENDATIONS
5. OSH policy for the OEM's deeper supply chain (Tier 2/3/4)	
<ul style="list-style-type: none"> SII found no mention of safety in the supply chain in BRR 2019-20 or in CoC, same as last year. 	<p>Same recommendations as in question 4.</p> <p>Include compliance with OSH legislations such as the Factories Act 7A (3) in SCoC which requires each company to have a written OSH statement/policy.</p> <p>Ensure Tier 1 suppliers make SCoC principles contractually binding for their own suppliers (i.e., OEM's Tier 2 suppliers).</p>
6. Consistency of OSH policies enforced in the supply chain in Indian and in international operations	
<ul style="list-style-type: none"> It is not clear/conclusive from the documents in the public domain because the subject is not categorically covered/stated, same as last year. 	<p>Publish the Group's OSH policy for international operations, if different from domestic operations; else clarify that the same or better policy is applicable (e.g. Mahindra SCoC and Tata CoC).</p>
7. Business Responsibility Reporting on NGRBC Principles 1, 3, and 5	
<ul style="list-style-type: none"> TVS continues to be the only company that reports on essential and leadership indicators of NGRBC guidelines for all Principles. However, as in 2019-20, BRR20-21 lists no examples to cascade the NGRBC across value chain including the supply chain. 	<p>In view of the BRSR leadership indicators (which will be applicable from FY22-23) requiring reporting on health and safety practices and working conditions for value chain / deeper supply chain partners,</p> <ul style="list-style-type: none"> Include OSH in supply chain sustainability risk assessment, if not already included.
8. Policies for reporting and monitoring supply chain sustainability in OSH in accordance with SDG Indicator 8.8	
<ul style="list-style-type: none"> BRR 2019-20 states "conference was organized with the theme 'Sustainability in Manufacturing Supply Chain' in February 2020." TVS does not appear to have published a Sustainability Report in 2020-21. However, a news report dated 15 November 2021 stated that TVS has joined UN Global Compact's sustainability initiative: <p>"As a part of the United Nations Global Compact, we will be further able to build on our efforts across the supply chain with access to the right tools and experts. We also look forward to engaging in collaborative projects which advance the wider development goals of the United Nations, particularly the Sustainable Development Goals," said Venu Srinivasan, Chairman, TVS Motor Company.</p>	<p>Define and include clear targets to achieve Indicator 8.8 of SDG 8 in the deeper supply chain.</p> <p>Publish a Sustainability Report.</p>
Publicly declared procedures to ensure safety across the supply chain	
9. Mapping of the deeper supply chain to be able to improve safety	
<ul style="list-style-type: none"> It is not clear/conclusive from the documents in the public domain because the subject is not categorically covered/ stated. Same as last year. 	<p>Map the deeper supply chain as advised in the NGRBC, even if done in phases. Tier 1 and 2 suppliers first, for example, for pressing and stampings vendors.</p>
10. Actions taken by the OEM to prevent accidents in its supply chain	
<p>SafetyNiti 2021 noted:</p> <ul style="list-style-type: none"> It is not clear/conclusive from the documents in the public domain because the subject is not categorically covered/stated. 	<p>Ensure effective implementation of OSH policies with real im- pact on OSH conditions in the deeper supply chains through improved</p>

Continued



TVS MOTOR COMPANY (TVS)

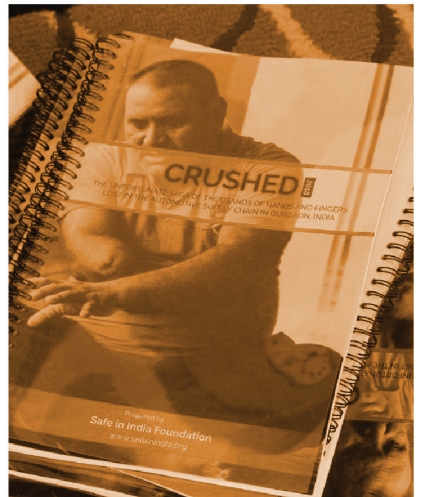
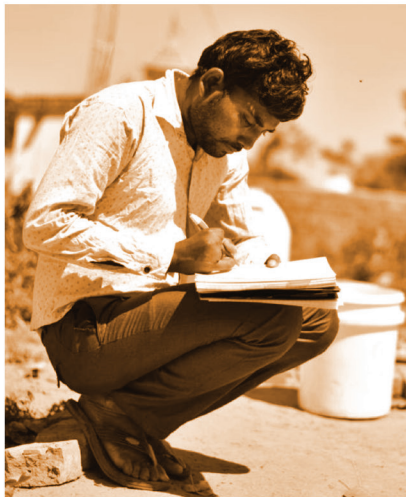


FINDINGS	RECOMMENDATIONS
10. Actions taken by the OEM to prevent accidents in its supply chain	
<p>This year it reports,</p> <ul style="list-style-type: none"> ● “The Company is running TPM, Quality System improvement programs and sustainability audits with identified suppliers for enhancing their production, quality and sustainability performance for mutual benefit.” (AR20- 21, p.52) ● But it is unclear if sustainability audits include accident reporting in supplier factories. ● It is also unclear if these audits extend to the deeper supply chain (Tier 2/3/4). 	<p>accountability, monitoring and transparency (e.g. reporting accident and near-misses; safety audits; SOPs; appropriate training; online platform for knowledge sharing of best practices, safety information for workers; and commercial consequences of poor safety record).</p> <p>Increase number of annual safety audits, especially of Tier 2 suppliers and report status in next year’s reports.</p>
11. Monitoring by Tier 1s (direct suppliers) to improve safety in their deeper supply chain	
<ul style="list-style-type: none"> ● It is not clear/conclusive from the documents in the public domain because the subject is not categorically covered/ stated. Same as last year. 	<p>Require and support Tier 1 suppliers to ensure quality implementation of OSH policies with real impact on OSH conditions in the deeper supply chains, even if done in phases, through improved accountability, monitoring and transparency and report to the OEM.</p> <p>Include evidence of Tier 1 suppliers cascading OSH practices to the deeper supply chain in next year’s reports.</p>
12. Grievance redressal mechanism for workers across supply chain to report unsafe work conditions	
<ul style="list-style-type: none"> ● Whistleblower Policy states “Stakeholders that are eligible to make Protected Disclosures under the Policy include - <ul style="list-style-type: none"> ● “Directors and employees (including permanent and on contract) of the Company” and ● “Contractors, vendors, suppliers, or agencies (or any of their employees) providing any material or service to the Company.” (Whistleblower Policy 2020, p.5) ● However, TVS does not require its suppliers to have a similar whistleblower policy/grievance redressal mechanism. 	<p>Encourage Tier 1/2/3/4 suppliers to have whistleblower policy and grievance redressal mechanism for their permanent and contract workers and include OSH in the scope of the policies.</p>

Findings and Recommendations

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





8.1 SII has been communicating with and making representations to the Central and Haryana State Labour ministries and its institutions to advocate actions for prevention of accidents in the auto-sector supply chain.

Although some progress has been achieved, as stated in this and earlier reports, below are SII's top five recommendations to the Central Labour Ministry to improve OSH in the country based on evidence presented in the SafetyNiti and CRUSHED series of reports.

In addition, with reference to OSH now being a fundamental principal and right at work, we request Central and State Governments to remove the threshold on the minimum number of workers for registration under The Factories Act or the Labour Codes (when implemented)

Top five recommendations to the Central Labour Ministry

1. Central Labour Ministries should drive calibrated actions to achieve the objectives of the Occupational Safety and Health Policy, 2009.

1.1. Create a working committee, which will regularly take into account accident information from different sources like worker helpline, ESIC, civil society, media reports etc. and work to:

- Minimise accidents in industry to improve the condition of workers
- Strengthening institutional partnerships and actions to prevent accidents in supply chain MSME factories.
- Meeting the International commitments of SDG 8 (specific indicator 8.8), ILO labour standards, UN Human Rights convention

1.2 Making of Rules for Acts/Labour Codes, Standards in simple and pictorial language/regional languages for workers specifically those related to working conditions and health and safety

1.3. Make industrial safety and health division accountable for prevention of accidents in factories.

1.4. Put in place effective mechanisms to ensure machine manufacturers produce and sell machines with safety features.

1.5. Put in public domain, the names of factories which are exempt from inspections

1.6. Direct DGFASLI to:

- Develop simple OSH policy format that can be used by MSMEs in accordance to Sec 7A (3) which includes provisions for epidemics/pandemics.
- Create and implement standard formats for safety audit checklist, templates for recording of parameters, e.g. temperature, dust and fumes depending on the sector and size of establishments
- Simplify inspections and/or safety audit protocols based on size/sector of establishments.
 - Suggest equipment required for safety and working condition audit, which should be such that they can be read by workers.
 - Suggest location of measurement equipment within the factory to measure the correct status.
- Put in public domain technical solutions to make machines safe based on risks of accidents.
- Put OSH studies commissioned by Government conducted in public domain
- Commission safety surveys and studies, especially for India's auto-sector supply chain in the top 5 auto sector hubs in the states of Haryana, Maharashtra, Tamil Nadu, Karnataka and Gujarat. Publish the



results and recommendations of such studies in the public domain to improve sharing of best practices and lessons learned.

2. Use data from ESIC to determine selection of factories for inspection and conduct safety surveys and studies across sectors and sizes of factories especially the auto sector.

- 2.1. Create a mechanism for analysing ESIC data to identify OSH hotspots in geography/industry/etc.
- 2.2. Use that data to change the inspection sampling mechanism to risk-based i.e., increase inspections of poor factories and reduce of good factories. (business friendly)

3. Create a reliable accident/injury reporting and governance system, and use it for constant continuing improvements, including strengthening of ISH in the states to improve factory inspections (irrespective of their new role as 'facilitators') and penalties for repeat offenders.

- 3.1 Review current reporting mechanisms and create a better more effective mechanism.

4. Set up a confidential helpline for workers to report unsafe conditions and accidents in factories.

- 4.1 The helpline for migrant workers is provisioned in the OSH&WC code. A dedicated helpline for OSH to be started immediately and for all workers for confidentially reporting unsafe work conditions and accidents.

5. Introduce a practical policy and mechanism for safety training of contract and migrant workers.

- 5.1. Make a policy for safety training of workers, especially contract and migrant workers
- 5.2. Set up worker assistance centres in industrial zones to:
 - Conduct safety training of workers specifically contractual and migrants
 - Educate workers on government norms/schemes for working conditions, social security schemes, and legal rights and duties regarding OSH.
 - Provide legal aid if needed
 - Support identification of workers to help them in distress situations like covid

- 5.3 Design and cascade safety messages to small factories in regional languages digitally.

Recommendations on the same line has been made to the **Haryana State Labour Department**. SII will continue to pursue other recommendations that were covered in SafetyNiti 2021 – around OSH & WC Code and Rules (awaiting now for Rules to be notified), inclusion of SDG 8.8 targets (with Niti Ayog), National Action Plan (with MCA), improving communication on NGRBC (with MCA/IICA – who are in the process of creating an ESG programme in this regard at the time of publishing of this report) and improving BRSR format further for OSH in supply chain.

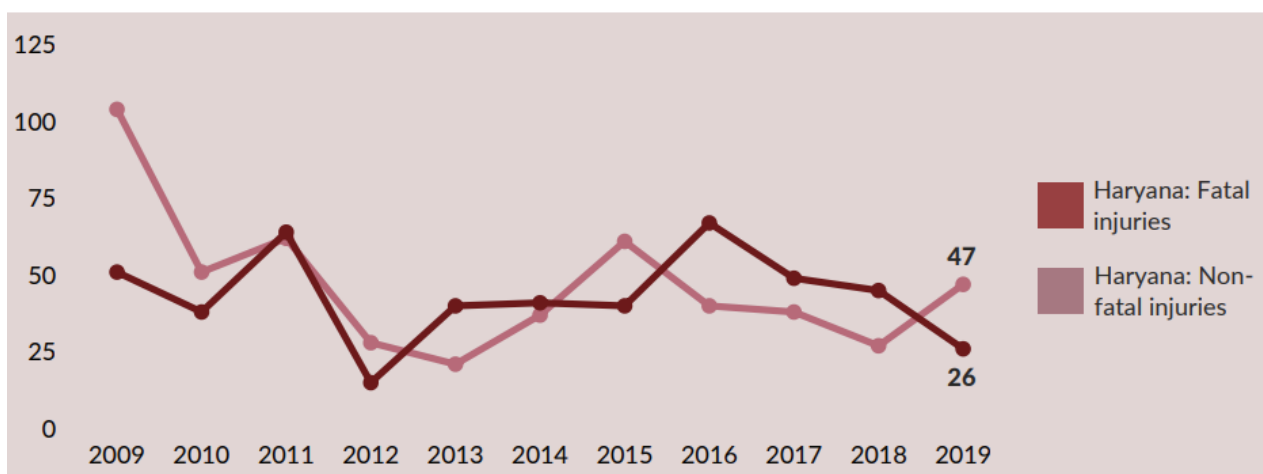


FIGURE 25: Number of injuries reported on the government information portals

Source: CRUSHED21.

Publicly available injury data for Haryana continues to be 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 2019.

8.2. Niti Ayog has a critical role to play in defining and setting OSH framework and targets.

SII's recommendations to Niti Ayog, communicated to them in 2021, are:

1. First define and set a target for the indicator 8 of SDG 8 for workers safety for India and subsequently for each sector, e.g., the auto-sector.
2. Design and launch a national scheme for improving worker-safety, especially in MSMEs and linking it to productivity and professionalism considering the Indian government's ambition of '**Make in India**' (may we add 'Make in India safely') and global competitiveness on not only low-labour cost production.
3. Define 'Decent Work' for manufacturing especially MSMEs including those specifically for the auto sector supply chain given the large number of accidents in it.
4. Use ESIC's rich data on worker accidents, injuries, deaths, and work-related illnesses to identify poor OSH hot spots in the country and improve their working practices with targeted action that will not only improve worker safety but also save hundreds of crores for ESIC. It will also be business friendly by e.g., reducing ISH inspections of better run businesses while increasing inspections of the worse run businesses, and indeed identify best businesses to reduce ESIC premium for them. This fits in well with **Digital India strategy**.
5. GRI 403 requires reporting on OSH for supply chain workers as indeed GOI's NGRBC encourages. Our above recommendations will also help the industry to report better on GRI 403.

8.3. MCA, the author of NGRBC, can help improve awareness and compliance with the spirit and word of this important guideline on corporate responsibility for their supply chains.

SII's recommendations to MCA communicated in 2021 are:

1. Initiate a broad communication exercise to publicize NGRBC principles including those on human rights to at least the 'large' businesses and ask for its implementation, even if done in a phased manner, including create a distinct section in MCA's website to hold all circulars related to NGRBC, NAP, guidance document of BSE on ESG disclosures. etc. for easy access and consistency. Presently they are scattered and difficult to access.
2. Define and clarify role of various government agencies in implementing NGRBC.
3. Define "Workmen" clearly in the NGRBC and hence its interpretation in the BRSR format.
4. Publish a guiding document which explains how does respect for Human Rights manifest itself in company and value chain, ideally sectorally, including examples of violations should be put together against each article of the UN Human Rights Convention.
5. Update and release NAP (eg. Bangladesh has already released its NAP and it includes OSH for small enterprises) including:
 - Phased action plan to establish OSH practices as non-negotiable in the value chain/SMEs for all sectors, specifically manufacturing as MSMEs contribute to nearly 8 percent of the country's GDP, 45 percent of the manufacturing output and 40 percent of the exports.
 - Transparent monitoring systems for all core elements of NGRBC and SDGs including OSH in the value chain of businesses.

8.4 SEBI can play an important role in making large corporates more responsible through better transparency, reporting and assessment

SII has recommended the following to SEBI regarding the forthcoming BRSR:

1. Create a section in SEBI's website to hold all Responsible Business communication/circulars, for easy access and consistency. We have sent our comments to you on the BRSR format, we place our specific comments once again.
2. Include questions on all core elements of NGRBC in the BRSR. e.g., BRSR has no question on Principle 1, core element 3. For this question can be added "What has the company done to promote P1 across value chain in the current financial year."
3. Define Employees and workmen for Principle 3.
4. Analyse and report in public domain, the findings of the BRR/BRSR reports submitted by top 1000 listed companies annually for public access, highlighting good practice/gaps and better compliance over time. Such analysis will add tremendous value to India Inc over time.

8.5 ILO and Trade unions can help drive OSH down the supply chain, especially after ILO's path breaking progress on inclusion of OSH in FPRW in 2022

SII has been presenting/communicating its reports findings and recommendations to ILO, especially as ILO has 'OSH in supply chain' as an area of its work and has publications on the subject of OSH in MSMEs.

1. ILO's recent inclusion of OSH as one of the Fundamental Principles and Rights at Work: Clearly ILO will pursue adoption of these in India and SII will support ILO as much as possible in this aspect.
2. SII's other recommendations to ILO as reported in SafetyNiti2021 continue to be to specifically focus on auto sector supply chain safety, as it's one of the largest sector of manufacturing globally, include the voice of workers who are not part of the organized unions, expand its SCORE programme (ILO presented the highlights of this programme at SII-MSME Ministry-QCI event in June 2022) will continue to be pursued.

8.6 Auto sector consumers can ask the right questions before making a purchase decision and hold the brands and their management responsible

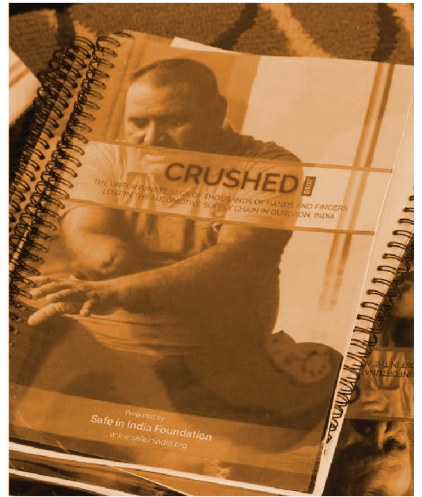
SII continues to urge the Indian public to ask a few simple questions of dealers when purchasing vehicles to influence change:

- "Were there any serious injuries to workers when making this vehicle?"
- "What is the auto sector brand doing to prevent accidents in their component factories and to save workers from losing their hands and fingers?"
- "Are you, the executive team of the brand, doing enough to prevent such severe worker injuries in your supply chain, to help not just workers but help the country accelerate its journey to a better place to work and lives of the poor and the marginalised?"



Next Steps for SII





SII will continue on this journey until the auto-sector workers in the deeper supply chain provide consistent feedback that they feel much safer and until SII starts demonstrating this improvement in its ground up annual accident report series CRUSHED.

The next steps as outlined in previous reports will continue. More have been added as experience builds and deeper engagements take shape:

- 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 ten 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 reports in the annual sequel of this report in 2023. Also reporting on their potential effects – that is, reduction in accident numbers – in SII's third annual accident prevention report CRUSHED2022.
- Large global companies, with subsidiaries in India, e.g., Honda and Hyndai, must also submit BRR/BRSR as the top 1000 listed companies are required to do. SII to engage with Niti Ayog and MCA on this issue.
- Analyse the implication of the recent adoption of Occupational Safety and Health as a Fundamental Principle and Right at Work (FPRW) by the ILO and champion it in the Indian auto sector.
- 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.
- Bajaj has adopted CII Charter on fair and responsible workplace guidelines for contract workers while other OEM have not. SII to engage with CII on this issue.
- Compare SCoCs of various OEMs and work towards a best practice document with SIAM.
- 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?



“When production is less, management immediately installs production meter, but when we lose hands and fingers, safety guard is not installed.”

– **Soni, 25 years old, from Bihar, lost four fingers of her right hand while working on a power press machine in a factory in Faridabad, that produces brake parts for Maruti**

“The situation is grim and we need to provide leadership. It not about NGRBC Principles/SDGs/GRI. It is about the importance of human lives. We should start acting. The apologists may differ.”

– **Dr Arun Kale, General Manager- Corp SHE & Sustainability, Tata Motors**

“Sir, we (workers) should fill the checklist because maintenance people tick ‘okay’ for bad machines too.”

– **Savita Chowdhury, 24 years old, from Uttar Pradesh, lost her finger while working in a factory in Faridabad which manufactures automobile parts for Hero, Honda and JCB**

“Safety can be looked at as a cost, but when someone looks at it as an investment, they will get the returns, and this will happen when you have the right people looking at the right problem”

–**Dr. Indrajit Bhattacharya, Director, NABET, QCI**

“Our motto is to build the nation responsibly.”

–**Mr Prashant K Banerjee, Executive Director, SIAM**



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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 seven companies that interacted with us. All this information is taken at face value and has not been validated through independent assessments or investigations. It is possible that some of the information available in the public domain has been missed despite our best efforts, especially for the remaining three companies that did not respond to our requests. All documents used for this analysis are listed in section 5.2. We welcome all ten companies to provide us with any additional information to correct any data points/analysis in the report as soon as possible and more importantly, act on the recommendations here to make their OSH policies better and accelerate/improve their implementation.