

Occupational Safety, Health & Working Conditions Code, 2020: Insights from a Knowledge-Sharing Webinar

The Occupational Safety, Health & Working Conditions Code, 2020 ("OSH Code") constitutes the fourth and final pillar of India's labour law codification exercise, aimed at consolidating, modernising, and strengthening the legal framework governing workplace safety, health standards, and working conditions. In continuation of its New Labour Codes Knowledge Series, Mehta & Mehta organised a comprehensive webinar to examine the scope, philosophy, and compliance implications of the OSH Code.

Legislative Background and Need for Reform

The speakers noted that prior to the enactment of the OSH Code, occupational safety and working conditions in India were governed by a fragmented framework of thirteen central labour legislations. These included, inter alia, the Factories Act, 1948, the Mines Act, 1952, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen Act, 1979, and the Building and Other Construction Workers Act, 1996.

This multiplicity of laws resulted in overlapping definitions, inconsistent thresholds, multiple registrations and licences, repetitive inspections, and excessive documentation. Moreover, the earlier framework largely adopted a reactive and checklist-driven approach to safety. The OSH Code seeks to address these shortcomings by consolidating laws, harmonising definitions, reducing procedural duplication, and introducing a preventive, risk-based compliance philosophy.

Applicability and Status of Implementation

The OSH Code is a central legislation enacted under the Concurrent List of the Constitution. However, as emphasised during the webinar, its operationalisation is contingent upon notification of rules by both the Central and State Governments.

The panel clarified that:

- Central draft rules have been pre-published, while several States are yet to notify their respective rules
- Until such notification, existing labour laws and rules continue to apply
- Employers must continue to comply with prevailing statutory requirements during the transition phase

Participants were cautioned against assuming any relaxation of compliance obligations merely due to the enactment of the Code.

Structural Reforms Introduced by the OSH Code

Single Registration and Licensing Mechanism

A key reform under the OSH Code is the introduction of a single electronic registration for establishments and a common licensing framework for contractors. The webinar highlighted that multiple registrations under various statutes are replaced with a unified registration system. Contractors are permitted to obtain common licences covering multiple activities and establishments, with extended validity periods, thereby reducing administrative burden and annual renewals.

Expanded Coverage and Rationalised Thresholds

The OSH Code adopts a broad definition of “establishment” and significantly expands its applicability beyond traditional factories and mines. The Code extends occupational safety and health obligations to a wider range of establishments employing the prescribed number of workers.

The panel observed that this expansion bridges regulatory gaps by extending statutory protection to contract labour, inter-State migrant workers, and workers engaged in hazardous or high-risk activities, including those in the services sector.

Employer Responsibility and Shared Accountability

A significant shift under the OSH Code is the allocation of ultimate responsibility to the principal employer. The speakers clarified that engaging workers through contractors or third-party agencies does not absolve the principal employer of compliance obligations.

Further, the Code extends accountability to designers, architects, engineers, manufacturers, importers, and suppliers of machinery and equipment. By doing so, the OSH Code embeds safety obligations across the entire value chain, from design and manufacturing to deployment and use at the workplace.

Women Workers and Gender-Inclusive Provisions

The webinar discussed the progressive stance adopted by the OSH Code with respect to women’s employment. The Code removes earlier prohibitions on women working in certain sectors and permits women to work before 6 a.m. and after 7 p.m., subject to their consent and the employer’s fulfilment of prescribed safety, security, and transportation measures.

These provisions were identified as an important step towards gender parity, economic empowerment, and inclusive workforce participation.

Inspection and Enforcement Framework

The OSH Code replaces the traditional inspector-centric regime with an “Inspector-cum-Facilitator” model. Inspections are envisaged to be risk-based and computer-assisted, with an emphasis on guidance and corrective action prior to enforcement.

The panel noted that while this approach reduces discretionary inspections and procedural harassment, it simultaneously raises expectations regarding documentation quality, internal controls, and substantive compliance.

Penalty Structure and Decriminalisation

Considerable discussion during the webinar focused on the revised penalty framework. The OSH Code shifts away from routine criminal prosecution towards enhanced monetary penalties for non-compliance. Penalties for serious violations may range from ₹1 lakh to ₹5 lakh.

Notably, the Code introduces provisions for compounding of certain offences and permits up to 50% of the penalty amount to be utilised for worker welfare or compensation to injured workers or legal heirs in the event of fatal accidents. Repeated or grave violations, however,

attract stringent consequences, underscoring the Code's zero-tolerance approach to safety lapses.

Worker Participation and Rights

The OSH Code strengthens worker participation by recognising the right of workers to report hazardous conditions and situations involving imminent danger. Workers are also entitled to information and training relating to workplace safety and health.

This empowerment of workers was viewed as a critical element in fostering a proactive and participative safety culture.

Governance, Board Oversight and ESG Perspective

The speakers emphasised that occupational safety and health can no longer be treated as a purely operational matter. The OSH Code implicitly elevates safety governance to senior management and board levels, aligning labour compliance with enterprise risk management and ESG considerations.

Company Secretaries and compliance professionals were identified as key stakeholders in ensuring governance oversight, policy alignment, and continuous compliance under the new framework.

Conclusion

The Occupational Safety, Health & Working Conditions Code, 2020 represents a decisive shift from fragmented and reactive regulation to a unified, preventive, and risk-based safety regime. While the Code enhances employer responsibility and compliance expectations, it also offers clarity, consistency, and long-term benefits for worker welfare and organisational governance. Organisations that proactively align their policies, systems, and governance structures with the OSH Code will be better positioned to manage regulatory risk, promote workplace safety, and support sustainable and responsible business practices.

To stay informed or access the webinar recording, visit the YouTube channel:

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