



# CRUSHED 2021

The Safe in India Foundation's annual report on the state of  
worker safety in the Indian auto sector

## क्रशड २०२१

सेफ इन इंडिया का वार्षिक प्रतिवेदन - भारतीय ऑटो सेक्टर में श्रमिक सुरक्षा की स्थिति



# EXECUTIVE SUMMARY

The auto sector contributes 7%+ to Indian GDP, is half the Indian manufacturing GDP, and employs 30m+ Indians (8-10m in manufacturing). But it is also the hotbed of a grim reality: In CRUSHED 2019 and 2020, Safe in India (SII) brought to light the high incidence of crush and other severe injuries in the auto-sector supply chain and suggested corrective actions.

In this third instalment of CRUSHED, SII further develops the case for systemic action with:

- Data across 5 years and on 2500+ injured workers from the auto-sector.
- Assessment of other auto-sector hubs in Haryana, Rajasthan, and Uttarakhand, and case studies from Tamil Nadu and Gujarat.
- Multi-variate data analysis to improve understanding of accidents and injuries.
- Establishing urgency of focus on the “dangerous” power press and legal violations that result in over 50% of these accidents.
- Top 5 recommendations to the auto-sector OEMs, SIAM, ACMA, and the government.

## Some highlights from the report:

Every year across India thousands of auto-sector workers lose hands/fingers

- **80%** of the injured workers met with accidents in the supply chains of some of the largest auto-sector brands
- **70%** lost their hands/fingers
- **1.97 fingers** on average lost to a crush injury

These injured workers belong to the most vulnerable sections of society

- **92%** migrant workers; **81%** educated only up to grade 10; **71%** earned less than Rs. 10,000 a month (many with no overtime pay despite ~12-hour shifts); **70%** on contract; **62%** under 30
- The lower the salary and education of a worker, the worse the injury
- About **70%** received their ESIC Identity Card after the accident and not on the date of joining. These workers/families could not use ESIC through their working lives, until they suffered grave injuries.

The Indian auto sector and its brands have the ability and responsibility to improve worker safety and productivity

- Maruti-Suzuki, Hero, Honda suppliers remain largest contributors to accidents in Gurugram (**93%**) and Faridabad (**75%**). Bajaj, Eicher, JCB, Tata Motors, TVS, Yamaha suppliers also significant contributors in Gurugram, Faridabad, Rudrapur, Neemrana.
- Not just a small MSME problem: accidents in **22%** of ACMA members (some of the largest factories/suppliers)
- The auto sector has the muscle/influence to prevent accidents and push up Indian labour productivity from its current rank of 115th in the world.

Government data grossly under-reports factory injuries; inspections reducing; the new Labour OSH Code may make matters worse

- **DG FASLI reports c.50 non-fatal injuries** in Haryana (c.2% of national numbers) vs. **c.500 reported just to SII** every year since 2016
- Haryana factory inspections have largely been reducing for years. Penalties for infractions to the Factories Act are rarely imposed and are in any case insignificant to change factory owners' behaviours.
- The new OSH&WC labour code has at least **8 major dilutions** of factory safety.

Rampant legal violations on the doubly “dangerous” power press machines

- Over **50%** injuries reported to SII occur on power press machines.
- **2x probability** of losing fingers on a power press machine; a worker **loses half a finger more** to a power press than other machines.
- A majority of the workers injured on power presses **inadequately trained and have low education** levels.
- Young and old workers lose fingers equally on power presses; experience does not seem to make up for unsafe machines.
- A majority of the crush injuries were on power presses that should have had safety sensors but did not; other required PPE also often missing.
- Most factories violate many extant regulations; potential criminal offenses.

### Five operational recommendations to OEMs in the CRUSHED series of reports:

- OEM boards to take responsibility for worker safety in their deeper supply chain.
- Create a joint industry-level task force with SIAM (with some participation from SII).
- Map their deeper supply chain.
- Improve transparency and accountability of accident reporting in the supply chain, weed out habitual offenders and reward safest factories, commercially.
- Initiate ground-level actions, e.g. honest worker safety audits and worker training.

### Five policy recommendations to OEMs as reported in SafetyNiti 2021:

- Include all contract workers in own factories in their OSH Policy framework.
- Create, publish, and implement a Supplier Code of Conduct.
- Create, publish, and implement a Standard Operating Procedure for supply chain factories.
- Report annually on SDG8.8 (the only SDG about worker safety).
- Demand minimum compliance from their supply chains. (e.g. all workers should be covered by ESIC from their first work day)

### Five operational recommendations to the central and state government (labour code/rules recommendations not covered in this report)

- Drive calibrated actions to achieve the objectives of the OSH Policy, 2009.
- Use accident/injury data from ESIC to determine selection of factories for inspection and conduct safety surveys.
- Create a reliable accident/injury reporting and governance system, and use it for ongoing improvements.
- Set up a confidential helpline for workers to report unsafe working conditions and accidents in factories.
- Develop a practical policy and mechanism for safety training of contract and migrant workers.

### The auto sector OEMs, SIAM, ACMA, the central and state governments and their OSH agencies have begun reacting to SII's recommendations in a slow, mixed manner:

Among the top three OEMs that SII has pursued since 2019, Maruti-Suzuki has taken the most initiative, with Honda and Hero lagging. Among the other seven of the top ten OEMs pursued from late 2020, Eicher and Hyundai have recently started engaging constructively. Ashok Leyland, Bajaj, Mahindra & Mahindra, Tata Motors, and TVS need to do better.

SIAM and ACMA have also agreed a number of actions, such as a standard Supplier Code of Conduct for OEMs, a business case for safety, and the creation of OSH training materials for workers. ACMA has started some of these actions but SIAM needs to pick up pace.

The Central and Haryana State labour ministries have set up working groups based on SII reports but their outcome is not public. DGFASLI has agreed and started a few actions, including the first ever worker OSH training. ISH-Gurugram has agreed to create a joint action "platform" including Maruti-Suzuki, Hero, Honda and SII, and which in its second meeting this year agreed to a few positive actions, such as safety assessments of an auto cluster. The MSME ministry has signed an MOU with SII for joint action. The BIS has formulated a panel to consider ISO standards for power press safety. There are several other initiatives in various stages, all of which are steps in the right direction.

### SII's role in driving change

SII will continue its healthcare and compensation support and knowledge-sharing initiatives with workers while pursuing all relevant stakeholders to push the worker safety agenda, specifically in the auto sector. The aim is to help drive a gradual, observable reduction in these accidents and an improvement in the Indian labour productivity.

There's a long way to go. Let's join hands to save hands!