

CSR PARTNERSHIPS FOR
INNO  VATION

INNOVATION WITH MBRDI

FT. SHWETA PANDEY

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Acknowledgements

Contributor

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About Sattva Knowledge Institute

Sattva Knowledge Institute (SKI), established in 2022, is our official knowledge platform at Sattva. The SKI platform aims to guide investment decisions for impact, shedding light on urgent problems and high potential solutions, so that stakeholders can build greater awareness and a bias towards concerted action. Our focus is on offering solutions over symptoms, carefully curating strong evidence-based research, and engaging decision-makers actively with our insights. Overall, SKI aims to shift intent and action toward greater impact by influencing leaders with knowledge. All of our content proactively leverages the capabilities, experience and proprietary data from across Sattva.

Introduction: Welcome to the podcast 'CSR Partnerships for Innovation'. I am Chintan Vaishnav, Mission Director for Atal Innovation Mission at the Niti Aayog, and we are delighted to unveil this podcast series in collaboration with Sattva Consulting, hosted by their dynamic and hands-on CEO Srikrishna Sridhar Murthy. We are excited to embark on this journey with you as we navigate the fascinating realm where innovation meets CSR. So, thank you for tuning in, hope you enjoy it. In a world driven by innovation and fuelled by entrepreneurial spirit, India has emerged as a vibrant hub for cutting-edge ideas and groundbreaking initiatives. From villages to large metropolitans, the country is witnessing a remarkable surge in start-ups and innovation-focused ventures across diverse sectors. Innovation, when channelled properly, can create a large-scale societal impact. India has also been home for one of the most active CSR ecosystems, thanks to the regulation in CSR that was introduced a few years ago. We believe CSR can play a very important role in fuelling the innovation towards societal change and we hope to explore how the CSR ecosystem and the world of innovation are coming together to build a better India.

Srikrishna Sridhar Murthy (SM): [00:01:40] For our next guest on today's podcast, innovation is no stranger. Mercedes Benz has made a substantial name for themselves and their products through innovation. Shweta Pandey joins me today and takes us through the evolution of how MBRDI has elevated innovation in how they fund CSR initiatives, and she shares with us some of her personal favourite initiatives, as well as sound advice for others looking to integrate innovation as part of their CSR. Shweta Pandey leads the legal and compliance portfolio at Mercedes-Benz Research and Development India. As part of her role, she is also responsible for corporate social responsibility, where she has undertaken activities across different thematic areas, including fostering innovation and entrepreneurship in the space of sustainable mobility. Shweta, welcome and a pleasure to have you today with us.

Shweta Pandey (SP): [00:02:39] Thank you so much, Krishna. It's really a pleasure being here today with you to talk about something that is close to Mercedes-Benz's heart, which is CSR.

SM: [00:02:54] It'd be great if you can tell us a little bit about Mercedes Benz Research and Development India, your role and you know how you got involved with CSR in India.

SP: [00:03:07] I lead the legal and compliance portfolio for Mercedes-Benz Research and Development, and as part of my role, I'm also responsible for corporate social responsibility. Mercedes-Benz Research and Development India is Mercedes-Benz's largest R&D centre outside of Europe. We have close to 10,000 employees here spread across Bangalore and Pune, where we support Mercedes-Benz Global in its endeavours in the R&D space in automotive tech. We have been in the space of innovation in CSR since 2018. While of course when the policy was introduced in 2013-14, we started out by supporting some of our global flagship programmes around road safety, and that was majorly the theme of the company's CSR up until 2018, when we saw a slight shift in how we wanted to really look at CSR internally; and that is when we started looking at social innovation and supporting the social entrepreneurship ecosystem in India in a big way. Over the years we've supported close to 13 start-ups in the social innovation space and I'm really happy to share that they have not been focussed in any one particular area but have been spread out across sectors like health care, equitable access to persons with disabilities to green mobility. So there is an

entire spectrum that we had been looking at up until - I would say 2021, where again there was a need to take things back to the drawing board; and you have been very integral in this journey, being a strategic thought partner for Mercedes-Benz, where we did a lot of brainstorming and we finally concluded that it would be best for us to look at two major areas of support when it came to CSR - one, sustainable mobility, and the second environmental sustainability - keeping of course a part of our efforts towards certain other areas like education, persons with disabilities, but majorly looking at the area of sustainable mobility and environmental sustainability, aligning with Ambition 2039, which is where Mercedes-Benz has committed to accelerate towards EV transition, carbon neutrality, and we are really committed to climate change and have designed our programmes internally to really align with the global vision of Mercedes-Benz and also the local requirements to ensure that there is adequate support of the communities that we regularly engage with. At the same time, we're giving due regard to what are the requirements at the company level and how best can we also engage our employees, because no CSR programme, Krishna, is truly complete without the engagement and involvement of the company's employees and I'm really proud to share with you that at Mercedes-Benz there is great commitment in terms of volunteering. So, people really come forward and they ask us, where is it that we are really committed, what are the areas that we are supporting and how are we really taking the company's vision forward, keeping in mind that we are an R&D company.

SM: [00:07:15] Wonderful, Shweta. Very, very happy to hear. I think the one of the very critical points that I picked up, you know, from what you just said, is the fact that your CSR has evolved over a period of time. You know, like you said, when the law came in, you know, it was very focussed on certain programmes, education, road safety, and then in 2018 moved on to supporting innovation and now getting more and more sharper in terms of what type of innovation and, you know, and how that aligns to your larger commitment to environment, mobility and climate change, and also making sure that that this gets connected with the people, you know, within the organisation as well. So, wonderful to hear that, you know, the journey. Taking a step back, if you can tell us a little bit about the moment when the organisation decided to support innovation, you know, for the first time, you know, how did that come about? Was that an internal discussion or was that an opportunity that knocked on your doors? Tell us a little bit about, you know, how that the first time you said you decided to, you know, support innovation, what was the discussion internally to say, "Hey, we're going to do this time something different?"

SP: [00:08:27] So, Krishna, when I look back and I look at the history of Mercedes-Benz Research and Development India, we have always had innovation at the core of our business. It's a way of life for us. What we realised in the journey is that we weren't really leveraging our strengths in the most optimal way that could have really created greater impact. So when the law was introduced - of course we had to put together our CSR policy in place and then we had to run with things like most organisations in the industry - but I think in the journey there comes a time when you take a pause and you reflect and you do that assessment that "Whatever I'm doing, is it really that 100% impact that I intend to create? And if it is not, then how best can I leverage all my skills and really move in the right direction?" That is what happened in 2018 when we were almost four and a half years into

compliance with what was required of us on the CSR front, but at the same time it was also an opportunity for us to reflect and to say that "We are in this very good and unique position - being based out of Bangalore, the tech capital, having the kind of talent that we have, the enthusiasm, the involvement of our own employees, we are really not utilising our potential if we are not focusing on innovation, which is happening every single day." And then when we started looking at the needs of the communities around us, it was a perfect match - a match made in heaven - that there was so much that we could do, whether it was in terms of health care or mobility.

SP: [00:10:27] That was really the turning point where after a few years we realised that we can do this better by focusing on areas that we're very good at and aligning it to our own vision on innovation internally. So that's how the tectonic shift happened, and of course in an area like CSR, it's so critical that one keeps taking things back to the drawing board, especially in a country like ours where we're still evolving on so many fronts. The needs change pretty rapidly during short windows. Community requirements are also simultaneously getting redefined. At the same time, at the national level, there are priorities, there are commitments that we have made to the world. So - "How do we get all of that together and have a holistic programme in place?" - is where it all started in 2020, in the middle of the pandemic. I still remember some of the initial discussions that even you and I had, which finally gave birth to the revised strategy that we are very proud of today, where we are fully aligned with not only Ambition 2039, which is a key priority for the company, but also the commitment of our own Prime Minister at a national level to carbon neutrality and usage of green energy and some of the things that are key in the climate change discourse.

SM: [00:12:05] Wonderful. For me, the interesting point here is, Shweta, the fact that you were able to marry the need in the ecosystem outside with what was the core strength of the organisation internally and hence the leverage - beyond just bringing in CSR money, you're able to bring a lot more knowledge and skills of your teams, you know, into the conversation. I think marrying to the, you know, to the need outside is a very important point because understanding what's happening in the ecosystem I think is much better, you know, it helps us in a much better way in getting the results we want or the outcomes we want from a CSR perspective. You also mentioned the fact that you took advantage of Bangalore, which is an ecosystem which is full of new ideas and quite a bit happening in the social entrepreneurship space here. So all of that kind of, you know, coming together I think is definitely a wonderful opportunity for us to continue kind of to invest in innovation. What are the conversations at the board level when you discuss innovation in CSR? Is there excitement? What is there? Are there questions? Are there doubts? Because this is also not an easy area to innovate. The results are not available immediately. The outcomes take time. So can you give us a view about how, you know, you and your team were able to navigate the discussions within the board and what were those kinds of conversations in your CSR committee?

SP: [00:13:39] Krishna, that was really the easiest part of the conversation, I would say, because just like how innovation is core to us, so is our commitment to the communities. We do community relations across the world, and right from the chairman of the global board of Mercedes-Benz, the message is very clear that - we are committed to climate change, sustainability, transitions to EV - so

it was not really a difficult conversation to have. When the tone gets set from the top, it's not difficult for a subsidiary like ours in India to really emulate some of those concepts and bring those to India and to start work on them. So internally, I would say it was not challenging at all. In fact, it was an extremely interesting and enriching conversation. Every time we took it to the board at the local level, which comprises of leaders both from India and from headquarters, and just the enthusiasm on CSR and the support was extremely heartening. So never was there a moment in the journey where we felt that we would have to try really hard to get the buy-in of the leadership of the company, and that I think put us on a very solid footing right from the start. Also, the advantage that the board comprises of leaders who have deep technical acumen and are themselves very passionate about R&D and innovation and also support communities themselves actively volunteer, are present in every discussion when it comes to CSR really helped us move things quite fast. And like I said, these were intense conversations - a lot of whiteboarding, a lot of meetings, a lot of discussions - where you could really see that there is a lot of interest in getting the right kind of support to the communities out. So that just makes the life of a CSR leader very easy, at the same time, very interesting, I would say.

SM: [00:16:13] Absolutely. I think it's quite a blessing to then, you know, have a committed board like that, and the point of setting the tone from the top, I think is very critical, especially when you have to take risk in your CSR strategy and fund, you know, things around innovation. So I think that's definitely something that we hope more and more organisations and more boards, you know, are committed to, from a CSR perspective. What are some of the innovations or start-up ideas that you are personally excited about and passionate about? When you see that come to life, you're like, "Thank God we funded this" or "Wow, this is very interesting."

SP: [00:16:51] That's my favourite question because you kind of gave me the lead already and to speak from my heart, there is nothing more satisfying than seeing something that you would have supported to make that kind of impact in the community. So two ideas in the past that we have supported, which are very close to my heart. One is the battery-swapping service of Sheru. Given that we are an automotive company, an automotive tech company, and we are committed to transitioning to EV. Having that sort of an ecosystem get developed in India is extremely soul-satisfying. Waking up to the realities of EV and really thinking as to how public transport and road transport is going to look like in the near medium and long term is an exciting conversation. So Sheru is a beginning, I would say, and it is mostly applicable to tier two and tier three cities because you're talking about E-rickshaws here, but it's still something which is very close, like I said to my heart, because yes, we have the problems of urban cities and we are talking about innovation in the areas that are much needed - decongesting roads, traffic safety and working more on partners who are committed to transitions in the EV space. But Sheru I think is a fabulous start. The other one, which is personally very close to my heart, which is more of a pandemic baby is Dozee, which is a step-down ICU that we supported and it is not hidden from anybody - the kind of struggles that the world went through during the COVID-19 crisis peak, I'm talking about 2020 and 2021 - and that brought us to a point of reimagining healthcare. If we can actually contribute in some way in this journey in a country like ours, I think it really makes a difference to the communities at the grassroots level. So with the

step-down ICU, I feel we could move the needle on innovation in a sector which was feeling the pressure of the pandemic and that particular device, which can be placed under the bed of a patient where it indicates whether the patient really needs ICU admission or when the patient needs ICU admission, really helps save a lot of lives. So those are the two, which are my personal favourites. But to give you a sense of the areas that we are working on - which I touched upon briefly as I was talking about Sheru - we are looking primarily at sustainable mobility and that remains our key focus and there are going to be several areas of support in this particular segment in times to come where we would be looking at how can we really help with road safety, whether it is on the tech side in terms of helping software companies create software support for the government or even private companies which are helping with transporting employees of a corporation, or it is how we are really looking at decongesting our roads using data and how are we really thinking about the current problems that a commuter faces when he or she leaves their home. At the same time not losing track that school kids remain and their safety remains very close to our heart, and MobileKids is a flagship programme of Mercedes-Benz worldwide, where we educate school children on the aspects of road safety. That's running very successfully, so we'll continue to stay invested in that, but at the same time look at innovation majorly in the road safety space. Also, like I mentioned, EV is going to be a key focus area. So ideas where we can really create that ecosystem in not just Bangalore, but at least to begin with, the major cities which desperately need to move to green energy. So those are the two key areas in the near future where you can hope to hear more exciting stuff and our partnerships with players there.

SM: [00:22:01] Bangalore for sure will benefit from decongesting the roads, I'm sure. You also talked about - even in your recent event - pushed the conversation around building a culture of innovation among youth. You know, you also announced a fellowship that, you know, talks about innovation for impact and getting youth more involved in that. Do you want to talk a little bit about that?

SP: [00:22:26] So, yes, Krishna, absolutely. I think youth are the future and it is amazing to see some of the ideas that are coming out of not just colleges, but even schools these days. Of course, my time was very different. We were focussed on very different elements of education. But kids these days are really doing a splendid job of using the resources, the access to information and are also finding the right mentorship, I would say. Having said that, I think there is great potential to tap in that particular area and that's how Mercedes-Benz has decided to support the mentorship programme worldwide, starting with three countries at the moment, India being one of them. So really excited about what would come out of the fellowship programme and how mentorship can really help cultivate the thinking further and thereby the contribution in the space of innovation. At the same time, we're also running programmes internally where our own employees are hugely encouraged by way of our own in-house accelerator/ incubator programme, where we support ideas and we are willing to give them the resources, the time and the mentorship internally, or if on occasions there is exposure to global partnerships, thinking, brainstorming that may be required, that too with global tech experts. So those are programmes that, again, we are running full-fledgedly internally to ensure that we are not really missing out on all the great ideas that can come from within, from the talented workforce that we have here.

SM: [00:24:30] Wonderful. So, Shweta, I think that brings me to the next question of, you know, how Mercedes employees have contributed to the work of CSR that you all do, specifically in supporting the innovation part of your portfolio?

SP: [00:24:46] This is the answer that makes me extremely, extremely proud because like I was mentioning at the start, our employees are extremely enthusiastic about volunteering, and there are two specific instances that come to my mind, which I would love to share with you. When we were supporting the start-up, BeAble Health, which works in the area of upper body restorative assistance for stroke patients, they needed the tech support and somebody to really mentor them and guide them. Our team members stepped in and really mentored them through the course of their journey until they could get the product out. So that is something that we did at the very start of our social innovation journey; and then the other place where employees have contributed is another start-up, which is in the area of mobility. It's called Flexmotiv, and they are credited with inventing the world's most lightweight crutches, all-terrain, lightweight crutches, and in a country like India, one can only imagine the utility of a product like that. Together between BeAble Health and Flexmotiv, our employees gave 900 hours in mentoring and support. I mentioned about Dozee as well, there again, during the pandemic, our team members looked at the entire tech architecture and really gave that kind of mentorship that proved very useful in getting the eventual product out to the users. So there are enough examples I would say, these stand out because of the fact that they are aligned with the company's vision, be it mobility or be it our commitment, a strong commitment to benefitting communities at the grassroots level. They are really examples where with the knowledge of tech, passion and commitment, you can really get the right product out, driven entirely by tech, which is going to elevate the discourse in the area that the product is in.

SM: [00:27:24] Absolutely inspiring. 900 hours, I think is a phenomenal number to, you know, kind of contribute to - from a support - in terms of mentoring, I think it's a lot more than mentoring. You know, it's really hands on support Shweta, that you're talking about. Very, very glad to hear that. From an ecosystem point of view, Shweta, what would you recommend or advise, you know, your fellow CSR professionals, leaders in the corporate ecosystem on this whole topic of - should there be innovation as part of their CSR portfolio, and if they have any doubts, any advice or recommendations you have which can help them make a decision one way or the other.

SP: [00:28:07] Absolutely, Krishna. Looking at our own journey, I'm very happy to share that it is something that is totally doable because we don't think about innovation as the first thing when it comes to CSR, and that's been the traditional thinking. But honestly, Krishna, you look anywhere in India, this is a country where innovation is happening in every nook and cranny, and to not really use that is unfortunate, I would say. So I would really encourage one and all to think about ways in which innovation can be built into the discourse of CSR, and every single company is in a position today to do that. So much so that even the Union Budget this time has recognised that in a big way and is giving it the right push. So with this kind of a support coming in from the government, the enthusiasm on the ground, it would be so unfortunate if we don't make the most of our own

strengths as a country. So "Why not?" is my question, and I would totally recommend everybody to think about CSR innovatively and innovation as critical to CSR.

SM: [00:29:29] Thank you so much for that, Shweta, and I think clearly the experience of Mercedes and the way you've brought your strength, the need in the ecosystem and the overall, you know, thinking around CSR together and also started to bring in not just, you know, your employees but your whole business thinking around climate change, sustainable mobility into the play. I think that's really, really inspiring. I feel that's what makes CSR more strategic because you're able to kind of solve problems that you understand, you know, as a business and as an industry and your teams are hopefully more motivated, excited now, you know, because of the contributions they're doing beyond their normal work. So really, you know, happy to have had this conversation with you and more power to you and your team, you know, for continuing on this journey and look forward to more innovative stuff coming out of your CSR portfolio.

SP: [00:30:27] Thank you so much. It's been a pleasure talking to you.

Outro: *We hope you enjoyed this episode with our expert guest, and we thank Atal Innovation Mission for partnering with us on this series of conversations for the CSR Ecosystem. Please make sure to subscribe, like and follow us and explore more of our content from Sattva Knowledge Institute, all linked in the episode description.*