The Road Towards an Effective Social Responsibility Guidance for the Detergents, Cleaners and Maintenance Products Sector
KEY IMPLEMENTATION REQUIREMENTS FOR CSR
Companies with integrated social and environmental strategies, governance structure and implementation underpinned by mature management systems are better prepared to face financial and non-financial risks, challenges.
If we continue on a business-as-usual trajectory, it is predicted that by 2050 we will need 2.3 planets’ worth of ecological resources to support a population of more than 9 billion.
Evolution of CSR expectations over the years

1960s-90s

“good neighbourliness”

- Philanthropy
- Solve community problems
- Voluntary codes of conduct not to spoil the communities of operation

2000s

Accountability

- Increased transparency and reporting
- Stakeholder engagement
- Focus on environmental footprint reduction
- CSR pressures in the supply chain
- Environmental certifications

Now

Social innovation

- Product and service innovation to solve environmental and social problems
- Integration of CSR in the business model
- Multi-stakeholder approach to CSR
There is a Business Case..

Social Purpose as Purchase Trigger
When quality and price are the same, Social Purpose most important factor

Growth from 2010
- Japan (100%)
- China (79%)
- Netherlands (43%)
- Germany (36%)
- India (43%)

Src: Edelman Goodpurpose, 2012
There is a Business Case..
...Which is Reason to Act

- Attracting and retaining talented, motivated and committed employees
- **Social Branding differentiates** business from competitors
- Winning and retaining **consumers** and **business customers**
- Securing **operating licenses** in the local communities
- Responding to **new CSR requirements** (public/private)
- Building positive **reputation**
- Managing **risk**
- Achieving **efficiency and cost savings**
- **Products, services and processes innovation**
- Providing **innovative solutions to social problems**

Maximizing long-term profitability
HOW TO DO IT?
Sustainability Vision & Governance Structure

Risk Assessment

Strategic Stakeholder Engagement & Materiality Analysis

Policy (commitment) & Staff Trainings

Performance Management

Supply Chain Engagement

External Reporting

Integrate Manage Measure Report
FAIR OPERATING PRINCIPLES
Expectedations

• Tax Payments and Disclosures
• Anti-Corruption and Bribery
• Fair Competition
• Responsible Selling / Responsible Marketing
• Responsible Purchasing and Supply Chain
• Respect for Property Rights
• Responsible Growth and Innovation
Good Practice Case Study

Laurens Metternich

Spectro B.V.
CSR Workshop 2015
Fair operating practices

Laurens Metternich
Co-Owner
Manufacturer of sustainable and innovative cleaning agents and concepts for professional use.
- Family Company
- Founded in 1986
- 45 Employees
- ISO 9001
- Member of:
Sustainable cleaning is about the product and the use of it.
5.1 Tax payments and disclosure

5.2 Anti-corruption & bribery

<table>
<thead>
<tr>
<th>Description</th>
<th>Realisatie 2012</th>
<th>Realisatie 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aantallen behandelde aangiften Inkomensheffing</td>
<td>855.000</td>
<td>1.076.000</td>
</tr>
<tr>
<td>Aantallen behandelde aangiften Vennootschapsbelasting</td>
<td>28.400</td>
<td>29.100</td>
</tr>
<tr>
<td>Aantallen boekenonderzoeken</td>
<td>30.000</td>
<td>41.000</td>
</tr>
<tr>
<td>Aantal horizontaal toezichtconvenanten met grote ondernemingen</td>
<td>1.620</td>
<td>1.796</td>
</tr>
<tr>
<td>Aantal MKB ondernemingen onder een horizontaal toezichtconvenant</td>
<td>87.000</td>
<td>89.000</td>
</tr>
</tbody>
</table>

Source: Dutch Tax and Customs Administration report 2013
5.3 Fair competition

- ‘Outside its war’
- Try to compete on product and service, not on price
- Help customer with fair price comparison
- Innovate

https://www.youtube.com/watch?v=itvYetQEpjM
5.4 Responsible selling
• We make cleaning agents
• Biodegradability according EU regulation
• Biocide claims

5.5 Responsible purchasing and supply chain
• One purchaser
• Auditing suppliers
• No outsourcing
5.6 Respect for property rights
• Find good partners
• Protect your brand names, trade marks, designs and domain names
• Always try to find a solution

5.7 Responsible growth and innovation
• The future is innovation and sustainability
• Partner up: microfiber technology
• Invest in your facilities and people
• Family companies: Talk with your family
Thank you
Questions for Discussion

• Is there anything you don’t understand from the expectations?
• Is there anything that you think is too high an expectation, redundant or missing?
• How is your company dealing with these issues?
• Do you know about other good or bad practices in the sector?
COMMUNITY INVOLVEMENT & DEVELOPMENT
Expectations

• Community Involvement Framework and Strategy
  – Selection
  – Planning
  – Implementation

• Community Involvement Programmes
Social Contributions: the more strategic the better

- Expectations are that the social contributions have
  - A close link to core business issues
  - Are done in partnership with non-governmental organisations

- Leading companies
  - Have strong strategic focus and their own project management
  - Give strong guidance to and involve their national affiliates and retailers
  - Leverage at least with key stakeholders and employees

Src: CSR Europe research, 2011
A Simple Framework to Check How Strategic Projects Are

<table>
<thead>
<tr>
<th>Project / programme characteristics</th>
<th>Adhoc community projects</th>
<th>Strategic community involvement</th>
<th>Shared-value creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Strategic focus</td>
<td>No focus / no link to business</td>
<td>Some focus on core issues, also other areas</td>
<td>Strict focus on core business issues</td>
</tr>
<tr>
<td>2. Visibility</td>
<td>Limited</td>
<td>Focus on key stakeholders and employees</td>
<td>Wider audience including customers</td>
</tr>
<tr>
<td>3. Control</td>
<td>Just donations</td>
<td>Donations with strict follow up</td>
<td>Strong company project management</td>
</tr>
<tr>
<td>4. Centralisation</td>
<td>Affiliate autonomy</td>
<td>Incentives &amp; guidance to affiliate programmes</td>
<td>Centralised, where possible, regional programmes for better impact</td>
</tr>
<tr>
<td>5. Sales involvement</td>
<td>Non existing</td>
<td>For visibility only/ Small role</td>
<td>Active role of sales</td>
</tr>
</tbody>
</table>
Good Practice Case Study

Jean-Serge Mondo
Vandeputte Group
Community Involvement & Development.

Examples

Good practice presentation.

AISE workshop on CSR industry guidance.
Vandeputte at a glance.

- Family owned company located in Mouscron – Belgium.
- 2 major activities:
  - Linseed oil and Oleochemicals. (Worldwide)
  - Soap and detergents. (Western Europe)
- About 230 employees.
- Soap and Detergent activities:
  - Liquid detergents and soaps;
  - Private label products;
  - Contract manufacturing.
Community: which stakeholders?

- Schools and universities
- Other companies and professional organisations
- Administrations and authorities (local, regional, federal, ...)
- Neighbours (people living close to the factory)
- Artists
- Non profit organisations (Food Bank, ...)
## Community involvement: some actions.

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>What?</th>
<th>Why?</th>
<th>Strategic focus?</th>
<th>Visibility?</th>
</tr>
</thead>
<tbody>
<tr>
<td>School and universities</td>
<td>Visiting trainees</td>
<td>Prepare future hiring – networking – assistance on projects</td>
<td>Limited</td>
<td>Limited to schools and universities</td>
</tr>
<tr>
<td>Other companies</td>
<td>Local HR and HSE managers committees</td>
<td>Networking – learn lessons from peers</td>
<td>Limited</td>
<td>No</td>
</tr>
<tr>
<td>Professional organisations (AISE, DETIC, Essencia)</td>
<td>Participation to taskforces and technical committees</td>
<td>Contribute and stay informed - networking</td>
<td>Limited</td>
<td>Limited</td>
</tr>
<tr>
<td>Professional organisations (AISE, DETIC, Essencia)</td>
<td>Member of pilot project for environmental labelling</td>
<td>Contribute and stay informed</td>
<td>Limited</td>
<td>Limited</td>
</tr>
<tr>
<td>Professional organisations (AISE, DETIC, Essencia)</td>
<td>Participation to boards and steering groups</td>
<td>Represent SMEs</td>
<td>Limited</td>
<td>Limited</td>
</tr>
</tbody>
</table>
### Community involvement: some actions.

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>What?</th>
<th>Why?</th>
<th>Strategic focus?</th>
<th>Visibility?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neighbours and local authorities</td>
<td>Consultation committee with City and neighbours</td>
<td>Requested by regional authorities</td>
<td>No</td>
<td>Limited</td>
</tr>
<tr>
<td>Non profit organisation</td>
<td>Products given to Food Bank</td>
<td>Philanthropy - Recycling of useable but non saleable products</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Artists</td>
<td>Sponsorship for CD recording</td>
<td>Promote local artist and contribute to company 125th birthday celebration</td>
<td>No</td>
<td>Limited</td>
</tr>
<tr>
<td></td>
<td>Movie financing through Tax shelter system</td>
<td>Reduction of taxes</td>
<td>No</td>
<td>Potentially wide audience</td>
</tr>
</tbody>
</table>
Other examples: individuals initiatives.

- Member of management board of local Chamber of Commerce.
- Members of local Junior Chamber International (JCI)
- Participation to board of examiners in universities and high schools.
- Reading sessions in Dutch for French speaking kids
- Member of a local non profit organisation for children in difficult situations.
- ...
- No real “company” decisions but positive feedback on Vandeputte image and improved networking.
Thank you !
Questions for Discussion

• Is there anything you don’t understand from the expectations?
• Is there anything that you think is too high an expectation, redundant or missing?
• How is your company dealing with these issues?
• Do you know about other good or bad practices in the sector?
HUMAN RIGHTS
UN Guiding Principles and increased expectations towards companies

“These Guiding Principles apply to all States and to all business enterprises, both transnational and others, regardless of their size, sector, location, ownership and structure”

Reference in international instruments...
OECD Guidelines, ISO 26000, UN resolution on binding treaty

... Picked up at EU level and national level
EU Dir. Non-Financial information, EU regulation on conflict minerals, EU Guides, National Action Plans

And increased publicity
Rana Plaza; annual UN Forum on Business and Human Rights

INCREASED EXPECTATIONS TOWARDS COMPANIES
to meet the corporate responsibility to respect human rights
Expectations

• Human Rights Statement

• Due Diligence
  – Risk Assessment
  – Prevent & Mitigate
  – Track Effectiveness
  – Communicate

• Remediation
EU Developments on Business and Human Rights

“The European Commission expects enterprises to meet the corporate responsibility to respect human rights as defined in the UN Guiding Principles”

► EC invited EU Member States to develop national plans for the implementation of the UN Guiding Principles

► EC developed business and human rights guidance:
  ✓ For Small and Medium Enterprises
  ✓ Sector-specific guidance for the following sectors:
    (1) Oil & Gas sector
    (2) ICT sector
    (3) Recruitment and employment agencies

► Directive on disclosure of non-financial information to increase European companies’ transparency and performance on environmental and social matters

► Draft regulation on conflict minerals’ due diligence

► De-mystifying Human Rights for SMEs – a report from the European Commission (5 case studies)

Click here to access the EC guides: LINK
Case Studies

1. Human rights are relevant to "ordinary" European SMEs

2. Ordinary European SMEs don't have to start from zero when addressing human rights: they often have attitudes, policies, processes and practices on which they can build, even if they have not explicitly addressed human rights before

Source: "De-mystifying Human Rights for SMEs – a report from the European Commission (with 5 case studies)"
Case Study: Sealock

SEALOCK operates in the business to business market, and is specialised in formulating water-based adhesives and hot melting adhesive products intended for manufacturers of packaging, graphic arts, woods, construction products and high technologies.

<table>
<thead>
<tr>
<th>Human Rights Expectations</th>
<th>Sealock Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Human Rights Statement</strong></td>
<td>“Human Rights is a philosophy”</td>
</tr>
<tr>
<td><strong>Risk Assessment</strong></td>
<td>Most relevant Human Rights risk for SEALOCK concern health and safety, i.e.</td>
</tr>
<tr>
<td></td>
<td>- right to a safe and healthy work environment,</td>
</tr>
<tr>
<td></td>
<td>- the right to physical and mental health,</td>
</tr>
<tr>
<td></td>
<td>- and the right to life</td>
</tr>
<tr>
<td><strong>Prevent &amp; Mitigate</strong></td>
<td>Compliance with the law is a key concern for SEALOCK and is included in its general policy statement. SEALOCK aims to respect all relevant laws, including labour and environmental laws. · SEALOCK has undergone an evaluation against the ISO 26000 guidance standard on social responsibility. · The company has a &quot;Quality, Safety, Environment&quot; management plan, with an accompanying training program. There are regular safety briefings recalling the essential rules on health, safety and environment.</td>
</tr>
<tr>
<td><strong>Track Effectiveness</strong></td>
<td>SEALOCK has developed quantitative key performance indicators (KPIs) for health and safety. It tracks these KPIs on a monthly basis, and communicates the results to its employees, and when required also to public authorities.</td>
</tr>
<tr>
<td><strong>Communicate</strong></td>
<td>We have reinforced communication between the different departments in the company. (No apparent external communication)</td>
</tr>
</tbody>
</table>
Questions for Discussion

• Is there anything you don’t understand from the expectations?
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LABOUR PRACTICE
Expectations

• Decent Work
  – Job Creation
  – Rights at Work
  – Social protection and social dialogue
• Human Development and Training in the Workplace
• Main stakeholders: ILO, UN, EU, local legislation
• Frameworks: UN Global Compact, GRI, ILO

“There’s no magic formula for great company culture. The key is just to treat your staff how you would like to be treated.”

Permanent employment

Collective Bargaining

Worker representation

Comply and surpass

Labour Law

Superannuation and retirement

Red card to child labour
Good Practice Case Study

Benoît Choplin
Promer
Headquarter: Villeneuve d'Ascq (F-59)

Since 1913: washing soda and bleach.
2005: Sales customers of bleach and diversification

Consolidated sales 2014: 3.3 ME
32 people

Familian group, actually transmitted (from the 3rd to the 4th generation).

Management Review (head): 10 people
Average age of the Management Review: 32 years.
Since 2005: Diversification
From a price industry: rates, cost leadership, vertical industry
To a premium industry: value-added marketing, marketing position, perfumes, ecology...

Computer very present,
- Systematic computerization of all tasks in a single internal software (project management, quality, R & D, Production, Logistics, messaging, database, ...)
- Digitisation of customer administrative relationship (command, logistics, product datas, prices, etc...).
- Computerization of regulation (FT, MSDS, labels, alls déclaration to authority ...) DAMI system.

Internal manufacturing of our production tools
- Choosing a very flexible tool to provide private label in small series (1P).
CULTURE

- Family business (4th generation to date)
- Strong paternalism towards participative management
- Strong industrial verticality
- Industrial and non-commercial Culture

VALUES

- Environment protection into our decisions,
- Will the development of the employee,
- Transparency in our internal and external approaches.

DECISIONS

- Strategy Committee (monitors the transmission)
- Weekly Review process (sales & Industrial Sectors).
- Management with real time indicators, with visible screens (vision 2020)
PROBLEM

For a little firm, facing a highly competitive environment, without means, how can we retain talents (X or Y Generation)?

THE SOLUTION

2020 Vision: *(launched in mid 2013, deployed in 2014)*

Building Promer 2.0: The most beautiful industrial revolution of a centennial firm.

3 revolutions:
- Economic, environmental, and social.
Economic component:
Recycling project of little packaging (plastics caps): Tested in 2015,
Connected objects for the BtoB cleaning
Reflection "Function Economy"
Concentrated range on more and more products

2007: ISO 9001 Standard
Implementation of the documentary system,
Procedures Manual Online (as "key support software"), management of
nonconformity online
Environmental indicators: from the green washing to green watching ...

Action on the 4 elements:

→ Bee Acting: 1.2M of bees sponsorshiped since 2013 (about 33 hives)
→ Tree Acting: 4,000 trees planted since 2013,
→ Sea acting: Projects under consideration (plastic ocean, coral, ...)

Mixing system-0 release (full recycling water).
Investments for energy saving (-50% between 2007 and 2011).
Cold Process on 98% of the volume (and heat recovery pour 2%)
Choice of materials according to dangerousness, according to sources, allergen, ...
2009 ISO14001 Standard - a signatory to the Charter for Sustainable Cleaning.
Reducing packaging weight, concentrated range launch
Hunt carbon (-85% between 2007 and 2011) through the performance, and the kind of energy (from gaz to Electricity, and then green electricity)
→ Objective 0-carbon for the COP21st (compensation after -90% since 2007).
The 4 elements

- Stock Biodiversity
- Actions on reducing energy
- Actions on the air quality
- Reducing the impact on the aquatic environment

Man at work (OHSAS 18001)
BS OHSAS 18001
MSDS online with new versions pushed to readers in real time (not a fixed document).

Homeworking: concern 66% of the workforce.
Total Cloud software: Complete overhaul of the software to enable this new way of working; mid-2015, 50% of the administrative staff is homeworking on 40% of his time.

Increased productivity of 20 to 30% depending on the work.
We are thinking about operational services for administrative tasks.

3 brakes:
- The confidence,
- The legal vacuum in France,
- Datas security.
→Communication with employees
When the problem of trust is well explained, the employee makes requests and controls procedures (activity monitoring, research and development of new performance indicators, ...).

→Setting up a telework Charter (without legislation):
- Possibility of increasing with seniority (confidence)
- Consideration of SMT (photo workstation)
- Warning on accidents of quotidian life, (coffee machine burning, stair falls, ... are not a professional accident).
- Agreement on the willingness of the two parties (the employee requests, not the reverse).
- Specific possibility (sick child, fever, pregnant woman, broken leg, ...).

→Security. To date, the risks identified are not different
- Identification of couples person / IP address.
→ Experiment shows that telework is an investment with very fast profitability (productivity, wage advantage very important for employees and inexpensive for the firm, and anyway it is an obligatory passage in the coming years).

→ In the Non-conformities management system, we added a type: the "Yes-conformities". This point groups customers congratulations, and allowed to analyze the success (as important as failures analyse) This also allows a team leader to have a framework to congratulate his team (it is not easy for some people to congratulate).
Our internal speech:

There is nothing attractive to sell detergents, but color that you give to this business is very exciting. And in this particular color, there is the "How" and "Why" ?.

Feeling bottle, buying plastic, selling detergents is not our job, our job is just «to make Revolution in everything».
Questions for Discussion

• Is there anything you don’t understand from the expectations?
• Is there anything that you think is too high an expectation, redundant or missing?
• How is your company dealing with these issues?
• Do you know about other good or bad practices in the sector?
NEXT STEPS: SR GUIDANCE, TOOLBOX, CONTINUOUS IMPROVEMENT
Due Diligence

Integrate
Manage
Measure
Report
The SR Guidance Toolbox

• Contains a self-assessment and a good practice collection
• Self-assessment:
  – Provides tailored information on where the company stands against expectations of the sector guidance
  – CSR Europe will develop tool by end of June
  – 5 A.I.S.E companies to test by mid July
  – CSR Europe to update and deliver tool by end of August
Next Steps

• Finalising SR Guidance
• Developing the toolbox
• Communicating on SR Guidance & toolbox
• External stakeholder dialogue
• Monitoring, reporting?
Thank you for your attention and contribution!