

Expectations towards suppliers as defined in the Guiding Principles and local legislation

1. Business Ethics

Guiding Principles: Companies are expected to uphold the highest standards of integrity and to operate honestly and equitably throughout the supply chain in accordance with local laws.

Topic	Relevant local legislation	Benchmark against Guiding Principles / Practical Guidance
1. Responsible Sourcing of Materials	<p>There are no regulatory mechanism present for ensuring responsible sourcing of materials.</p>	<p>The Government of India (GoI) has not formulated regulations governing responsible sourcing of materials, though the automobile companies have voluntarily adopted the Guiding Principles of responsible sourcing through procurement of materials available locally. Consequently, the guiding principles set higher requirements than the local legislation.</p>
2. Anti-Corruption	<p>Prevention of Corruption Act (PCA), 1988 with amendments of 2018</p> <p><i>Scope of the legislation:</i> The act is formulated to prevent corruption in government departments and to punish public servants involved in corrupt practices. The act was then amended in line with United Nations Convention against corruption 2005, which was ratified by India in 2011.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> no commercial organization shall involve themselves in an act of bribery or corruption or influencing public servant <p><i>Source:</i> http://legislative.gov.in/sites/default/files/A1988-49.pdf http://www.egazette.nic.in/writereaddata/2018/187644.pdf</p> <p>The Companies Act, 2013 with amendments of 2019</p> <p><i>Scope of the legislation:</i> The act encourages entrepreneurship; creates flexibility and simplicity in the formation and maintenance of companies; and encourages transparency and high standards of corporate governance.</p>	<p>PCA covers commercial organization on preventing corruption/influencing public servants. There are no regulations that specifically prohibit private commercial bribery in India, although it is covered under specific laws governing certain commercial organisations like Companies Act, and organisation's internal codes of conduct that prohibit it.</p> <p>There's no detail about the policies, procedures, and system to be in place to avoid such misconduct. The PCA does state that if an offence has been committed by a commercial organisation, adequate procedures in place shall be a defence for the commercial organisation.</p> <p>In conclusion, the Guiding Principle has a wider scope and higher requirements in comparison to the Indian legislation.</p>

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	<p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> not to perform any fraudulent practices in the company <p>Definition of fraud as per the act: <i>"any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss"</i></p> <p>Source: https://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf http://egazette.nic.in/WriteReadData/2019/209478.pdf</p> <p>Prevention of Money Laundering Act, 2002</p> <p><i>Scope of the legislation:</i> This act prevents money-laundering and confiscates property derived from, or involved in, money-laundering</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> person who indulges in money laundering shall be punished with imprisonment of for a minimum term of 3 years <p>Definition of person as per the act: "an individual, a company or a firm"</p> <p>Source: https://bit.ly/3eC7qx0</p>	
3. Privacy	<p>Personal Data Protection Act, 2018</p> <p><i>Scope of the legislation:</i> This act seeks to protect the autonomy of individuals with respect to their personal data, specify norms of data processing, and set up a regulatory body to oversee data processing activities.</p>	<p>These acts set out requirements for data protection which are in line with the Guiding Principles ensuring data privacy.</p> <p>The scope of the Guiding Principles and Practical Guidance is wider than the existing legislation. The law does not mention the cascading of principles of data privacy to subcontractors or suppliers. Concerning the measures on how to protect data and respect privacy the law on</p>

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	<p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • obtain consent of the data principal/person for processing personal data or sensitive personal data • fair and reasonable processing of personal data • personal data shall be processed only for purposes that are clear, specific and lawful • collection of personal data shall be limited to such data that is necessary for the purposes of processing • personal data shall be retained only for the time period necessary to fulfil the purpose related to the processing • undertake a periodic review of all its stored personal data to ensure that no personal data has been retained for more than the necessary time period • ensure compliance with the provisions of the Bill <p>Source: https://meity.gov.in/writereaddata/files/Personal_Data_Protection_Bill,2018.pdf</p> <p>The Information Technology Act, 2000</p> <p><i>Scope of the legislation:</i> The act deals with issues relating to payment of compensation and punishment in case of wrongful disclosure and misuse of data.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • maintaining reasonable security practices to secure data (For Example: encrypting sensitive stored data using methods like Transport Layer Security/Secure Sockets Layer encryption; use secure remote access methods like Virtual Private Network (VPN); train employees on data privacy and security) <p>Source: https://meity.gov.in/writereaddata/files/itbill2000.pdf</p> <p>The Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011</p>	<p>Information Technology has similar requirements than the Practical Guidance.</p>

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	<p><i>Scope of the legislation:</i> This act provides a list of items that are to be treated as “sensitive personal data”. It is further clarified that any information is freely available or accessible in the public domain is not considered to be sensitive personal data.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • draft a privacy policy and make it easily accessible for people who are providing the information • obtain consent from the person(s) providing information in writing or by Fax or by e-mail before collecting such sensitive personal data • information shall not be collected unless it is for lawful purpose • retain the information for no longer than it is required • designate a Grievance Officer, whose name and contact details should be on the website who shall be responsible to address grievances of information providers expeditiously • may implement International Standards (IS / ISO / IEC 27001) to maintain data security. <p><i>Source:</i> https://www.wipo.int/edocs/lexdocs/laws/en/in/in098en.pdf</p> <p>Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 with amendments of 2019</p> <p><i>Scope of the legislation:</i> The act prevents Insider Trading by prohibiting trading, communicating, counseling or procuring Unpublished Price Sensitive Information (UPSI)</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • every listed company shall formulate a code of conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with this regulation. 	

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	<ul style="list-style-type: none"> every listed company shall identify and designate a compliance officer to administer the code of conduct and other requirements under this regulation. <p>Source: https://www.sebi.gov.in/acts/insideregu.pdf https://bit.ly/2B2xsmg</p>	
4. Financial Responsibility/Accurate Records	<p>The Companies Act, 2013 with amendments of 2019</p> <p><i>Scope of the legislation:</i> The act encourages entrepreneurship; creates flexibility and simplicity in the formation and maintenance of companies; and encourages transparency and high standards of corporate governance.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> prepare a consolidated financial statement of the company and of all its subsidiaries at every annual general meeting, the Board of Directors of the company shall lay before such meeting financial statements for the financial year <p>Source: https://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf http://egazette.nic.in/WriteReadData/2019/209478.pdf</p> <p>SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with amendments of 2020</p> <p><i>Scope of the legislation:</i> The act sets out obligations for listed entities and prescribes different disclosure requirements.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> prepare and disclose information in accordance with applicable standards of accounting and financial disclosure prepare financial statements and ensure that annual audit is conducted by an independent, competent and qualified auditor <p>Source: https://www.sebi.gov.in/legal/regulations/feb-2017/sebi-listing-obligations-and-disclosure-requirements-regulations-2015-last-amended-on-february-15-2017-37269.html https://www.sebi.gov.in/legal/regulations/jan-2020/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-amendment-regulations-2020_45649.html</p>	Under these acts, the companies are mandated to prepare financial statement which forms a part of Annual Report published every financial year and is audited by an independent auditor. On this note, it can be inferred that the Indian legislations on financial responsibility covers the aspects mentioned in the Guiding Principles and goes beyond its requirements in terms of independent audit of financial statements.

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<p>5. Disclosure of Information</p>	<p>SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with amendments of 2020</p> <p><i>Scope of the legislation:</i> The act sets out obligations for listed entities and prescribes different disclosure requirements.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • Information shall be prepared and disclosed in accordance with the prescribed standards of accounting, financial and nonfinancial disclosure • ensure compliance to requirements of “Principles governing disclosures and obligations” • submit the annual report to the stock exchange within twenty • one working days of it being approved and adopted in the annual general meeting as per the provisions of the Companies Act, 2013 • the top 500 listed entities based on market capitalization (calculated as on March 31 of every financial year),business responsibility report describing the initiatives taken by them from an environmental, social and governance perspective, in the format as specified by the Board from time to time has to be published <p>Source:https://www.sebi.gov.in/legal/regulations/feb-2017/sebi-listing-obligations-and-disclosure-requirements-regulations-2015-last-amended-on-february-15-2017-37269.html https://www.sebi.gov.in/legal/regulations/jan-2020/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-amendment-regulations-2020-45649.html</p> <p>The Companies Act, 2013 with amendments of 2019</p> <p><i>Scope of the legislation:</i> The act encourages entrepreneurship; creates flexibility and simplicity in the formation and maintenance of companies; and encourages transparency and high standards of corporate governance.</p>	<p>All the companies registered under the Companies Act, 2013 are mandated to publish an annual report which explicitly discloses financial performance of the company. Few companies (apart from the top 500 companies disclosing non-financial information) voluntarily disclose information of ESG by publishing annual sustainability report.</p> <p>The Guiding Principles expect companies to disclose financial and non-financial information in accordance with regulations and prevailing industry practices. The legislations do not mandate all the companies registered under the Companies Act, 2013 to disclose non-financial information. Hence, the Guiding Principle has a wider scope compared to the Indian laws.</p>

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	<p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • prepare an annual return in the prescribed form containing the particulars as they stood on the close of the financial year • prepare a consolidated financial statement of the company and of all its subsidiaries • at every annual general meeting, the Board of Directors of the company shall lay before such meeting financial statements for the financial year <p><i>Source:</i> https://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf http://egazette.nic.in/WriteReadData/2019/209478.pdf</p> <p>Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 with amendments of 2019</p> <p><i>Scope of the legislation:</i> The act prevents Insider Trading by prohibiting trading, communicating, counseling or procuring Unpublished Price Sensitive Information (UPSI)</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • companies need to establish a code of practices and procedures for fair disclosures of unpublished price sensitive information. <p><i>Source:</i> https://www.sebi.gov.in/acts/insideregu.pdf https://bit.ly/2B2xsmg</p>	
6. Fair Competition/Anti-Trust	<p>The Competition Act, 2002</p> <p><i>Scope of the legislation:</i> The act contains various provisions for regulation of fair competition in the market and for curbing monopolies and dominant position in the market.</p>	This act prohibits behavioural conduct to ensure fair competition. Though the act does not mention procedure or systems to establish to avoid such behaviours. Hence, it is found to be less stringent compared to the Guiding Principle.

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	<p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • Ensure compliance to prohibition of anti-competitive agreements, abuse of dominant positions and regulation of combinations (mergers, acquisitions and amalgamations) <p><i>Source:</i> https://www.cci.gov.in/sites/default/files/cci_pdf/competitionact2012.pdf</p>	
7. Conflicts of Interest	There are no regulatory mechanism present to manage conflicts of interest in businesses.	Government of India (GoI) has published “ <i>The Prevention and Management of Conflict of Interest Act, 2011</i> ” that governs conflicts of interest in public authority. There are no specific laws for private organizations, which would be in line with the Guiding Principles.
8. Counterfeit Parts	There are no regulatory mechanism present to minimize the risk of counterfeit versions of automobile parts.	Although counterfeiting of automobile components is a growing threat in India, there are no governing legislations developed around the same. The Guiding Principles state that companies are expected to minimize the risk of introducing counterfeit parts and the Practical Guidance provides companies guidance for the internal processes and methods to do so, therefore these documents have higher requirements than the legislation.
9. Intellectual Property	<p>There are no specific regulatory mechanism governing intellectual property rights in India. Although, the following acts deal with the protection of intellectual property in India:</p> <ul style="list-style-type: none"> • Trade Marks Act, 1999 • The Patents Act, 1970 (as amended in 2005) • The Copyright Act, 1957 • The Designs Act, 2000 • The Geographical Indications of Goods (Registration and Protection) Act, 1999 • The Semiconductor Integrated Circuits Layout Design Act, 2000 • The Information Technology Act, 2000 	The acts mentioned indirectly covers the confidentiality of intellectual property and cover similar topics as of the Guiding Principles, however, there are no specific regulation formulated to govern intellectual property rights

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<p>1. Working Hours</p>	<p>The Factories Act, 1948 with amendments of 2016</p> <p><i>Scope of the legislation:</i> The Act regulates the safety, health and welfare of factory workers</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • weekly hours: No adult worker shall be required or allowed to work in a factory for more than forty-eight hours in any week • no adult worker shall be required or allowed to work in a factory on the first day of the week • daily hours: no adult worker shall be required or allowed to work in a factory for more than nine hours in any day • interval for rest: no period shall exceed five hours and that no worker shall work for more than five hours before he/she has had an interval for rest of at least half an hour • overtime: the total number of hours of overtime must not exceed 50 hours for a quarter. But as per the Bill passed in 2016 the limit is raised up to 100 hours • the act enables the state government to permit adult workers in a factory to work overtime hours if the factory has an exceptional workload. Further, the total number of hours of overtime work in a quarter must not exceed 75. The Bill permits the central or state government to raise this limit to 115 hours. <p>Source: https://labour.gov.in/sites/default/files/TheFactoriesAct1948.pdf https://bit.ly/3e7f0a3</p> <p>The Occupational Safety, Health and Working Conditions Code, 2019</p> <p><i>Scope of the legislation:</i> The code seeks to regulate health and safety conditions of workers in establishments with 10 or more workers. It subsumes and replaces 13 labour laws relating to safety, health and working conditions. These laws</p>	<p>Indian legislations on working hours are similar to the Guiding Principles. All the legislations regulate working hours, weekly offs, overtime, maximum consecutive days of work and intervals of rest.</p>

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	<p>include: Factories Act, 1948; Mines Act, 1952; Dock Workers Act, 1986; Contract Labour Act, 1970; and Inter-State Migrant Workers Act, 1979.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> workers cannot be required to work for more than six days a week. Further, they must receive one day of leave for every 20 days of work per year <p>Source: https://www.prsindia.org/billtrack/occupational-safety-health-and-working-conditions-code-2019</p>	
2. Forced Labour	<p>The Bonded Labour System (Abolition) Act, 1976</p> <p><i>Scope of the legislation:</i> An act to provide for the abolition of bonded labour system with a view to preventing the economic and physical exploitation of the weaker sections of the society.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> no person shall compel any person to render any bonded labour or other form of forced labour <p>Source: https://bit.ly/2NdKQyx</p>	<p>The Guiding Principles and Practical Guidance has a wider scope when compared to the existing legislation. The practical guidance specifies what companies are expected to do to avoid risks of forced labour. This includes that companies should not hold, destroy, conceal or deny access to employee identity documents unless required by applicable law.</p> <p>Companies should ensure that workers are not required to pay recruitment fees or fees related to employment, companies should ensure that employees receive a written contract or ensure they understand the terms of employment in a language well understood by the workers. Furthermore, the Practical Guidance identifies human trafficking.</p>
3. Freedom of Association	<p>The Trade Unions Act, 1926 with amendments of 2018</p> <p><i>Scope of the legislation:</i> The act aims to protect workers against exploitation by employers, represent the grievance of employees on behalf of them to the management, protect & safeguard rights of workers provided to them under employment clause or labour laws, and increase participation in management for Decision Making.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> employers shall not restrict formation of trade unions involve workers in collective bargaining agreements 	<p>Present regulatory mechanisms are similar to Guiding Principles which respects employee rights and freedom to associate with trade unions.</p>

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	<p>Source: http://www.whatishumanresource.com/the-trade-union-act-1926 https://bit.ly/3d7zgap</p> <p>The Industrial Employment (Standing Orders) Act, 1946</p> <p><i>Scope of the legislation:</i> This act aims to bring uniform terms and conditions of service in various industrial establishments. It requires every employer in an industrial establishment to clearly define and publish standing orders with respect to conditions of employment / service rules and to make them known to the workmen employed by it.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> the standing order prepared by the employer is submitted to trade unions to agree on the terms (working hours, overtime, benefits, wages etc.) mentioned by the employer <p>Source: https://bit.ly/3fgeisQ</p>	
4. Health & Safety	<p>The Factories Act, 1948 with amendments of 2016</p> <p><i>Scope of the legislation:</i> The Act regulates the safety, health and welfare of factory workers</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> provide and maintain plant and systems of work in the factory safe and without risks to health ensure the arrangements in the factory are safe and pose no risks to health in connection with the use, handling, storage and transport of articles and substances 	Indian legislations ensure occupational health and safety of all workers employed in the factory, which are in line with the aspect of the safe and healthy guidelines specified in the Guiding Principles and practical guidance.

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	<ul style="list-style-type: none"> • provide information, instruction, training and supervise to ensure the health and safety of all workers at work • no room in any factory shall be overcrowded • in every factory wherein more than five hundred workers are employed there shall be provided and maintained an ambulance room of the prescribed size, containing the prescribed equipment and in the charge of medical and nursing staff • effective measures shall be taken to ensure that in every factory all the workers are familiar with the means of escape in case of fire and have been adequately trained in the routine • during all working hours provide and maintain readily accessible first-aid boxes or cupboards equipped with the prescribed contents • in every factory where a hazardous process takes place, or where hazardous substances are used or handled, set up a Safety Committee consisting of equal number of representatives of workers and management to promote cooperation between the workers and the management in maintaining proper safety and health at work and to review periodically the measures taken <p>Source: https://labour.gov.in/sites/default/files/TheFactoriesAct1948.pdf https://bit.ly/3e7f0a3</p> <p>The Occupational Safety, Health and Working Conditions Code, 2019</p> <p><i>Scope of the legislation:</i> The code seeks to regulate health and safety conditions of workers in establishments with 10 or more workers. It subsumes and replaces 13 labour laws relating to safety, health and working conditions. These laws include: Factories Act, 1948; Mines Act, 1952; Dock Workers Act, 1986; Contract Labour Act, 1970; and Inter-State Migrant Workers Act, 1979.</p>	

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	<p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • providing a workplace that is free from hazards that may cause injury or diseases, • providing free annual health examinations to employees in notified establishments, • issuing appointment letters to employees, • informing relevant authorities in case an accident at the workplace leads to death or serious bodily injury of an employee • instructing employees on safety protocols. • maintain conditions including hygienic work environment, clean drinking water, and toilets • provide welfare facilities such as canteens, first aid boxes, and crèches <p>Source: https://www.prsindia.org/billtrack/occupational-safety-health-and-working-conditions-code-2019</p> <p>Public Liability Insurance Act, 1991</p> <p><i>Scope of the legislation:</i> This act aims to provide immediate relief to the persons affected by accidents, occurring while handling any hazardous substance.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • every owner shall get an insurance policy before handling any hazardous substance and timely renew it • where death or injury to any person (other than a workman) or damage to any property has resulted from an accident, the owner/company shall be liable to give such relief <p>Source: https://www.indiacode.nic.in/bitstream/123456789/1960/1/A1991-06.pdf</p>	

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5. Harassment	<p>The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013</p> <p><i>Scope of the legislation:</i> An act to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • no woman shall be subjected to sexual harassment at any workplace • every employer of a workplace shall constitute a Committee to be known as the “Internal Complaints Committee” • organise workshops and awareness programmes at regular intervals for sensitising the employee • the Internal Committee or the Local Committee, shall in each calendar year prepare an annual report and submit the same to the employer and the District Officer. <p>Source: http://legislative.gov.in/sites/default/files/A2013-14.pdf</p>	<p>Indian legislation has formulated an act to prohibit sexual harassment. There are no mechanisms to govern prohibition of other forms of harassment against workers such as corporal punishment, mental or physical coercion or verbal abuse of workers; nor a threat of any such treatment. It is to be noted that the Guiding Principle has a wider scope when compared to the existing legislation. Although, documented policies and procedures as required in “<i>The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013</i>” is mandatory.</p>
6. Non-Discrimination	<p>Code on Wages, 2019</p> <p><i>Scope of the legislation:</i> This act consolidates the provisions of four labour laws concerning wage and bonus payments and makes universal the provisions for minimum wages and timely payment of wages for all workers in India.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • no discrimination in an establishment or any unit among employees on the ground of gender in matters relating to wages • do not make any discrimination on the ground of gender while recruiting any employee for the same work or work of similar nature <p>Source: http://egazette.nic.in/WriteReadData/2019/210356.pdf</p>	<p>The existing legislation prohibits discrimination on the ground of gender and disabilities. The Guiding Principles further specifies that companies should not tolerate discrimination with respect to race, color/colour, age, sexual orientation, ethnicity or national origin, pregnancy, religion, political affiliation, union association, covered veteran status, genetic information or marital status. Hence, the -Guiding Principle has a wider scope when compared to the Indian legislation.</p>

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	<p>Equal Remuneration Act, 1976</p> <p><i>Scope of the legislation:</i> The objective of the act is to provide protection against discrimination of women workers on the ground of gender, and payment of equal remuneration.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • no employer shall pay to any worker at rates less favourable than those at which remuneration is paid to the workers of the opposite gender for performing the same work or work of a similar nature • no employer shall, while making recruitment for the same work or work of a similar nature make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force <p>Source: https://labour.gov.in/sites/default/files/equal_remuneration_act_1976_0.pdf</p> <p>The Persons With Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995</p> <p><i>Scope of the legislation:</i> This act aims to provide equal opportunities, protection of right and complete involvement of disabled persons.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • every employer shall maintain record in relation to the person with disability employed in the establishment <p>Source: http://niepmd.tn.nic.in/documents/PWD%20ACT.pdf</p>	

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Environment

Guiding Principles: Companies are expected to support a proactive approach to environmental responsibility by protecting the environment, conserving natural resources and reducing the environmental footprint of their production, products and services throughout their life-cycle.

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<p>1. Energy Consumption & Greenhouse Gas Emissions</p>	<p>The Energy Conservation Act, 2001; Energy Conservation (Amendment) Act, 2010</p> <p><i>Scope of the legislation:</i> This act provides a legal framework, institutional arrangement and a monitoring mechanism at the Central and State level to embark upon energy efficiency drive in the country.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • carry out energy audit conducted by an accredited energy auditor in the specified manner and intervals of time • designate or appoint energy manager in charge of activities for efficient use of energy and its conservation • furnish information with regard to energy consumed and action taken on the recommendation of the accredited energy auditor to the designated agency • comply with energy consumption norms and standards • prepare and implement schemes for efficient use of energy and its conservation • comply with the provisions of energy conservation building codes for efficient use of energy and its conservation <p>Source: http://legislative.gov.in/sites/default/files/A2001-52.pdf https://bit.ly/2zBhyhV</p> <p>There are no governing regulations for Greenhouse Gas Emissions.</p>	<p>The act is applicable to factories/establishments listed under “Energy Intensive Industries and Other Establishments” schedule of this act. This includes Aluminium; Iron and Steel; and Chemical industries which form a major/tier I supplier for automobile industries.</p> <p>Though the act covers implementation of energy efficient technology, it does not specifically mention the usage of renewable energy and greenhouse gas emission reduction strategy. In conclusion, the Guiding Principle has a wider scope and higher expectations when compared to the Indian legislation.</p>

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<p>2. Water Quality & Consumption</p>	<p>The Water (Prevention and Control of Pollution) Act, 1974 with amendments of 2012</p> <p><i>Scope of the legislation:</i> The act is formulated to prevent and control water pollution; and to maintain the wholesomeness of water.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • obtain a consent to operate from the State Pollution Control Board (SPCB) in the prescribed format • ensure compliance to consent conditions • do not make provision for a new or altered outlet for the discharge of sewage without prior permission from SPCB <p><i>Source:</i> http://extwprlegs1.fao.org/docs/pdf/ind2085.pdf https://bit.ly/2UMDJZA</p>	<p>Indian legislation is less strict as compared to the Guiding Principle since it only states treatment and discharge of wastewater. It does not encourage reduction in water consumption and effectively applying principles of reduce, reuse, and recycle. But as part companies have to obtain the State Pollution Control Board (SPCB) consent to operate, which includes conditions on reuse and recycling of wastewater that shall be met.</p>
<p>3. Air Quality</p>	<p>The Air (Prevention and Control of Pollution) Act, 1981 with amendments of 2018</p> <p><i>Scope of the legislation:</i> An act to provide for the prevention, control and abatement of air pollution.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • obtain a consent to operate from the State Pollution Control Board (SPCB) in the prescribed format • ensure compliance to consent conditions • no person or industry shall emit air pollutants above the standards set by the Pollution Control Boards <p><i>Source:</i> https://www.jspcb.nic.in/upload/uploadfiles/files/AirAct.pdf http://164.100.47.4/billstexts/lbillstexts/asintroduced/2074as.pdf</p>	<p>The Guiding Principles have higher requirements than the legislation. The existing legislation does not state routine monitoring, and mechanism to be implemented to eliminate emissions contributing to local air pollution as introduced in the Guiding Principles. However, companies have to obtain consent from the State Pollution Control Board (SPCB) to operate, which states conditions related to air pollution control, such as monitoring the air emissions on a quarterly/monthly basis and installing pollution control devices. However, an air emissions management plan is not required by Indian regulations.</p>
<p>4. Natural Resources Management and Waste Reduction</p>	<p>Municipal Solid Waste (M & H) Rules, 2016/ Solid Waste Management Rules, 2016</p>	<p>Existing Indian legislations covers management of waste generated through proper collection, segregation, storage, handling, transportation and disposal. Though it does not state use of sustainable, and renewable natural resources; and setting targets for waste reduction which is a part of the</p>

Expectations towards suppliers as defined in the Guiding Principles and local legislation

Topic	Relevant local legislation	Benchmark against Guiding Principles / Practical Guidance
	<p><i>Scope of the legislation:</i> This act provides collection, segregation, storage, handling, transportation and disposal of municipal waste.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • segregate and store the waste generated in three separate streams namely bio-degradable, non-biodegradable and domestic hazardous wastes in suitable bins, and handover the segregated wastes to authorised waste pickers or waste collectors as per the direction or notification by the local authorities; • no waste generator shall throw, burn or burry the solid waste generated, on streets, open public spaces outside the premises or in the drain or water bodies • all industrial units using fuel and located within one hundred km from a solid waste based refuse derived fuel plant, shall make arrangements to replace at least five percent of their fuel requirement by refuse derived fuel <p>Source: https://cpcb.nic.in/uploads/MSW/SWM_2016.pdf</p> <p>Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016 with amendments of 2019</p> <p><i>Scope of the legislation:</i> This act provides collection, segregation, storage, handling, transportation and disposal of hazardous waste.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • manage hazardous and other wastes according to the following steps - (a) prevention; (b) minimization; (c) reuse, (d) recycling; (e) recovery, utilisation including co-processing; (f) safe disposal. • obtain an authorization in Form 1 from the State Pollution Control Board (SPCB) 	<p>Guiding Principles. So to conclude, the Guiding Principle has a wider scope and is setting higher requirements compared to the Indian legislation.</p>

Expectations towards suppliers as defined in the Guiding Principles and local legislation

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	<ul style="list-style-type: none"> the hazardous and other wastes generated in the establishment of an occupier shall be sent or sold to an authorised actual user or shall be disposed of in an authorised disposal facility maintain a record of hazardous and other wastes managed in Form 3 and prepare and submit to the SPCB, submit an annual return containing the details specified in Form 4 on or before the 30th day of June following the financial year store the hazardous and other wastes for a period not exceeding ninety days labelling of hazardous and other waste shall be done as per Form 8 provide the transporter with the relevant information in Form 9, regarding the hazardous nature of the wastes and measures to be taken in case of an emergency prepare seven copies of the manifest in Form 10 comprising of colour code <p>Source: https://cpcb.nic.in/displaypdf.php?id=aHdtZC9IV01fUnVsZXNmMjAxNi5wZGY= https://cpcb.nic.in/uploads/hwmd/March_Amendment_HOWM.pdf</p> <p>E-Waste (Management) Rules, 2016 with amendments of 2018</p> <p><i>Scope of the legislation:</i> This rules aims to enable the recovery and/or reuse of useful material from e-waste, thereby reducing the hazardous wastes destined for disposal and to ensure the environmentally sound management of all types of waste of electrical and electronic equipment.</p> <p><i>Key points for suppliers:</i> Responsibilities of the manufacturer-</p> <ul style="list-style-type: none"> collect e-waste generated during the manufacture of any electrical and electronic equipment and channelise it for recycling or disposal 	

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	<ul style="list-style-type: none"> • apply for an authorisation in Form 1 from the concerned State Pollution Control Board • ensure that no damage is caused to the environment during storage and transportation of e-waste • maintain records of the e-waste generated, handled and disposed in Form-2 • file annual returns in Form-3, to the concerned State Pollution Control Board on or before the 30th day of June following the financial year <p>Responsibilities of the producer-</p> <ul style="list-style-type: none"> • implement Extended Producer’s Responsibility • maintain records in Form-2 of the e-waste handled • file annual returns in Form-3, to the Central Pollution Control Board on or before the 30th day of June following the financial year • the producer shall apply to the Central Pollution Control Board for authorisation in Form 1, which shall thereafter grant the Extended Producer Responsibility - Authorisation in Form 1(aa). <p>Responsibilities of consumer or bulk consumer –</p> <ul style="list-style-type: none"> • consumers or bulk consumers of electrical and electronic equipment listed in Schedule I shall ensure that e-waste generated is channelised through collection centre or dealer of authorised producer or dismantler or recycler or through the designated take back service provider of the producer to authorised dismantler or recycler; • bulk consumers of electrical and electronic equipment listed in Schedule I shall maintain records of e-waste generated by them in Form-2 • bulk consumers shall file annual returns in Form-3, to the concerned State Pollution Control Board on or before the 30th day of June following the financial year <p>Source: https://bit.ly/30lKuQ8 https://cpcb.nic.in/uploads/Projects/E-Waste/e_waste_amendment_notification_06.04.2018.pdf</p>	

Expectations towards suppliers as defined in the Guiding Principles and local legislation

Topic	Relevant local legislation	Benchmark against Guiding Principles / Practical Guidance
	<p>Plastic Waste (Management and Handling) Rules, 2016 with amendments of 2018</p> <p><i>Scope of the legislation:</i> This rules aims to collect and recycle plastic waste.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • work out modalities for waste collection system based on Extended Producer’s Responsibility • primary responsibility for collection of used multi-layered plastic sachet or pouches or packaging is of Producers who introduced the products in the market. • establish a system for collecting back the plastic waste generated due to their products. This plan of collection to be submitted to the State Pollution Control Boards while applying for Consent to Establish or Operate or Renewal • apply to the Pollution Control Board or the Pollution Control Committee for grant of registration • maintain a record of details of the person engaged in supply of plastic used as raw material to manufacture carry bags or plastic sheet or like or cover made of plastic sheet or multi-layered packaging. • every producer or brand-owner shall, for the purpose of registration or for renewal of registration, make an application in Form-I <p><i>Note: “producer” means persons engaged in manufacture or import of carry bags or multi-layered packaging or plastic sheets or like, and includes industries or individuals using plastic sheets or like or covers made of plastic sheets or multi-layered packaging for packaging or wrapping the commodity</i></p> <p>Source: https://bit.ly/2Y4ZeHi</p>	

Expectations towards suppliers as defined in the Guiding Principles and local legislation

Topic	Relevant local legislation	Benchmark against Guiding Principles / Practical Guidance
	<p>Battery (Management and Handling) Rules, 2001 with amendments of 2010 <i>Scope of the legislation:</i> These rules aim to ensure discarded lead acid battery is disposed safely, to have proper control and record keeping on the sale or import of lead acid batteries and to ensure environmentally sound recycling of used batteries.</p> <p><i>Key points for suppliers:</i> Responsibilities of manufacturer, importer, assembler and re-conditioner-</p> <ul style="list-style-type: none"> • ensure that the used batteries are collected back as per the Schedule against new batteries sold excluding those sold to original equipment manufacturer and bulk consumer(s) • file a half-yearly return and buy-back to the State Board in Form- I latest by 30th June and 31st December of every year • set up collection centers either individually or jointly -at various places for collection of used batteries from consumers or dealers; • ensure that used batteries collected are sent only to the registered recyclers, • ensure that necessary arrangements are made with dealers for safe transportation from collection centres to the premises of registered recyclers • ensure that no damage to the environment occurs during transportation • use the international recycling sign on the Batteries • buy recycled lead only from registered recyclers <p>Responsibilities of consumer or bulk consumer.-</p> <ul style="list-style-type: none"> • bulk consumer to ensure that used batteries are not disposed of in any manner other than by depositing with the dealer/manufacturer/registered recycler/importer/reconditioner or at the designated collection centers • file half-yearly return in Form VIII to the State Board <p>Source: https://bit.ly/30KvYaD</p>	

Expectations towards suppliers as defined in the Guiding Principles and local legislation

Topic	Relevant local legislation	Benchmark against Guiding Principles / Practical Guidance
<p>5. Responsible Management</p> <p>Chemical</p>	<p>The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 with amendments of 2000</p> <p><i>Scope of the legislation:</i> This act governs the safety and environmental aspects associated with manufacture, storage and import of hazardous chemicals.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • identify the major accident hazards • ensure adequate steps are taken to prevent major accidents and limit their consequences to persons and the environment, provide onsite persons information, training and equipment including antidotes necessary to ensure their safety • where a major accident occurs on a site or in a pipe line, the occupier shall within 48 hours notify the concerned authority • submit a written report to the concerned authority for obtaining approval for undertaking industrial activities at least 3 months before commencing that activity or before such shorter time as the concerned authority may agree • prepare a safety report of the industrial activity containing the information specified in Schedule 8 and send a copy of that report to the concerned authority at least ninety days before commencing that activity • update the safety audit report once a year by conducting a fresh safety audit and forward a copy of it with the auditor's comments thereon within 30 days to the concerned authority • prepare and keep up-to-date an on-site emergency plan containing details specified in Schedule II and detailing how major accidents will be dealt with on the site on which the 	<p>Indian legislation has specified requirements only to manufacture, store and handle hazardous chemicals, which make it less stringent as compared to the Guiding Principles and practical guidance. The legislation does not specify the use of restricted substances and/or identify alternatives for the same.</p>

Expectations towards suppliers as defined in the Guiding Principles and local legislation

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	<p>industrial activity is carried on and that plan shall include the name of the person who is responsible for safety on the site and the names of those who are authorized to take action in accordance with the plan in case of an emergency</p> <ul style="list-style-type: none"> • importer of hazardous chemicals shall inform the authority in the prescribed form • develop information in the form of safety data sheet as specified in Schedule 9 • every container of a hazardous chemical shall be clearly labelled or marked the contents of the container, the name and address of manufacturer or importer of the hazardous chemical and the physical, chemical and toxicological data as per the criteria given at Part I of Schedule 1 • road transportation of hazardous chemicals should be in accordance with the Central Motor Vehicle Rules 1989 with amendments of 2014 <p>Source: https://bit.ly/2N7eWLz</p> <p>National Environment Tribunal Act, 1995</p> <p><i>Scope of the legislation:</i> This act provides strict liability for damages arising out of any accident occurring while handling any hazardous substance.</p> <p><i>Key points for suppliers:</i></p> <ul style="list-style-type: none"> • where death or injury to, any person (other than a workman) or damage to any property or environment has resulted from an accident, the owner shall be liable to pay compensation <p>Source: https://bit.ly/3i4OCjG</p>	