



**EU-India Network on Sustainability**  
[www.eu-india-automotive.net](http://www.eu-india-automotive.net)

an initiative in the framework  
of the EU-India Economic Cross Cultural  
Programme of the European Commission

**EU India Roundtable on Sustainability:  
Best Practices for Global Competitiveness in Automotive Industry  
PROCEEDINGS**

**11th February 2005, New Delhi**



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## LIST OF ABBREVIATIONS AND ACRONYMS

ACMA	Automotive Components Manufacturers Association
AVSQ	Association of Quality System Evaluators
BIS	Bureau of Indian Standards
CII	Confederation of Indian Industry
CKD	Complete Knock-Down
CPCB	Central Pollution Control Board
ELV	End-of-Life Vehicle
€	Euro (Currency of the EU)
EC	European Commission
EMAS	Eco-Management and Audit Scheme
EMD	Environment Management Division (CII)
EMS	Environmental Management Systems
EU	European Union
EINS	EU-India Network on Sustainability
GoI	Government of India
GM	General Motors
GRI	Global Reporting Initiative
IFC	International Finance Corporation (The World Bank Group)
ILO	International Labour Organisation
ISO	International Organisation of Standards
MoEF	Ministry of Environment & Forests
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Cooperation & Development
OEM	Original Equipment Manufacturer
OHS	Occupational, Health & Safety
OHSAS	Occupational, Health & Safety Assessment Series
QS	Quality Standards
Rs.	Rupees
SIGMA	Sustainability, Integrated Guidelines for Management
SPCB	State Pollution Control Board
TPM	Total Productivity Management
TQM	Total Quality Management
TS	Technical Specifications
UN	United Nations
UNEP	United Nations Environment Programme
UK	United Kingdom
US / USA	United States of America
VDA	Verband der Automobilindustrie e. V.
WBCSD	World Business Council for Sustainable Development
WTO	World Trade Organisation

## **EU-INDIA ROUNDTABLE ON SUSTAINABILITY BEST PRACTICES FOR GLOBAL COMPETITIVENESS IN AUTOMOTIVE INDUSTRY**

The EU-India Network on Sustainability (EINS) initiative is a strategic alliance of partners in international capacity building. The aim is to enhance the capabilities of the Indian automotive component industry to adopt and implement environmental, social and quality standards for competitiveness and productivity gains. As a part of this 30-month initiative, Confederation of Indian Industry-Environment Management Division (CII-EMD) organised a roundtable along with its strategic alliance of European partners InWent (Germany), Aldelphi (Germany), AREC (Austria) and IHK (Germany). Titled as “EU-India Roundtable on Sustainability: Best Practices for Global Competitiveness in Automotive Industry” at New Delhi on 11<sup>th</sup> February 2005, this event was held at the Conference Hall, Hall # 8 of Pragati Maidan, the prestigious trade fair venue at New Delhi, India. A background paper was prepared and circulated at this Roundtable.



The EINS Team

The primary aim of this roundtable was to disseminate information that would lead to enhancing the capabilities of the Indian automotive component industry to adopt and implement environmental, social and quality standards for competitiveness and productivity gains. The roundtable was also to collect feedback on EINS initiative and the activities planned in its remaining period.

These proceedings were prepared soon after the Roundtable and capture the highlights of the event. For these proceedings, the programme structure forms the first chapter. This is followed by the highlights of each of the individual chapters. As the presentation slides made in the different sessions are lengthy and in MS-Power Point / Adobe format, these have not been included in these proceedings. These are available separately. It is best that these proceedings are read in conjunction with these presentation slides.

CII-EMD prepared these proceedings with technical assistance from a consulting company, Ecoworks Consulting Private Limited, India. The preparation of these proceedings was a part of the activities under the EINS initiative.

# 1 Programme

## 1.1 Programme Structure

0900 – 1000	Registration
1000 – 1010	Welcome Address by Mr. K.N.Krishnamurthy, Technical Advisor to MD, Ashok Leyland Ltd.
1010 – 1040	Key Note Address by Mr. Suresh Prabhu, Hon'ble Member of Parliament and Former Union Minister, Government of India
1040 - 1100	Address by Mr. Stefano Gatto, Head, Trade and Economic Affairs, European Union
1100 – 1130	Overview of the EU India Network on Sustainability Initiative by Ms. Lydia Jebauer-Nirschl, InWEnt, and K.P.Nyati, Confederation of Indian Industry
1130 – 1200	Tea/Coffee Break
1200 – 1330	Session I: Best Practices on Sustainability and Global Competitiveness  Chaired by Mr. Dilip Chenoy, Director General, Society for Indian Automobile Manufacturers and Mr. Mikael Henzler, Managing Director, Adelphi Consult gmbH
1200 – 1215	Sustainability Management in the Indian Automotive Sector by Dr. S.A.Dutta, Tata Motors Ltd
1215 – 1230	Sustainability Management in the EU Automotive Sector by Mr. Sanjay Karne, Daimler Chrysler India Pvt. Ltd
1230 – 1245	Sustainability Management in the EU Automotive Sector by Mr. Emmanuel Jupet, Volvo India Pvt. Ltd
1245- 1330	Question and Answer
1330 – 1430	Lunch

## 1.2 Programme Structure (Continued)

1430 – 1600	Session II: Best Practices on Sustainability and Global Competitiveness  Chaired by Mr. Rajiv Mandke, Director, Automotive Component Manufacturers Association & Dr.Thomas Dielacher, Managing Director, AREC
1430 – 1500	Sustainability and Global Competitiveness for the Automotive Component Industry by Mr. Ralf Ketelhut, Mass Flow Design (Stoffstromdesign)
1500 – 1515	Environmental and Social Best Practices in Indian Auto Component Industry of India by Mr. Jamil Ashraf, Sandhar Locking Devices Ltd
1515 – 1530	Environmental and Social Best Practices in Indian Auto Component Industry of India by Mr.M.Govindrajan, IP Rings Ltd.
1530 – 1600	Question and Answer
1600 – 1630	Tea / Coffee Break
1630 – 1800	Session III: Way Forward for Indian Automotive Industry  Chaired by Mr. K.P.Nyati, Confederation of Indian Industry & Ms.Thetis Tsitidou, European Commission
1630 – 1650	Cross-Cultural Forum in the Automotive sector by Mr. Jörg Janischewski, IHK
1650 – 1715	Way forward for EU India Network on Sustainability Initiative by Mr.Berthold Hoffmann, InWEnt
1715 – 1745	Question and Answer
1745 – 1800	Vote of Thanks & Close by Mr. Jamil Ashraf, Sandhar Locking Devices Ltd

## 2 Highlights

### 2.1 Opening Session



Clockwise: Hon'rabable Mr. Suresh Prabhu, Mr.K.P.Nyati, Mr. Stefano Gatto, Mr. K.N.Krishnamurthy, Ms. Lydia Jebauer-Nirschl

#### 2.1.1 Welcome Address by Mr. K.N.Krishnamurthy, Technical Advisor to MD, Ashok Leyland Ltd.

##### *Salient points*

The speaker welcomed Mr. Suresh Prabhu, other members on the dias and the participants. He noted that EU-India relationship goes back to the 1960s and that collaborative work has been done since in the issues of trade. He observed that sustainability challenges are indeed global in dimension and that common approaches are needed to address these challenges. In particular, the speaker noted that the automotive sector is one with a substantive trade dimension and the sector is growing at an exponential rate. In that context, the speaker emphasised the need to look at – holistically - economic, environment and social performance. The speaker concluded that businesses should make profit but should also ensure a happy and healthy future.

### Speaker's CV

Mr. K.N. Krishnamurthy, Technical Advisor to MD, Ashok Leyland Ltd., India, is a mechanical engineer from Madras University and has done the middle and senior management course at IIM (Ahmedabad). Mr. Krishnamurthy started his career in the Manufacturing and Assembly functions of Ashok Leyland (AL) at the Ennore Plant and rose to the position of Production Manager. He moved over to the Quality function thereafter and was actively involved in restructuring Quality function in order to meet the increasing demand for customers. Taking queue from the success of Quality Circles in Japan, Mr. Krishnamurthy started the first Quality Circle in Ennore after training 4000 employees of the factory. Promotion of quality awareness among the operatives lead to company wide movement in quality and about 120 Quality Circles functioning in Ennore were established. Mr. Krishnamurthy was also involved in the early stages of ISO certification of its major plant at Ennore. Mr. Krishnamurthy moved to the Marketing Division in 1992 and was taking care of the after sales activities in different capacities. He had also taken up the assignment as General Manager (Marketing & Development) to initiate changes from “product-out to customer-in” configuration. He was later taken over the assignment as Special Director (Customer Service). Barring sales, he is responsible for all Marketing functions.

#### **2.1.2 Key Note Address by Mr. Suresh Prabhu, Hon'ble Member of Parliament and Former Union Minister, Government of India**

##### Salient points

The speaker noted that the Indian automotive component sector was growing at a phenomenal rate due to the increase preference to buy from Indian producers. He noted that many of the global OEMs are buying from India. He said that the deregulated economy has helped in building the sense of competitiveness that is required to emerge as a global player. He noted that India faced three challenges to become a global hub for auto component manufacturing. These were a more open policy regime that would allow Indian companies to compete abroad, strategies to make the sector sustainable so that the sector would not grow at the expense of the environment and recycling to reduce disposal problems.

The speaker observed that in today's world a product has its materials mined in one country, manufactured in another country, assembled in a third country and sold / used in a fourth country. The speaker also observed that it is possible that the technology for the production is from a fifth country. In such a global scenario of multi-locational production, sustainability requires global partnerships and co-operative initiatives.

The speaker emphasized that focusing only on economic activity and gains is no longer sufficient. There is a need to conduct the economic activity in an ecologically acceptable manner. A balance needs to be struck. It is required to grow economically, yet not to lose from an ecological perspective. As the

automotive components sector is growing rapidly, the speaker noted that sustainability concepts and thinking are vital for this sector.

The speaker also spoke about the need to bring about a conceptual change in lifecycle thinking. In other words, the speaker noted that a product born in cradle should go back to the cradle rather than into its grave.

The speaker noted that guidelines and directives in one country are important not only in that country but also in other parts of the world that supplies to the country. The speaker emphasised the importance of learning learnt lessons from each other's experience so as to integrate best practices within the system.

The speaker also commended CII and its leadership in taking this important initiative – corporate sustainability – with the EU and for the Indian industry.

### **2.1.3 Address by Mr. Stefano Gatto, Head, Trade and Economic Affairs, European Union**

#### *Salient points*

The speaker noted that EINS is a part of the EU India Cross-Cultural programme (ECCP). Over the years, the speaker mentioned that India has grown in stature and is now considered a very good investment decision.

The speaker noted that the auto sector is a crucial sector for both the EU and India. Presently, there are 9 major players in Europe and that EU is trade-positive in this sector. He said that the auto sector contributed significantly to Europe's economy and EU produced a third of the world's cars. But its competitiveness was challenged by the automobile industries of the US and Japan and also by higher labour costs were than those in Asia, excluding South Korea and Japan.

The speaker spoke about the directives, standards and guidelines, and its importance in a global economy. He said that standards were crucial in the auto sector and EU was a world leader in setting standards of emission control, manufacturing and recycling. He stressed that these standards are there to stay and that globalisation would make these standards stronger rather than weaker. In particular, the speaker referred to the Integrated Product Policy, which is being introduced, and noted its far-reaching implications. He also mentioned that India was putting in place several policies and laws to ensure that its automotive sector became internationally competitive and attracted foreign investment. These are related to harmonization of tax, investment guidelines, lower import duty, better fuel quality and lower tax on vehicles.

The speaker urged that the EU and India should avoid working in parallel and in different agendas. They should work in partnership. Referring to the Roundtable and the EINS initiative, the speaker informed that an EU-India Action Plan will be prepared by September 2005, and welcomed any concrete recommendations from the EINS initiative. He said that the automobile sectors of EU and India had

to work together to formulate these recommendations, as governments could not be expected to know what is to be done. He added that industry has to recommend to government what has to be implemented.

#### Speaker's CV

Mr. Stefano Gatto, Head, Trade and Economic Affairs, European Union, is an economist with degrees in history, international relations and European law. Mr. Gatto joined the European Commission Foreign service in 1993 after five years of his career in the private sector in Spain. Since then, Mr. Gatto has been mainly involved in Co-operation to Development activities with Latin America and Asia. Mr. Gatto is currently Counsellor (Trade & Economic affairs) in the European Commission Delegation in India, Bhutan, Nepal, Sri Lanka and Maldives since August 2002. Prior to his current assignment, Mr. Gatto was posted at the Brazilian Delegation as First Secretary -Economic & Political affairs (1998 to 2002).

#### **2.1.4 Overview of the EU India Network on Sustainability Initiative by Ms. Lydia Jebauer-Nirschl, InWEnt, and K.P.Nyati, Confederation of Indian Industry**

##### Salient points

The first speaker – Ms. Lydia Jebauer-Nirshchl – spoke about InWEnt, EU-India Economic Cross-Cultural Programme of the European Commission and gave a broad overview of the EINS initiative.

The second speaker – Mr. K.P. Nyati – noted that the auto sector was chosen due to two reasons: (i) exponential rate of growth, and (ii) growth process becoming unsustainable. The speaker noted that India has plans to raise exports from this sector to US \$ 10 billion by 2010 for which it has to address these concerns. The speaker referred to three issues: (i) Environmental performance, cradle-to-cradle, end-of-the-life directives - environmental pressures will continue to mount as natural capital is being depleted and transformed to the GDP, (ii) social pressures will continue as long as there is a distinct rich-poor divide, and (iii) enforcing environmental and social issues in the supply chain - 9000, 14000, 18000 and other standards – is bound to increase in the years to come. The speaker noted that the EINS initiative focuses on these very issues, i.e. those that come in your way of sustaining company's growth. The speaker added that the EINS initiative achieves these goals by information sharing, training & capacity building and exposure & networking.

The speaker added that the project is a forerunner to establish a forum to exchange good practices in different areas of corporate sustainability with two clear aims: (i) How do we enhance competitiveness and how to increase resource use productivity, and (b) building the competence & capacity. The speaker concluded that knocking-off non-sustainability is the overarching goal.

### Speaker's CV

Lydia Jebauer-Nirschl, M.A., is a Sociologist and currently works as Senior Project Manager with InWent, Capacity Building International, Germany, in the Division for Business Development and Infrastructure. Ms. Jebauer-Nirschl has vast experience in the organisation of training trade promotion programs in Africa and Asia in the field of trade and investment promotion. She runs a Trade Africa and an Invest Africa Program in the SADC and a program in Southeast Asia dealing with the implementation of Social Standards in SME's (SEAL).

Mr. K.P. Nyati is the Head of the Environmental Management Division of the Confederation of Indian Industry. A chemical engineer by training, Mr. Nyati has extensive hands-on experience on environmental management and corporate sustainability management in Indian industry.

### **2.2 Session I: Best Practices on Sustainability and Global Competitiveness; Chaired by Mr. Dilip Chenoy, Director General, Society for Indian Automobile Manufacturers and Mr. Mikael Henzler, Managing Director, Adelphi Consult gGmbH**



Clockwise: Dr. S.A.Dutta, Mr. Mikael Henzler, Mr. Dilip Chenoy, Mr. Emmanuel Jupet, Mr. Sanjay Karne

### **2.2.1 Sustainability Management in the Indian Automotive Sector by Dr. S.A.Dutta, Tata Motors Ltd**

#### *Salient points*

This speaker introduced his company, Tata Motors, indicated how his Chairman's message (Mr. R.N. Tata) sets the foundation for the company's sustainability initiatives, informed how his company views sustainability, noted that GRI-based sustainability reports has been prepared as an internal document for the last two years, listed the awards the company has won, quality / environment / health & safety awards won by the company and the key economic / environmental / social performance indicators used to monitor sustainability performance.

#### *Speaker's CV*

Dr. S.A. Dutta is presently working as a Divisional Manager in Tata Motors Ltd., Pune. He is the Head of Environmental Science Division of Engineering Research Centre (ERC) and works on issues related to Environmental Policy of Tata Motors Ltd. He was working in Central Pollution Control Board, Delhi, as a Senior Scientist for a period of 16 years in the field of vehicular pollution and air quality management. He has also worked as a National Air Quality Expert for India with the Asian Development Bank, Manila. He completed his PhD from the National Environmental Engineering Research Institute (NEERI), Nagpur, where he served for 8 years working in the field of industrial waste water treatment technology.

### **2.2.2 Sustainability Management in the EU Automotive Sector by Mr. Sanjay Karne, Daimler Chrysler India Pvt. Ltd**

#### *Salient points*

The speaker traced the history of Daimler-Benz in India since the mid-1950s. The speaker introduced the company's purpose, mission, goals & beliefs / values and its human-centric approach. In that context, the speaker presented the company's management policy, which has quality, environment, health & safety and corporate security has its four pillars. To ensure the highest standards of quality, the speaker noted that the company has adopted the Mercedes-Benz Production System (MPS) for enhancing Productivity and Quality. To maintain high standards in management systems, the company has integrated management systems that encompass ISO 9000, VDA 6.1, ISO 14001, TS 16848 and OHSAS 18001. The speaker also noted about the requirements - particularly, quality systems - placed on their suppliers. Of its many sustainability initiatives, the speaker talked about a few: (i) the company's international training programme to motivate employees & their families, (ii) its automotive mechatronics school to build capacity and (iii) its bio-fuel initiative that involves cultivating Jatropha plantations on eroded soils.

### Speaker's CV

Mr. Sanjay Karne, Divisional Manager – Direct Materials, Daimler Chrysler (DC) India Pvt. Ltd., India, is a Mechanical Engineer and has been working with DC India for 10 years in various functions like design, quality and logistics. He is presently handling the activity of Systems Manufacturers Management. He is closely associated with audits for the ISO/TS 16949, VDA 6.3, VDA 6.1, OHSAS 18001. He has worked for Tata Motors for 19 years before joining DC India.

### **2.2.3 Sustainability Management in the EU Automotive Sector by Mr. Emmanuel Jupet, Volvo India Pvt. Ltd**

#### Salient points

The speaker introduced the Volvo Group and its core values that include quality, safety and environment. The speaker also introduced how the Group was committed to sustainable development through its various initiatives - Global Compact, Code of Conduct, Volvo Way and Environmental awards. In particular, the speaker covered their sustainability initiatives in the supply chain - environmental requirements, supplier evaluation model and initial sample approval. The speaker concluded his presentation by making a strong statement that sustainability management should be the bedrock of company's functioning in today's world, which is fraught with issues pertaining to social, environmental and ethical practices.

### Speaker's CV

Mr. Emmanuel Jupet, General Manager Vendor Development, Volvo India Private Limited, India, is a mechanical engineer by training. He joined Renault Trucks (Lyon, France) in 1996 as a buyer for transmission-related components. In 2000, following take over of Renault Trucks by Volvo, was an active member of the team in charge of defining the new Global Purchasing organisation and processes. In 2000, he took in charge the responsibility of "Strategic Sourcing" program encompassing Volvo Trucks, Renault Trucks and Mack Trucks purchases. This program aimed at finding purchasing synergies across brands and resulted in more than 10% cost reduction. Since October 2002 is in charge of Purchasing Department in Volvo India, Bangalore. The main missions are sourcing of components for the Volvo Group worldwide (26 m EUR exported as of today) and indigenisation of components for domestic production.

### **2.2.4 Questions & Comments**

#### Questions & comments (addressed during the discussion time)

1. General: Is there any ongoing project / move to reduce vehicle weight (mainly steel) which in turn reduces fuel consumption and thus conserves fossil fuels / natural resources? This has been widely done in the USA by GM, Ford and Daimler-Chrysler. [Sarosh Sanjana, Jainex Limited]

*The speaker from Tata Motors indicated that his company undertakes weight reduction projects as they reduce material costs as well as improves fuel economy. The speaker from Volvo informed that they have established rates per vehicle and have improvement initiatives to reduce these rates. The speaker from Daimler-Chrysler noted that weight reduction is done by adding aluminium and also by adding biodegradable material in order to improve recyclability.*

2. **General:** To make sustainability a reality, your company must have faced challenges. What are the top three challenges and what are the enabling measures? Any examples of initiatives that brought out a win-win-win, i.e. across economic, environment and social? [S. Vaideeswaran, Ecoworks Consulting Private Limited, India]

*The speaker from Tata Motors indicated that his company benchmarks its performance with global performance. The speaker from Volvo noted that the challenges include (i) reduction of the emission – the technology itself is the challenge, (ii) infrastructure related to the technology is the challenge, (iii) financial requirements is another challenge as customers are unwilling to pay higher prices, and (iv) getting top management commitment towards these initiatives. The speaker from Daimler-Chrysler said that their challenge was to make the car in India equivalent to those produced in Germany. This was done through education and training.*

3. **Posed to Mr. Emmanuel Jupet:** Your supplier evaluation model is good and I appreciate that. The question is whether you check the environment and other impacts done by Tier II suppliers also. [M. Govindarajan, Senior General Manager, I.P.Rings Limited, Chennai]

*The speaker answered by saying that it is still a debate. Presently, it is left to Tier I suppliers.*

4. **Posed to Mr. Jupet:** You mentioned a black list and a grey list concerning hazardous compounds. Do you have a "white list" containing materials you wish suppliers to use. [Ralf Ketelhut, SSO]

*The speaker accepted that Volvo has a white list. With regard to these lists, the speaker encouraged the participants to visit the Group's website – [www.volvo.com](http://www.volvo.com) - for further information.*

5. **General:** What percentage indigenisation in your product? [Unidentified]

*The speaker from Daimler-Chrysler said that the company does not draw national boundaries to define indigenisation. Their Indian company is meant to cater to the Indian sub-continent as a whole. The speaker from Volvo also noted that their approach is also similar to that of Daimler-Chrysler and that*

*they do not also draw national boundaries for sourcing their parts & components.*

Questions & comments (not covered due to time limitations)

6. General: The audience may like to know about an example of vehicle weight reduction by SWATCH (originally, watch makers). They are doing research in making cars that are 60% carbon fibre by weight. [Dr. S. Majumdar, CII, Environment Management Division]
7. Posed to Mr. Jupet & others: Global Compact has a 10th Principle: Corruption to be Removed [Dr. S. Majumdar, CII, Environment Management Division]
8. General: SA 8000 in your company? [Unidentified]
9. General: What percentage of your production is being exported from India operations? [Unidentified]
10. Posed to Dr. Dutta: Thank you for providing several performance parameters related to your environmental performance. Could you please indicate where Tata Motors is on those parameters against global benchmarks, and do you anticipate technology barriers in achieving those levels? [Rajat Batra, Director, Arjan Auto Pvt Ltd.]

**2.3 Session II: Best Practices on Sustainability and Global Competitiveness  
Chaired by Mr. Rajiv Mandke, Director, Automotive Component  
Manufacturers Association & Dr.Thomas Dielacher, Managing Director,  
AREC**



Clockwise: Mr. Jamil Ashraf, Dr.Thomas Dielacher, Mr. Rajiv Mandke, Mr. Ralf Ketelhut, Mr. M. Govindrajan

### **2.3.1 Sustainability and Global Competitiveness for the Automotive Component Industry by Mr. Ralf Ketelhut, Mass Flow Design (Stoffstromdesign)**

#### *Salient points*

The speaker's presentation was on life cycle design in which he covered (i) basics of eco-effectiveness, (ii) European Legal Requirements on End-of-Life Vehicles, (iii) facts about automotive recycling in Europe, (iv) Material effectiveness of important basic materials such as steel copper and polymers, (v) How ELV treatment might develop in future and (vi) finally, what Indian industry needs to do to be prepared.

#### *Speaker's CV*

Mr. Ralf Ketelhut, Managing Director and Founder, Stoffstromdesign (Material Flow Design), Germany, is providing senior service consultancy to a wide variety of industries. He is an internationally recognised expert in the assessment and improvement of material flows and industrial processes from an environmental perspective. In particular, Mr. Ketelhut provides profound knowledge in

developing sampling strategies for statistically reliable chemical definition of waste flows. His industrial expertise has been gathered in various fields including textiles, cosmetics, plastics, pigments, paper, leather, building materials electric and electronic appliances, and several automotive products.

### **2.3.2 Environmental and Social Best Practices in Indian Auto Component Industry of India by Mr. Jamil Ashraf, Sandhar Locking Devices Ltd**

#### Salient points

The speaker presented an overview of the Sandhar Group's activities and its various products before referring to the environmental and social practices. In particular, the overview included the certification status for quality, environment and health & safety management systems across Sandhar's various sites. The Group's Apex policy was presented. This policy integrates quality, environment and health & safety policies / drivers, and the award of the first integrated management systems certification award. Environmental best practices were presented and these included criteria, methodology and benefits realised to the organisation. The wide range of measures that included pollution prevention (resource use reduction & utilization), pollution control (end-of-the-pipe treatment), green initiatives and monitoring activities, were presented in a pictorial way. The benefits that accrued to the organisation - both quantitative and qualitative - were also presented. Social best practices such as community development initiatives, health check-ups, upgrading the skill level of employees and social outreach to employee families were covered. The speaker concluded by emphasising that it is their company's belief that there is no finish line in adopting environmental and social best practices, and that it an ongoing journey.

#### Speaker's CV

Mr. Jamil Ashraf, Vice President, Sandhar Locking Devices Ltd., Gurgaon, India, is a Post Graduate in Management, a Graduate in Industrial Engineering from NITIE and Honours in Physics. He has more than 32 years of working experience in multinational and public limited companies, like, Battery Product Division of Union carbide India Ltd., Calcutta, Blow Plast Ltd. (Mattel India Ltd.) Nagpur, Geep Industrial Syndicate Ltd., Allahabad, and SLDL, Gurgaon. He has worked in departments of Production, Industrial Engineering, Quality Control, PPC and other functions of Materials. He has been instrumental in bringing a change in the working culture of his organisation. He is known as a "Leader" and a great motivator of his team.

### **2.3.3 Environmental and Social Best Practices in Indian Auto Component Industry of India by Mr. M. Govindrajan, IP Rings Ltd.**

#### Salient points

The speaker initiated the presentation with an overview of the company. Then, the speaker covered the history, challenges, approach, implementation and results

obtained from the various environmental management practices at IP Rings Limited. On environmental best practices, the speaker covered the many challenges to (i) reduce consumption of raw material, power, water and chemicals, (ii) reduce pollution impacts, (iii) achieve cost competitiveness and (iv) meet the requirements of regulatory bodies and customers. The speaker conveyed through graphs and charts the results of the many initiatives. Following that, the speaker talked about the social practices that included park beautification, AIDS awareness campaigns, blood donation, eye and diabetic testing for company employees, summer camp for employee children. The speaker concluded his presentation with the company's future goal of obtaining OHSAS 18001 certification for occupational health & safety management systems.

#### Speaker's CV

Mr. M. Govindarajan, Senior General Manager (Operations), IP Rings Ltd., India, is a mechanical engineer with an MBA as well as a MS in Technological Operations. He is responsible for production, maintenance, quality, materials, procurement, plant & utilities, new projects, industrial relations, continuous improvements, human resources development and security. Mr. Govindarajan is recognised to have made a number of special achievements.

### **2.3.4 Questions & Comments**

#### Questions & comments (addressed during the discussion time)

11. Posed to Mr. Ralph Ketelhut: What are your recommendations for the first things to be done by CII / ACMA and automotive component manufacturers with respect to the EC End-of-Life Vehicle (ELV) Directive?

*The speaker suggested that it is important for a designer of automotive components to visit the EU to see what actually happens to the product after the ELV directive. The speaker added that such a visit will be useful to close the intellectual loop and will help the designer to start thinking differently.*

12. Posed to Mr. Jamil Ashraf: Congratulations on your efforts! (a) What were the total financial savings through the various resource use reduction initiatives? (b) How does this saving compare with the turnover? Is it 1% or 5% or 10% or above? [S. Vaideeswaran, Ecoworks]

*The speaker noted that he does not prefer to look at these sustainability initiatives from a financial savings viewpoint. But added that his sheet metal factory was almost in the red and the prospects was not looking good. In that scenario, a 4.5-5% savings from the various environmental initiatives helped the company a great deal. He also added that the percentage savings was particularly important considering that substantial growth was taking place.*

*The speaker concluded by saying that the investment required to bring about these improvements is almost negligible.*

13. Posed to Mr. Ralph Ketelhut: We would like to know whether any material flow analysis has been done for bumpers used in cars. Do the original equipment manufacture (OEM) use the recycled plastic for bumpers? We would also like to know whether (OEM) recycle engine coolant & oils. [Senthil / Baronia, Maruti Udyog Limited]

*The speaker noted that he had not worked on a material flow analysis on bumpers himself and, therefore, could not give a response straight away. But he added that bumpers use PU, which is a thermosetting plastic, and therefore it should be possible to reuse. He asked the questioner to write to him for further information. On engine coolant and oils, the speaker recalled that there was such a facility for disposal established about 15 years back. But this is not being used for recycle or reuse.*

14. General: How much percentage of the saving is being spent for the social cause to upbring the society? [D.K. Mehta, General Manager, Roop Polymers Ltd.]

*The speakers from both Sandhar and IP Rings noted that it is not always appropriate to look at these initiatives from percentage savings, and added that their companies do not do these calculations prior to making these initiatives. The initiatives are chosen based on the society's needs and bring about a sense of satisfaction to the society, employees and the management.*

## 2.4 Session III: Way Forward for Indian Automotive Industry Chaired by Mr. K.P.Nyati, Confederation of Indian Industry & Ms.Thetis Tsitidou, European Commission



Clockwise: Mr. Jörg Janischewski, Ms.Thetis Tsitidou, Mr. K.P.Nyati, Mr.Berthold Hoffmann

### 2.4.1 Cross-Cultural Forum in the Automotive sector by Mr. Jörg Janischewski, IHK

#### Salient points

At the outset, the speaker noted that he was substituting for Friederike Suess, who was unable to make it to the Roundtable. He added that she has been working on developing Forum India and should be contacted for any further information. The speaker described Forum India as a platform and professional service provider for European and Indian automotive suppliers, and belongs to the Forum family that comprises Forum Brasilien, Forum Amerika and Forum China. This Forum India is an initiative of an industry association, VDA, which is the equivalent of the Society of Indian Automobile Manufacturers (SIAM). In terms of planned activities of Forum India, the speaker informed that the India supplier conference in October 2005 and a company delegation to Automechanika 2005 are the two events in the near future.

### Speaker's CV

Jorg Janischewski, Mechanical Engineer and MBA trained, has worked in India at the Asian and Pacific Centre for Transfer of Technology between 1994 and 1998. Based on his experiences he started the "Sales Desk Germany" at the IHK Trade Development and Management Consulting Ltd, an affiliate of the German Association of Chambers of Commerce in Bonn, Germany. The Sales Desk assists SMEs to successfully access the German market. Moreover Mr Janischewski has been involved in a series of automotive projects in China, Malaysia and India and is author of a several relevant publications with particular focus on the automotive supplying industry in Thailand and France.

#### **2.4.2 Way forward for EU India Network on Sustainability Initiative by Mr.Berthold Hoffmann, InWEnt**

### Salient points

The speaker mentioned the past activities under the EINS initiatives and focused on the future activities being planned in the next 10 months. The speaker noted that Training & Capacity-Building and Exposure & Networking were the focus activities. The speaker informed that 10 more training sessions will be conducted in Delhi and Chennai in the coming months on a variety of subjects including (i) sustainability for export markets, (ii) occupational health & safety (OHSAS 18001) & Social Accountability (SA 8000), (iii) sustainable entrepreneurship and (iv) Integrated product policy. The speaker concluded by noting that the project website - [www.eu-india-automotive.net](http://www.eu-india-automotive.net) - carries up-to-date information for participants to view. The speaker concluded that ideas on how the EINS initiative can be sustained beyond the project period are also being discussed. Building strategic alliances such as the Forum India and developing e-learning platforms are some possible approaches.

### Speaker's CV

Berthold Hoffmann, MA, MSc, MAES, is an International Relations and European affairs specialist currently working as a Senior Program Manager with InWEnt, Capacity Building International, Germany, in the Department for Sustainable Market Economy. Mr Hoffmann has rich experience in the management of international EU capacity building and networking programs in Asia in the field of Export Promotion. He coordinates the EINS Project Consortium. Previous assignments include the German Ministry for Development Cooperation, the Chair of International Politics at Dresden University and the Delegation of the European Commission in Vienna.

#### **2.4.3 Discussions**

Following the two presentations in this session, discussions were held on the following thematic areas:

15. Does corporate sustainability makes business sense and bring about financial savings?

*One view expressed was that every rupee spent on addressing social issues brings about three rupees as returns. This was based on a study. Therefore, social issues are to be addressed not out of philanthropy but because it makes business / financial sense.*

*Another view expressed was that addressing social issue is a hardcore business need. A few instances were cited wherein the adoption of SA 8000 and the principles therein were the main reasons for the revival of investment projects that were earlier rejected. In these cases, the local population wanted better living standards / employment opportunities and felt that companies adopting SA 8000 could provide them the same.*

16. Social issues and regulatory requirements

*Under corporate sustainability, one expects companies to meet only the requirements posed by the country's own regulations. This is required by law and is certainly not an act of philanthropy.*

*In response to the above statement, another view was expressed that regulations are being adhered only by the organised sector. What about the unorganised sector? In a country like India, the unorganised sector is much larger. It is easy to get the organised sector understand. What about the unorganised sector?*

17. Role of the OEM buyers

*One view expressed was that the OEM buyers in the EU and in the other countries of the developed world are not placing social requirements on their suppliers. If they did, the supply chain has no option but to comply with these requirements.*

*Another similar view was expressed. Companies from EU are sourcing components from India as it is considered as the least cost choice. While taking the purchase decision, the buyers only consider "price". As a result companies who do not have all basic requirements sometimes bag the order. Can EINS ensure certain norms from where the buyers can source components? This will ensure even the smaller companies to focus on sustainability.*

*In response, it was indicated that consumer awareness in the EU and the developed world was high. Regulations are getting more stringent and this would lead to the supply chain requirements being tightened.*

18. Supply chain management and sustainability

*A view was expressed that there are a number of people, organisations and networks on supply chain management. In that context, efforts could be made under the EINS initiative to implant sustainability concepts and thinking in these supply chain management activities.*

*In response, it was noted that this was a good idea and that the EINS initiative was already considering the same.*

#### 19. Technical information database & EINS

*One suggestion was received to compile good database of technical data, information, problems and solutions under the EINS initiative.*

*In response, it was noted that lots of information was already readily available from a variety of sources and creating such another database may not be necessary.*

#### **2.4.4 Vote of Thanks & Close by Mr. Jamil Ashraf, Sandhar Locking Devices Ltd**

The speaker provided a short, succinct recap of the highlights of the various individual presentations made during the day. Subsequent to that, the speaker concluded the Roundtable by providing the vote of thanks.

## RECORD OF ATTENDANCE

### EU India Roundtable on Sustainability: Best Practices for Global Competitiveness in Automotive Industry

11<sup>th</sup> February 2005, Conference Hall, Hall # 8, Pragati Maidan. New Delhi

S. No.	Name of the Participants
1	Mr. K. N. Krishnamurthy Technical Advisor to MD Ashok Leyland Ltd.
2	Mr. Suresh Prabhu Hon'ble Member of Parliament and Former Union Minister, Government of India
3	Ms. Thetis Tsitidou Programme Manager Economic Cooperation European Union
4	Mr. Stefano Gatto Head Trade and Economic Affairs, European Union
5	Ms. Lydia Jebauer-Nirschl Senior Project Manager InWEnt, Capacity Building International, Germany
6	Mr. Berthold Hoffmann Senior Program Manager InWent, Capacity Building International, Germany
8	Dr. Thomas Dielacher  Managing Director  AREC – Austria Recycling
9	Mr. Jörg Janischewski Senior Project Manager  IHK Trade Development and Management Consulting Ltd.
10	Mr. N. Srinivaas Managing Director  ECC International
11	Mr. Ralf Ketelhut Managing Director and Founder

	Mass Flow Design (Stoffstromdesign)
12	Mr. Dilip Chenoy Director General Society of Indian Automobile Manufacturers
13	Mr. Vishnu Mathur Executive Director Automotive Component Manufacturers Association
14	Mr. Rajiv Mandke Director Automotive Component Manufacturers Association
15	Dr. S. A. Dutta Divisional Manager Tata Motors Ltd
16	Mr. Sanjay Karne Divisional Manager – Direct Materials Daimler Chrysler India Pvt. Ltd
17	Mr. Emmanuel Jupet General Manager Vendor Development Volvo India Private Limited
18	Mr. Jamil Ashraf  Vice President Sandhar Locking Devices Ltd.
19	Mr. M. Govindrajan Senior General Manager (Operations) M/s. IP Rings Ltd.
20	Mr. Arvind Kumar Gupta Counsellor Automotive Component Manufacturers Association
21	Mr. Dinesh Vedpathak Counsellor Automotive Component Manufacturers Association
22	Ms. Krishna Executive Automotive Component Manufacturers Association
23	Mr. Atanu Ganguli Assistant Director Society of Indian Automobile Manufacturers
24	Ms. Meenakshi Kukreja Executive Officer Society of Indian Automobile Manufacturers
25	Mr. K.P .Nyati Head - EMD Confederation of Indian Industry
27	Ms. Seema Arora Counsellor

	Confederation of Indian Industry
28	Mr. Stewart Forbes Canadian Advisor CII-CIDA-EMP, Phase II Confederation of Indian Industry
29	Dr. Aditi Haldar Counsellor Confederation of Indian Industry
30	Mr. Anik Ajmera Counsellor Confederation of Indian Industry
31	Dr. Suman Majumdar Counsellor Confederation of Indian Industry
32	Dr. Yogendra Chaudhry Counsellor Confederation of Indian Industry
33	Mr Sandeep Shrivastava Counsellor Confederation of Indian Industry
34	Mr. Shikhar Jain Counsellor Confederation of Indian Industry
35	Dr. Shraddha Dubey Executive Officer Confederation of Indian Industry
36	Mr. Manu Maudgal Executive Confederation of Indian Industry
37	Ms. Ushakiran Madari Executive Confederation of Indian Industry
38	Mr. Sameer Sharma Executive Confederation of Indian Industry
39	Mr. Lovish Ahuja Executive Confederation of Indian Industry
40	Ms. Arvinder Kaur Dy. Director Confederation of Indian Industry
41	Ms. Uma Joshi Executive Confederation of Indian Industry
42	Mr. Rajat Batra

	Director Arjan Auto Pvt. Ltd.
43	Mr. Kapil Kaul Engg. QS Arjan Auto Pvt. Ltd.
44	Mr. Jliya Dekov Second Secretary- Commercial Embassy of Bulgaria
45	Mr. A. Bhardwaj Trade Officer Embassy of Luxembourg
46	Mr. Janvsz Kipigroch First Secretary-Commercial Embassy of Poland
47	Mr. Miklavz Borstnik Charge d' Affairs of the Republic of Slovenia Embassy of Republic of Slovenia
48	Ms. Deepti Sharma Senior Trade Advisor Embassy of Switzerland
49	Mr. Amit Agarwal General Manager (Projects) Ghaziabad Precision Products Pvt.Ltd.
50	Mr. Archak Pattanaik Sr. Executive – Engineering Honda Motorcycle & Scooter India Private Limited
51	Mr. Sarosh M. Sanjana Consultant Jainex Ltd.
52	Mr. Diwakar Jayaswal Business Unit Head Life Longs India Ltd.
53	Mr. Durbha Koomar Vice President – Operations Life Longs India Ltd.
54	Mr. David Male Lotus Engineering Malaysia
55	Mr. John Birkmyre Lotus Engineering Malaysia
56	Mr. John Robinson Lotus Engineering Malaysia
57	Mr. Ian Maxwell Lotus Engineering Malaysia
58	Dr. K. Mukherjee

	Vice President – Technical Machino - Basell India Limited
59	Mr. S. Das GM - Business Development Machino - Basell India Limited
60	Mr. O.P. Sharma Manager-CSG Machino - Basell India Limited
61	Mr. S.K.Varshney Sr.Manager-QA&HSE. Machino - Basell India Limited
62	Mr. Brajesh Kumar Assistant Manager - Marketing & Sales Machino - Basell India Limited
63	Mr. Pratap Bist Assistant Manager - Marketing & Sales Machino - Basell India Limited
64	Mr.Arun Nagpal Manager - Marketing & Sales Machino - Basell India Limited
65	Mr. S. Santhil Kumar Dy. Manager Maruti Udyog Limited
66	Mr. Sanjay Baroria Senior Manager Maruti Udyog Limited
67	Mr. Niroj Mohanty Asst. Coordinator NetPEM
68	Mr. Ajit Khanna Chief Executive S. S. Engineering Works
69	Mr. Sanjeev Atal Sales Executive S. S. Engineering Works
70	Mr. Surinder Kumar General Manager Sahara India Pariwar
71	Mr. R.C. Malhotra DGM Sandhar Locking Devices Ltd.
72	Ms. Divya Rajan Sandhar Locking Devices Ltd.
73	Mr. D.S.Gangwar Manager – Maint

	Sandhar Locking Devices Ltd.
74	Mr. Kavendeep Sr. Engineer Sandhar Locking Devices Ltd.
75	Mr. Kamlesh Sr. Supervisor Sandhar Locking Devices Ltd.
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82	Mr. J.P. Tripathi Chief Executive Shivani Locks Pvt. Ltd.
83	Mr. Supreet Jain Ex. Director SRS Diecasting Pvt. Ltd.
84	Mr. S. V. Nana Rao Head-International Operation T. V. Sundram Iyengar & Sons Ltd.
85	Mr. Shantuanu Dutta Divisional Manager Tata Motors Limited
86	Mr. Ravinder Singh Consultant & Promoter Innovative Technologies & Projects
87	Mr. Deepangshu Dev Sarmah Sr. Correspondent Auto Monitor
88	Ms. Shally Seth Correspondent Auto Monitor

89	Mr. Mohinder Wadwa General Manager Corporate & Business Development Cottage Industries Exposition Limited
90	Wg. CDR. I. J. Bhalla (Retd.) Chairman & Managing Director Wings Automobile Products Pvt. Ltd.
91	Mr. Vinod Jain Technical Consultant Wings Automobile Products Pvt. Ltd.
92	Mr. M. L. Agrawal Senior Manager I/C Monitoring Cell Delhi Transport Corporation
93	Mr. Karim Saleh President SKON Technologies Inc.
94	Mr. D. K. Mehta General Manager (Tech. & Sales) Roop Polymers Ltd.
95	Mr. V. Venu Kumar Marketing – Exports Rane Brake Linings Ltd.
96	Mr. Ashok K. Gautam Asst. Project Manager ECOPROFIT
97	Mr. S. Vaideeswaran Director Ecoworks Consulting Private Limited, India
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99	Mr. S. C. Srivastava PTI
100	Mr. B. K. Ashok Volvo India Private Limited
101	Mr. Sanjay Tripathi Sr. Executive SGS India Pvt. Ltd.
102	Mr. Arun Srivastav Correspondent ITS India News
103	Mr. Vivek Gupta Director GPP

104	Mr. Yashavant Y. Choudhary AVP BFL, Pune
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106	Mr. K. Surya Narayan Consultant Overseas Consult.

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