

NVG PRINCIPLE-WISE MATRIX FOR IDENTIFICATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES

CUTS devised the analytical framework for undertaking research in sectors juxtaposing the National Voluntary Guidelines (NVG) framework (Principles & Core Elements) on various components of the sector. The critical concern areas for the coke based cupola foundries were identified through the following activities:

- (i) Literature Review: This involved in-depth desk research to understand the key issues faced in this sector. Further, reports based on studies conducted by Foundation for MSME Clusters (FMC)¹ were also analysed. Based on this a preliminary report on 'Environmental, Social and Governance Issues in the Foundry Industry' was prepared.
- (ii) Stakeholder Interactions: A Meeting was organised with members of AZLUS to discuss the project and the findings of the above-mentioned report and get an understanding about AZLUS and its member's approach/perspective towards Business Responsibility (BR) issues.
- (iii) Field Visits: Few foundries were visited in Ajmer to get greater clarity on the operations and issues at the units. These included a mix of large and small foundries.

The critical concern areas identified through the process above have been interfaced with the NVG Principles in Table1 below.

Table 1: Approach to assessing Corporate Conduct/Business Behaviour for coke based cupola foundries

National Voluntary Guidelines: 9 Principles								
P1	P2	P3	P4	P5	P6	P7	P8	P9
Transparency, ethics and accountability	Providing goods and services that are sustainable over entire life cycle	Well-being of employees	Responsive towards stakeholders, especially the disadvantaged	Respecting and promoting human rights	Protecting and restoring the environment	Responsible policy advocacy that enhances public good	Supporting inclusive growth and development	Providing value to customers responsibly
Lack of governance structures/ Standard Operating Procedures	Inefficient usage of Raw Materials/ Natural resources		Lack of proper mechanism/ process of identification/ interaction	Limited/ No assessment of human rights impacts of operations	Air Emission	Limited utilisation of available channels for effective policy	Limited/ No mechanisms to handle/ understand adverse impact on	

¹ Diagnostic Study of Cast Iron Foundry Cluster Jaipur and Ajmer Block Cutter Casting Cluster, Foundation for MSME Clusters, 2012; A Study on Indian Foundry Sector, MSME Foundation, 2009 etc.

			with internal and external stakeholders			advocacy for responsible production and/or consumption	local habitats	
Limited focus on welfare of Contract Labour	Limited Technical Knowledge and use	High temperatures in the unit, especially when foundry is in operation	Lack of proper/ formal grievance redressal mechanism for stakeholders			Solid Waste	Health risk to exposed population/ communities	Limited regard to end-product safety
Adherence with relevant laws, regulation	No/ Limited testing of products	Occupational health and safety	Health risk to exposed population/ communities			Waste Water (Effluent Discharge)	Impact of safety slippages on communities	Impact of misleading advertising on customers
Impact of little/ no communication on relevant stakeholders	Impact of poor/ sub-standard quality of products	Physical Hazards	Lack of proper mechanism to address conflicting issues			Dust		
	No/ Limited recycling and usage of recycled material	Fire and Explosions						
	Reducing water consumption	Lack of proper/ formal grievance redressal mechanism				Inefficient energy/ raw material usage		
		Lack of proper lighting				Greater dependence on conventional sources		
		Lack of proper skill, material handling and safety training to workers				Lack of proper waste management/ waste reduction		
		Proper safety equipment/ garments not provided/ used				Limited/ No use of pollution control mechanisms		

		Excessive noise levels			Lack of proper processes/mechanisms to access environmental damage			
		Lack of proper drinking and sanitation facilities for workers						
		Lack of proper ventilation						
		No/ minimal emergency handling measures/ equipment						

References:

- Diagnostic Study of Cast Iron Foundry Cluster Jaipur and Ajmer Block Cutter Casting Cluster, Foundation for MSME Clusters
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- Sustainability issues in metal casting and forging, Manufacturing Skills Australia, August 2012
- Physiological profile of foundry workers in response to work place environment, More and Sawant, Biological Fourm, 2010
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