

Supporting Informal Waste Pickers:

NEPRA Lowers Risks and Increases Efficiency through Inclusive Employment Practices

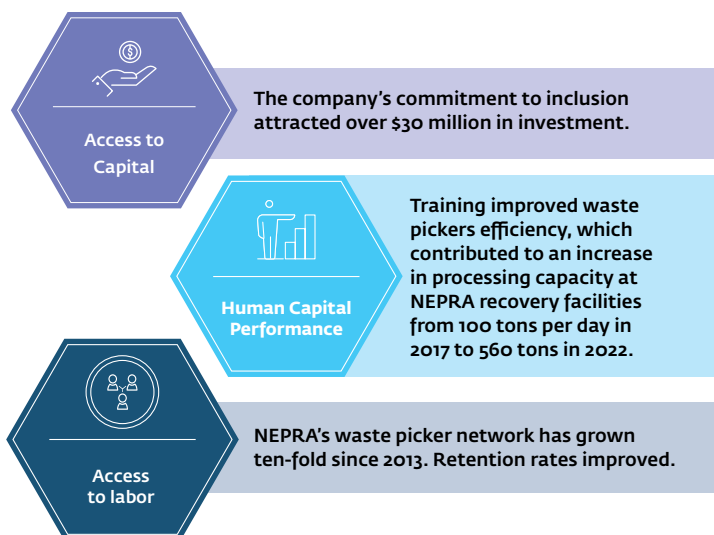
NEPRA Resource Management Private Limited (NEPRA) is a large Indian waste management and recycling company. This case study focuses on NEPRA's initiatives to support waste pickers in its supply chain, who are predominantly unskilled or low-skilled individuals from historically marginalized social groups, with limited opportunities for alternative or formal employment.



The Challenge

In India, a large proportion of the 62 million tons of solid waste generated annually ends up in landfills. The country's waste management sector remains largely unorganized and relies on informal waste pickers, who collect recyclables and sell these to scrap dealers and other intermediaries. Working conditions are often hazardous, and productivity and incomes are low. Many waste pickers must travel long distances to deposit collections, are prone to exploitation by intermediaries, and frequently do not receive fair or timely payments. NEPRA wanted to increase productivity in the waste collection process and recycling rates, while also improving livelihoods for these informal workers.

Benefits for Business

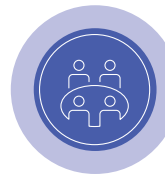


Benefits for Workers

NEPRA's direct engagement and fair and transparent payments have generated 25 percent higher earnings for waste pickers. Overall, the company has improved livelihoods for over 5,000 people at the base of the economic pyramid since its establishment.

Inclusive Employment Solutions

Rather than procuring waste from intermediaries such as scrap dealers, NEPRA uses inclusive employment practices to partner directly with informal waste pickers wherever possible.



Participation

Targeted recruitment. Improvements to safety and the physical environment. Access to benefits such as childcare.



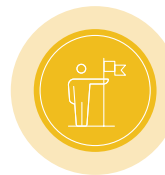
Advancement

Fair pay and capacity-building to support self-employment.



Resilience

Access to emergency loans and material support during the COVID-19 pandemic. Health training with a focus on women and children.



Empowerment

Clear and transparent work terms. Enhanced recognition of the value of waste pickers' work.



NEPRA

Industry: Waste management and recycling

Capacity: Collects and sorts around 560 tons of dry waste per day at three recovery facilities and one collection center in the states of Gujarat, Madhya Pradesh, and Maharashtra.

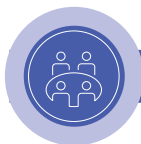
Base of the Pyramid Workforce: 178 direct employees and 618 workers contracted through third parties, along with more than 1,800 waste pickers who collect and sell solid waste material to NEPRA. On average 40 percent of waste pickers are women, although this rises to 70 percent in some areas.

How NEPRA Puts Inclusive Employment Solutions into Practice



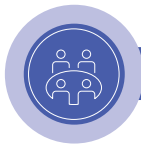
Participation: Target recruitment

NEPRA has actively pursued direct outreach to waste picker workers and communities, aiming to position itself as a more attractive buyer offering better opportunities than local competitors. It also relies on strong community connections between waste pickers to help 'spread the word' about potential income-earning opportunities and grow the number of suppliers who choose to sell to it.



Participation: Ensure safe working conditions

NEPRA's staff distribute basic equipment such as gloves, masks, and other safety gear to waste pickers through different supplier clusters. The provision of basic personal protective equipment, combined with safety training, helps limit the number of occupational injuries waste pickers experience when sorting waste, thus supporting ongoing economic participation.



Participation: Reduce entry barriers

In Ahmedabad, where over 70 percent of NEPRA's suppliers are women, NEPRA provides much needed childcare support for waste pickers. In 2021, the company partnered with SHWAS, a non-profit organization specializing in the education of underprivileged children, to launch a dedicated center to provide more than 95 children with basic education while their parents are

working.¹ Previously these children would have accompanied parents to work and been exposed to the often-hazardous conditions faced by waste pickers. This initiative not only shields waste pickers' children from these hazards, but also improves their educational outcomes.

"Waste pickers are key players in India's waste management sector—our business would not work if we don't include them."

Dhrumin Patel, Co-founder and Chief Operating Officer, NEPRA



Advancement: Offer Fair Pay

NEPRA has introduced convenient collection pick-up services that make it considerably easier for waste pickers to deposit waste and sell directly to NEPRA, thereby avoiding potentially lengthy journeys to material recovery facilities. In Ahmedabad, the company aims to ensure that waste pickers have to travel no more than 400 meters to deposit collections.

More convenient collection pick-up services contribute to higher incomes for waste pickers, as they save on travel costs and gain more time for waste picking and other activities. Over 48 percent of Gujarat-based waste pickers surveyed in 2021 cite the convenience of NEPRA's collection pick-up services as a key advantage of working with the company.² Overall, 78 percent of surveyed waste pickers reported that their quality of life improved because of NEPRA, of which 45 percent cited a greater ability to afford expenses, 36 percent cited a stable source of income, and 32 percent cited greater ease of working.



Advancement: Build capacity for self-employment

Waste pickers are invited to attend awareness sessions to upgrade their capabilities. These are organized in clusters and run by NEPRA's staff on dates pre-agreed with waste pickers. They offer training on a range of topics, from identifying and sorting different types of waste, to understanding current market demand in a particular geography, and the use of safety equipment, as well as wider topics such as health and hygiene, and prevention of child labor. NEPRA's staff report that training on sorting has been particularly beneficial for attendees, raising efficiency and earnings, as better sorted waste attracts higher prices than mixed-material waste.



Resilience: Improve access to benefits

Waste pickers' incomes were significantly affected in the COVID-19 crisis. During lockdowns, many were unable to find and sell waste, and the vast majority had no access to social protection or personal savings to withstand the sudden shock.

To support them, NEPRA provided emergency cash loans totalling \$26,400, to be repaid interest-free as part of future transactions and when convenient for the individual waste picker. It also partnered with local non-profit organizations to distribute daily essentials such as food packets and groceries. NEPRA's operations staff provided waste pickers with information on newly launched government support schemes and helped them to fill out forms and prepare applications.



Empowerment: Provide fair and clear terms of work

To ensure payment transparency and fair pricing in its supply chain, NEPRA introduced a mobile app used by staff to record all transactions with waste pickers. NEPRA's waste pickers receive immediate payment in cash, corresponding to the exact decimal point weight of collected waste, while other buyers tend to 'round down'. Waste pickers are permitted to stand on the scales used to weigh their collections each day to check that they have not been tampered with. In cases where NEPRA is unable to give a waste picker exact change on the day, the amount owed is recorded in the app and carried forward, so the seller is compensated fully at the next collection. The app relies on facial recognition to ensure that waste pickers are correctly compensated for collected waste.

Eliminating intermediaries and ensuring fair pay has raised earnings. Some waste pickers reported a 20 to 25 percent increase in earnings after starting to sell to NEPRA.³ Some 94 percent of NEPRA's Gujarat-based waste pickers surveyed in 2021 rated the prices offered by NEPRA as either very good, good, or fair, and timely payment was cited among the main benefits of selling to the company.

"We used to go to the scrap dealers to give our waste. They would give us very low rates and weren't regular. With NEPRA, we are assured of regular and fair pay."

Kuvarben, waste picker



Empowerment: Recognize value of work

NEPRA's awareness-raising sessions seek to create pride among waste pickers by highlighting the social and environmental value of their work. According to NEPRA staff, selling waste to a recognized business is perceived as a more 'dignified' source of livelihood for marginalized informal workers, whose work remains highly stigmatized. Some of NEPRA's waste pickers speak of a sense of empowerment as a result of their association with a formal business.

"We get a sense of being associated to a company. Our status in society has risen and we no longer feel inferior about the work we do."

Arunaben, waste picker



The Benefits for Business: Nepra's Experience



Access to labor

For NEPRA, direct outreach to local waste pickers ensures a reliable and growing supply of material for sorting and processing. The company has seen a significant expansion in its supplier network, with the number of individuals selling waste to NEPRA growing more than tenfold since 2013.

Although waste pickers are not obliged to sell exclusively to NEPRA, management reports supplier retention is high, and attributes this to NEPRA's efforts to ensure payment and process transparency. According to operations staff, the company pays market rates which have occasionally driven up the prices offered by scrap dealers to waste pickers. However, NEPRA is perceived to be a more consistent and reliable buyer. By offering immediate payment and emphasizing transparency, NEPRA believes it has become a partner of choice for individuals vulnerable to exploitation, enabling the company to build a stable—and growing—supplier network.

NEPRA's efforts also mean that the company will be well-positioned to take advantage of rising demand for waste products, stemming from growing policy and regulatory focus on reducing the environmental impact of post-consumer waste.



Human capital performance

NEPRA's managers observe that training on sorting has improved waste pickers' ability to sort collected waste 'at source', or prior to pick up. Better initial sorting makes the segregation process at material recovery facilities more efficient and makes output recovery higher, resulting in enhanced quality and value of waste sold on to recyclers. These initiatives, alongside others, have increased NEPRA's processing capacity significantly from 100 tons per day in 2017 to 560 tons in 2022.



Access to capital

The company's strong reputation helped it attract over \$30 million in investment which has been crucial to its rapid growth. Impact investor Aavishkaar Capital provided \$9.7 million in funding for the streamlining and mechanization of NEPRA's operations in 2013-2018. It was joined by Asha Impact in 2018, raising \$6.5 million, and along with Circulate Capital, the trio raised \$18 million in 2020 to support the expansion of NEPRA's operations beyond Ahmedabad. NEPRA's socially-conscious approach to working with waste pickers also earned the company numerous awards, including the Forbes India Leadership Award for Entrepreneurs with Social Impact.⁴



Reputation and risk management

NEPRA minimizes its exposure to risks in the company's supply chain by raising waste pickers' awareness of children's rights and the dangers of child labor. It provides regular health and hygiene awareness sessions focusing on women's and children's health. In Ahmedabad, NEPRA's education center for children of waste pickers also provides a safe space where children can receive basic education while their parents are working.

Endnotes & Sources

In addition to company interviews and focus group discussions conducted in February 2022, and workforce and other company data provided by NEPRA, this case study used the following sources:

¹ NEPRA Foundation. 2021. Activities Report 2020-2021.

<https://www.neprafoundation.org/images/pdf/2020-21-Activity-Report-NF.pdf>

² 60 Decibels. 2021. NEPRA: Impact Performance Report

³ Aavishkaar Group. 2021. Impact Report 2020.

https://aavishkaargroup.com/wp-content/uploads/Aavishkaar_Impact_Report2020.pdf

⁴ Sarda, Pranit. 2019. "FILA Entrepreneur with Social Impact 2019: NEPRA CEO Sandeep Patel" (2 December 2019). Forbes India.

<https://www.forbesindia.com/article/leadership-awards-2019/fila-entrepreneur-with-social-impact-2019-nepra-ceo-sandeep-patel/56393/1>

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