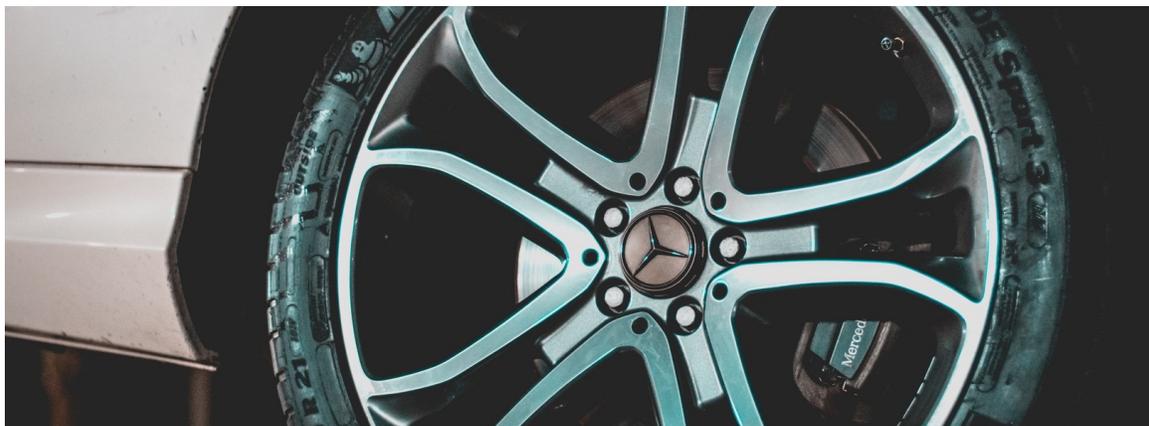


STATE OF HEALTH AND SAFETY AT WORK

Tyre Centres in Sweden



White paper
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Problem Statement

Today, the idea that a high level of health and safety at work positively impacts profits is widespread. To put it another way: a poor work environment is expensive. As a chain CEO or quality manager in the aftermarket tyre business, it is important to ensure that the customer is aware of the existence of good working conditions at the tyre workshop.

There are many occupational risks within the tyre repair shop environment. Lifting heavy wheels, noise, vibration, rubber particles, pumping large tyres, welding, handling chemicals and machine safety are just some of the risks that exist for employees at tyre repair shops.

Establishing a strong brand is pivotal to business success. And protecting that brand is equally important. Yet many small businesses overlook one important first step in securing their brand: healthy workers and quality service.

One reason that it is particularly challenging for chains to ensure a good workplace environment is that workplaces are dispersed geographically and employees do not meet up every day - a common workplace culture does not automatically exist. At the same time, there is a common brand that needs to be protected.

Glykol AB offers SaaS information services on the European market. We create a competitive advantage in a constantly changing world.

Our services are mainly intended for chains and brand owners. Glykol's customers are companies that often have hundreds of local affiliated units. Glykol's services are based on a long-term commitment solidly anchored in the management and owners of our corporate customers. www.glykol.com



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Executive Summary

The Swedish Work Environment Authority reviews Swedish companies to verify that they comply with Swedish legislation regarding the working environment. In 2018, they visited 118 tyre repair shops. Glykol AB has analysed these inspection reports and will present the risks that the Work Environment Authority has drawn attention to in this white paper, alongside what criticisms companies may receive if a good working environment is not provided.

Many tyre centres constitute a distribution channel for tyres and the companies that market and sell tyres. For this reason, many tyre manufacturers are involved in a chain formation. It is up to the tyre producers, the tyre chains, to work towards the best possible conditions for all those who work in the industry. To put it simply, a good working environment is profitable. And long-term sustainability is needed at all levels to facilitate growth.

Tyre centres are mainly criticised for not carrying out an annual risk assessment. They do not have a culture of systematically learning more about the risks in the work environment at their tyre workshops or investigating existing risks. The second most common criticism is that tyre centres do not establish action plans that show how the organisation has paid attention to flaws and established action plans to address them. One conclusion from our analysis is that if these two elements, risk assessments and action plans, were implemented, many other shortcomings and risks would also be addressed in the long term.

Introduction

The retail sector is going through a structural transformation in which globalisation, digitisation and automation are interacting and changing the industry. Experts predict that the retail sector will change more over the next ten years than it has done during the most recent 50 years. Although ownership models differ in the tyre workshop industry, the common denominator is that tyre manufacturers also ultimately want to sell their products. A tyre workshop constitutes a distribution channel for tyre retail with the end customer.

Several tyre manufacturers are involved in tyre centre chain formation. This is done to ensure the distribution model and retail trade. For growth, these chains wish to affiliate more tyre repair shops so that more tyres can be marketed and sold through these workshops. In order to do so, the tyre workshops must be operated in a sustainable manner. This means that the tyre repair shops should be economically, socially and ecologically sustainable.

The tyre centres must comply with laws and regulations and need to have satisfied customers, healthy employees, a good reputation and a balanced economy as well as not affect the environment in a negative way. In Sweden, the industry is engaged in tyre centre aftermarket activities under fair and equal conditions on a common market. Action should be taken to deal with illicit employment and challenges regarding labour law, workplace environment and the environment. This white paper focuses on health and safety at tyre centres. Other aspects that can be highlighted are the environment, labour law and profitability.

Sweden on the Front Line of Health and Safety at Work

A systematic approach to health and safety at work is based on paying attention and considering all circumstances of the work environment that may affect employees' health and safety. In Sweden, this is regulated by the Work Environment Ordinance (1977:1166) and the Work Environment Act (1977:1160). A Swedish governmental authority, the Swedish Work Environment Authority, checks that organisations are in compliance with the law. They also publish detailed specifications on how organisations need to act in order to comply with the law. The key document issued by the Swedish Work Environment Authority is the AFS 2001:1, which outlines what must be done to comply with legislation. It states that each and every company or organisation must carry out a risk analysis once a year as well as when undertaking major organisational changes.

An International View

There is a standard for workplace environments at the international level, the OHSAS 18001. This forms the basis for how safety management systems should be designed. The management system is a structure of how the organisation deals with health and safety. It includes the monitoring, evaluation and reporting of environmental performance. If the OHSAS 18001 is correctly implemented and the requirements for systematic safety at work are fulfilled, the organisation automatically also complies with Swedish law and AFS 2001:1. It could be argued that risk analysis is central not only at a national but also an international level.

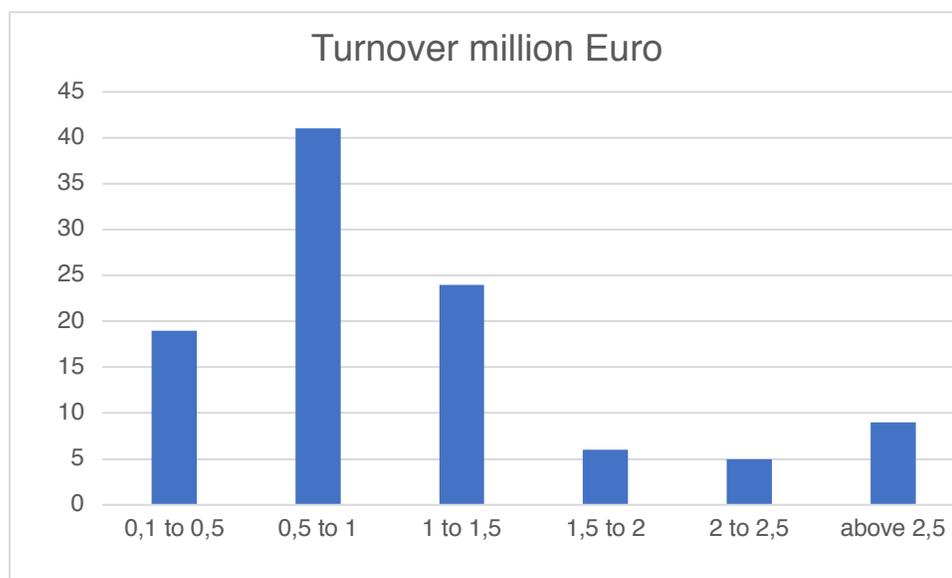
118 Tyre Centres Investigated

The inspections were carried out by the Swedish Work Environment Authority. This was done within the framework of *National supervision - A sustainable working life systematic work environment work - ergonomics (SAM-Ergo) 2018*. Glykol AB have analysed the inspection reports and this white paper is a meta-analysis.

We examined the companies' turnovers against business databases and we have assessed chain affiliation based on what the companies state on their websites. In some cases, we called the company to check information. Within the Swedish Work Environment Authority's nationwide monitoring during the year, they stated that there were 118 inspections where the organisation in question handles tyres. This is how the selection for this study was made. In our opinion, all of these companies can be described as tyre centres.

Company Size

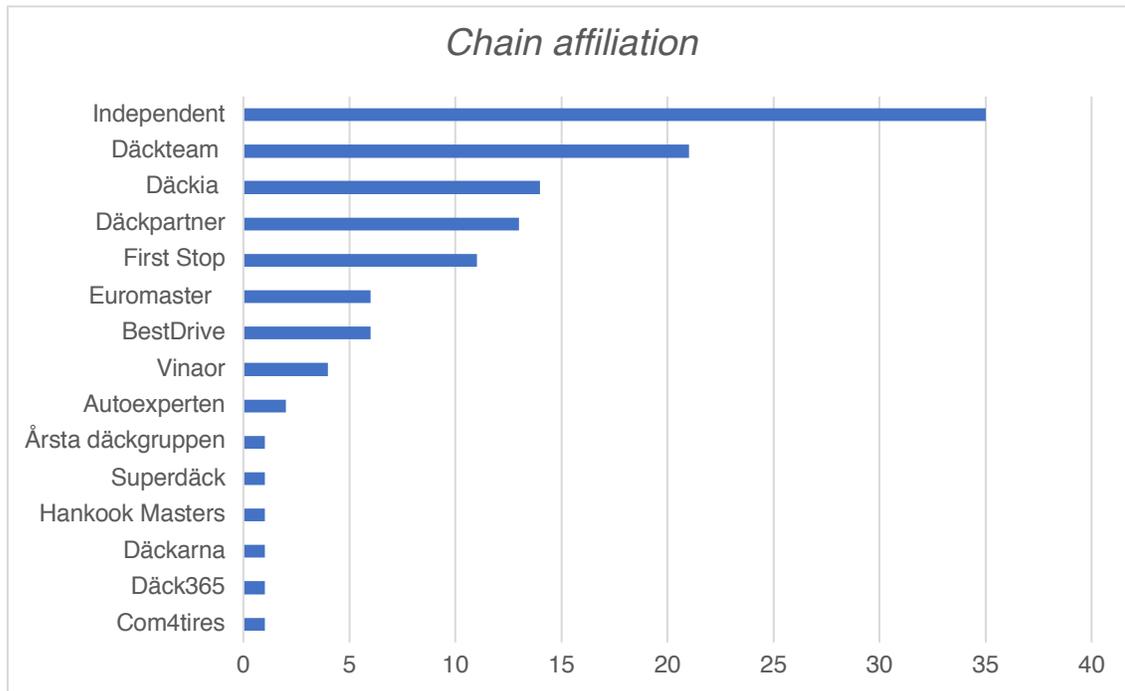
Most of the companies surveyed have sales of less than 1 million Euros. Of the workshops visited, the average is a small workshop with 3-4 employees, focusing only on tyre changes and tyre retail. The larger companies also have a broader scope of business. Their work may involve special tyres, recond, workshop services and tyre e-commerce.



Range of turnovers in investigated tyre workshops.

Tyre Centre Affiliation

17 chains are represented in the material. This means that the investigated company is affiliated with or owned by a chain brand. In cases where visiting the tyre workshop's website was not sufficient to assess whether the workshop is affiliated with any chain, these are recorded as independent. Independent tyre centres are the most common type in the survey. *Däckteam*, *Däckia*, *Däckpartner* and *First Stop* are the brands with the most affiliated tyre centres.



Tyre centre chain affiliation

Shortcomings that the Authority Requires to be Addressed

The shortcomings that the authority criticises companies for can be split up into two categories. A) First and foremost, it is about companies failing to systematically improve workplace environment, meaning that they do not have any organisation or culture addressing existing risks to health and safety. They do not carry out a risk assessment so shortcomings go unnoticed. B) The second kind of deficiency affects the practical working environment: noise, vibration, chemical hazards, ergonomics.

No. 1 - Risk assessment/analysis inadequate or not completed

The investigated tyre centres have no clear plan or routine regarding how they investigate and assess their work environment for risks. They have not sufficiently examined the physical, organisational and social working conditions within their business or assessed the risk of their employees being affected by hazards or accidents at work. The Swedish Work Environment Authority notes that risk assessment (and deficiency) is particularly important in the areas of ergonomics, noise, hand and arm vibration and chemicals. The risk

assessment should at least show what the risks are and whether they are high, medium or moderate.

No. 2 - There is no action plan

The tyre centre does not have an action plan. Even when a risk assessment is performed, it does not result in a written action plan. They also lack written action plans based on the survey and risk assessment results with measures considered necessary to prevent employees from suffering ill health or accidents at work. The aim of an action plan is to make it clear that the risk has been identified and to state whether it is considered high or not. It must be clear who is responsible for remedying deficiencies and when measures are to be implemented. By extension, the company also needs to confirm that any action taken has had the desired effect and that the risk has therefore been addressed. Many of the companies in the survey do not display this connection between risk assessment/analysis and action plan.

No. 3 - There are no routines

A routine is a description of what should be done continuously. By establishing a routine, the company determines the processes needed to ensure the quality of their business. In Sweden, an organisation must have routines describing how work is to be carried out in a safe manner, outlining different responsibilities and stating how different tasks are to be implemented. Written routines and protocols showing that the routines are upheld have been proven to ensure a better work environment.

No. 4 - List of chemicals, data safety sheets

A chemical source may be a chemical product or a chemical substance that may cause ill health or accident through its hazardous properties, its temperature or the risk of fire, explosion or other hazardous chemical reaction. It is crucial that the company has a list of all chemicals that are used within their business. It is equally important that the data sheets concerning each chemical are in good order. In addition, companies should strive to reduce their environmental impact and gradually replace any chemicals that are bad for humans and the environment with chemicals that have less environmental impact. Companies must educate employees on how to protect themselves against exposure and other risks. It must be clear how employees should act in the event of an accident involving a chemical.

No. 5. Ergonomics

The kind of work carried out in tyre centres is stressful on the body, so ergonomics is a particularly important aspect in ensuring good health and safety. Heavy lifting and heavy pulling, strenuous work positions and movements, manual handling and repetitive work all affect the well-being of employees. Companies are criticised for a lack of knowledge among managers and supervisors on how to prevent and handle unhealthy workloads. It is very common for there to be no lifting aid for the mounting and balancing machine.

No. 6. Noise

Tyre centres are criticised for not minimising noise exposure. They must ensure that employees have sufficient knowledge of the risks posed by noise. With better knowledge of the risks of not using hearing protection, employees can be more motivated to use protective

equipment. Tinnitus and impaired hearing are common consequences of prolonged work in noisy environments.

No. 7. Vibrations

Vibration exposure at work can cause problems in the hands and arms due to vascular and nerve damage. In its investigation, the Swedish Work Environment Authority focused keenly on this issue. Tyre centres are asked to examine their tools and exposure time. If stated recommended time limits are exceeded, the company needs to offer medical examinations for their employees.

Conclusions

- It is small companies that are affiliated with a brand chain.
- The companies investigated do not carry out any risk assessment.
- They do not create an action plan that states when and how shortcomings should be addressed and who is responsible.
- The company does not have access to basic written routines.
- The three most common deficiencies identified by the authority are risk analysis and an action plan, ie elements that are distributed digitally.
- A number of workshops are threatened with fines.
- Some workshops have such serious shortcomings that, if they are not remedied, operation could be shut down by the authorities (double check).
- No difference in deficiencies whether the tyre workshop belongs to a chain, is owned by a chain or is independent.
- There is a tendency for smaller tyre centres to struggle more in systematically working on their workplace environment.
- ‘The individual tyre centres are too small to set up and manage the structures that society requires. They need support from brand owners and/or industry organisations.’
- The high demands on workplace environment that exist in Sweden could be exported to other countries. Several brands in this investigation are global and have over 2,000 tyre centres across Europe. It is logical for them to address this issue at a central level and to provide their loyal tyre centres with state-of-the-art services. Their business model is a product distribution model and our experience shows that support services along these lines offered to local units are becoming more and more of a major reason to be a part of a brand, chain or franchise.
- ‘In Sweden, the industry operates tyre repair shops under fair and equal conditions on a common market. Action should be taken to deal with illicit labour and challenges regarding labour law, workplace environment and the environment. Our assessment is that this approach could also be applied throughout Europe.’

With small means, the individual tyre centre can achieve a better working environment, reduce the risk of ill health and accidents and minimise the risk of bad will and expensive demands from the authorities. The quickest way to get started is to carry out a risk assessment.

1. Carry out a risk assessment based on established knowledge of any and all risks at the tyre workshop. Be careful to document all findings.
2. Establish a formal and written action plan that lists the identified risks, how they should be addressed, who is responsible and when action should be taken.
3. Successfully remedy any shortcomings. Be sure to document all action taken.

If the above is carried out, deficiencies are discovered and a systematic approach is established to work towards a good working environment, risks relating to the physical environment, organisation and knowledge will also be addressed.

The Brand Chain Solution

In order to ensure a retail distribution model with a large number of tyre centres, a systematic approach is needed to address issues of sustainability. There are great benefits for the brands/chains when local tyre centres are supported centrally.

Today, there are web-based information services that can effectively support a large number of local units, regardless of whether there are 100, 300 or 2,000 branches that need support. Furthermore, the desired effect is achieved at each individual tyre workshop as they can access data containing brand and industry knowledge presented in an easily accessible manner.

These services support the risk analysis process in specific, targeted issues and areas. The services support the user throughout the process with accurate, up-to-date information, compliance checkpoints, proposed measures and references to regulations. The process is guided and documented automatically in accordance with external demands.

At the national and international level, the main thing to consider is how our customers can offer a high-end service to their local units and help them with their workplace environments. Not only does this generate goodwill towards the brand, but it is also central to protecting the brand's image.

Some key functions to look for when purchasing information services to support tyre centres:

- Make sure the service supplier updates the compliance checklist on a yearly basis. There must always be an up-to-date checklist based on current knowledge, rules and regulations.

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- Do not just buy a checklist. Only when people learn something can the culture change. Each compliance checkpoint should include background and educational information.
- Make sure that the service always provides recommendations on how to solve a problem. Remember that it is not enough to simply assess a risk. There needs to be a plan to rectify the problem as well as suggested corrections for all non-compliant checkpoints.
- Make sure it is a high-level IT support system. Do not underestimate the value of documentation. The system should automatically produce an action plan for handling non-compliant checkpoints.
- Make sure that the service produces documents that prove the risk assessment process, from knowledge of hazards in the environment and risk level assessment to corrective action and impacts.
- Make sure there is a reminder service to remind each person responsible to correct any non-compliant checkpoints.
- Make sure that, as brand owner, you will get access to statistics on how work at your local tyre centres is progressing. This is the only way you can secure your brand's reputation and ensure ongoing business. Does the supplier offer a dashboard or application for strategic planning?