SAVING THE HANDS THAT MAKE OUR VEHICLES

Automobiles are an everyday fixture in our lives, but it's not often - if ever - that we think of the workers that manufactured them. Do we need to?

I did, but only when I began my volunteering stint at the <u>Safe in India Foundation</u>, an initiative of IIMA91 that assists 1,000+ injured workers every year, just in Haryana, with Employee State Insurance Corporation (ESIC) healthcare and compensation and advocates to improve worker safety in India's auto sector that employs 10m+ people.

Worker safety is an important business and humanitarian problem, not only for Indian manufacturing but for Indian labour productivity, currently <u>128th in the world</u>. For over five years, Safe in India has kept at a long and often tedious journey towards change. Insights from **Vinay Dixit**, Safe in India supporter and the President of IIMA91 Giving Back Council; and the Safe in India team - **Sandeep Sachdeva**, Co-Founder & CEO; **Chitra Khanna**, Head – Safety; and **Masab Shamsi**, Head - Worker Assistance Centers.



Workers as panelists in the ESIC panel at the launch of SafeyNiti22

HOW HAS SAFE IN INDIA'S OPTIMISM WORKED FOR/AGAINST WORKER SAFETY EFFORTS?

Sandeep: I think CSOs need incorrigible optimism. It drives our solution-centricity despite odds, where a small organisation dares to challenge powerful auto brands and the government. While we have our cynical moments, we know optimism and doggedness pay off in the long run: 7 of

the top 10 auto brands now regularly engage with us, 17 joined a recent worker safety forum organized by SIAM and us. Clearly, many auto-sector executives share our optimism and we appreciate the start of their engagement. And how can I not mention the <u>support and advise from</u> the optimists in our IIMA91 batch!

Vinay: It is not easy to influence change in the entrenched working norms in lower-tier suppliers and in a behemoth like ESIC. While the team continues to make a difference in the lives of individual workers by canvassing on their behalf, systemic change remains a long, arduous journey.

WAS THERE A POINT AT WHICH YOU HAD TO COURSE-CORRECT?



Injured workers at the launch of SafetyNiti22 and Gang of Shramikpur

Chitra: While our <u>CRUSHED reports</u> prompted actions initially and thankfully from Maruti, and later from Honda and some from Hero, we needed to involve other large brands in the country to drive sectorwide solutions across the country.

This prompted us to learn how similar issues were dealt with globally. After being convinced that principles of responsible business were an important part of the remedy, we started analyzing Business Responsibility Reports (BRRs) and other reports of the top 10 auto brands in the country and published a new report <u>SafetyNiti in 2021</u> that resulted in 7 of 10 brands engaging with us on the issue. Stepping up the game to policy analysis was a big one: The rigour of this exercise along with worker evidence has moved the industry a little faster.

Sandeep: When Ravi, Prabhat, and I cofounded Safe in India in 2016, our aim was preventing worker accidents. We soon learned that it was a difficult subject: The contributing factors are complex and cannot be changed by simple dictums. So, we

pivoted to helping injured workers. This experience armed us to better deliver on our initial aim of influencing systemic change. While stronger actions like PILs are possible, our hope is that constructive engagement with stakeholders results in consistent and sustained reduction in accidents.

HOW DID WORKERS TAKE TO YOUR INTERVENTIONS? WHEN SCALING UP OPERATIONS IN OTHER HUBS, IS THERE ANYTHING YOU WOULD DO DIFFERENTLY?



Safe in India wins national award for Covid19 support to ESIC

Masab: Though workers desperately needed help, their trust was broken by employers. We were even called "dalal" (middlemen) often.

So, at our first centre in Manesar, we had to earn their trust by first delivering on their immediate need of navigating complex ESIC health and compensation processes. Slowly but surely, workers we helped, contractors, even ESIC staff began referring workers to us. With this experience, we expanded into a center in Faridabad in end-2021 and we are now helping 1,000+ injured workers a year. We're soon launching another center in Pune.

Sandeep: Building credibility was indeed key. Our aim is to expand into key auto hubs in India in 2-3 years. Could we have done this faster? Yes. However, we believe that it's important to invest limited resources as much on stakeholder advocacy to create systemic change for millions of workers. Covid also slowed us down about a year. It's a tricky balance, especially as civic

initiatives for advocacy, especially for workers, are few and under-funded.

YOUR REPORTS MENTION THE AUTO SECTOR'S RESPONSIBILITY IN IMPROVING WORKER SAFETY. WHY ABSOLVE THE GOVERNMENT OF A CENTRAL ROLE?

Chitra: Our focus on industry responsibility in our <u>reports</u> is intentional and we will keep the auto sector brands primarily responsible. However, we also have ongoing engagements with the government regarding their role and effectiveness to prevent these accidents. We need to intensify this further.

Sandeep: It was a strategic call: Auto brands are closest to the problem, have the technical knowledge and commercial sway over their supply chain, and influence government policies and

implementation. More than 80% of c.200 consumers we surveyed agree with us. Even India's Guidelines for Responsible Business Conduct (NGRBC) place the onus of worker safety in the supply chain with the brands. None of this means we forget the critical role of the government; we engage with them (Labour Ministry, ESIC, DGFASLI, ISH, MSME Ministry, Niti Aayog) and we intend to continue building on that.

Vinay: This is a complex issue with no silver bullet. Various stakeholders indeed must be shown the mirror and exhorted to play a positive part. As brand owners and sellers of the final product, auto manufacturers need to own this problem.

Table 1 below summarises SII's subjective view of the existence, adequacy, and clarity of the OSH policies of the ten OEMs based on documents available in the public domain and any other documents provided by the seven OEMs that engaged with SII. SII has compiled all analyzed OEM documents as of May 2022 in its repository.²

Question	Maru Suzuki	Honda Motorcycle	Tata	Mahindra	Bajaj	Hyundai	Eicher	Hero	Ashok Leyland	TVS
Publicly declared policies applicable	to the (DEM's own	n facto	ories						
OSH policy for the OEM's own employees		1								ŧ
Publicly declared policy of OEM's that includes OSH for contract workers* at par with permanent employees		1					t		t	
Human Rights policy, as per NGRBC Principle 5/ESG/UNHR		1			1					
Publicly declared policies applicable	to the s	upply chai	in							
OSH policy for the OEM's Tier 1 suppliers		t.								ŧ
OSH policy for the OEM's deeper supply chain (Tier 2/3/4)		1		t						
Consistency of OSH policies enforced in the supply chain in Indian and in international operations	ŧ		t	t	t					
Business Responsibility Reporting on NGRBC Principles 1, 3, and 5.		1	1		1	1	1		1	
Policies for reporting and monitoring supply chain sustainability in OSH in accordance with SDG Indicator 8.8.							ŧ			
Publicly declared policies applicable	to the s	upply chai	in							÷
Mapping of the deeper supply chain to be able to improve safety	1	1	1	ŧ	1			1		
Actions taken by the OEM to prevent accidents in supply chain	t		÷			4		1		1
Monitoring by Tier 1s (direct suppliers) to improve safety in their deeper supply chain					t	ł			1	1
Grievance redressal mechanism for workers across supply chain to report unsafe work conditions					1		ŧ			ł

In order of decreasing existence, adequacy, and clarity (weighted: green 0, amber -1, red -2)

Table 1: A summary view of the existence, adequacy, and clarity of OEMs' OSH policies and procedures.

*Contract workers includes other non-regular categories of temporary/ casual workers/ trainees/ apprentices/ probationers as stated in Section 5.3.

RAG status of Top 10 Auto brands

WHAT'S IN IT FOR CONSUMERS, ESPECIALLY IF THE COST OF SAFETY COULD GET PASSED ON TO THEM?

Sandeep: Cost of safety is an interesting question. Given how dire working conditions are in many of these auto sector factories and how reasonable some early technical solutions seem, we believe at least the first one-third of the accidents can be reduced while being profit accretive. However, we need to get this message out better. Our recent <u>seminar with MoMSME/QCI</u> and safety-productivity experts was an effort in this direction and we need to do more.

Vinay: Increasing consumer expectations and continued competitor activity should mitigate the risk of passing on the cost to some degree. The issue should continue to be highlighted across fora - business and general populace - to increase awareness and drive action.

DO YOU THINK YOUR FOCUS ON ONLY WORKER SAFETY IN THE AUTO SECTOR AND ON IMPROVING ESIC LIMITS YOUR POTENTIAL IMPACT?

Masab: Our focus enables us to be more impactful. Over the years, this has helped us gain expertise in the area and pursue sustained impact.

Sandeep: I do understand that criticism. However, we already have intensive efforts ongoing in each of <u>our four-pillars of activities</u>, which is helping us in deeper and accelerated impact in these. We are fortunate that a few partner CSOs and non-auto sector corporates have sought our advice in our focus areas, which would hopefully result in broader impact too.

(Interviews conducted by Swetha M, a volunteer at Safe in India Foundation. She works at the World Bank. For latest update on Safe in India, <u>please read and subscribe to its blogs here</u>)