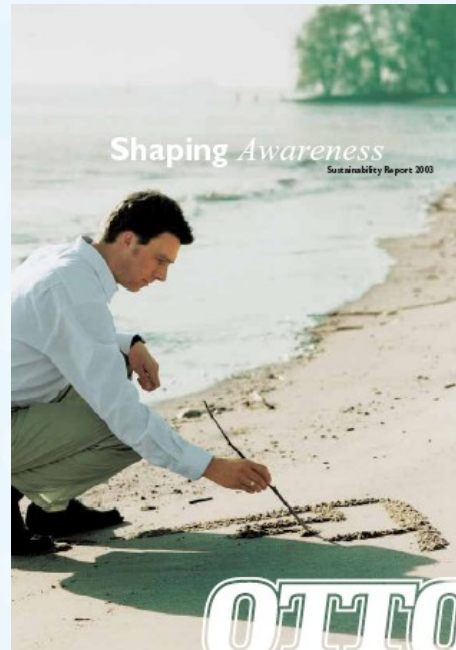# Why is CSR important?
Companies report about their CSR activities

Why is CSR important?
Investors want to be informed.
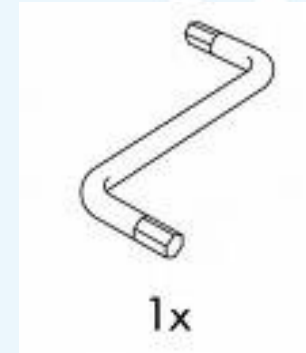
Benchmarks

Why is CSR important?

Brand value / Reputation!

- Very successful company

- Europe (25 countries), North America (2), Middle East (4), Asia Pacific (7)

- Very strong brand recognition and reputation, build over years and …..

Why is CSR important?

SR International - Radio Sweden

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PROGRAMS

→ This Is Radio Sweden
→ In Our Archives

In Today's Program

With Ireland voting in a new referendum, and a setback in the Czech Republic, the Swedish EU presidency faces continued uncertainty over the Lisbon Treaty.

It's now OK for a guy to be called Maria, or for a woman to be Sven.

But is prayer OK as

Ikea to Investigate Feather Producers

Swedish furniture giant Ikea will look into whether feathers used in their products could have been plucked from live geese. Following an investigation carried out by journalists on the Swedish programme Kalla Fakta it was discovered that out of a large percentage of down producers pluck their feathers from live birds – a process which is said to be very painful.

Out of the 39 producers in Poland, Hungary and China which were contacted, 90 % answered that they use live geese.

According to Ikea, all the feathers and the down used in Ikea goods are bi-products of the food industry. Ikea also says that previous inspections of the producer had not yielded any reasons for concern, but that if it turns out live geese are used, it will not be acceptable.

Several other Swedish furniture and bedding chains have subsequently stated that they are ready to remove items from their stock, or at least sharpen the controls on feathers and down producers in the future.

LATEST PROGRAM

INSIDE SWEDEN

Each day's broadcast is available from around 14:30 hrs UTC.

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From October 25 Radio Sweden will only be publishing our broadcast

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BINNENLAND   BUITENLAND   ECONOMIE   SPORT   BOULEVARD   MUZIEK   FILM   AUTO   OPMERKELIJK

ZOEK IN ARCHIEF

Do 1 okt 2009   15°C   126 km

BINNENLAND

Ikea haalt donzen dekbedden en kussens uit winkel

(Novum) - Ikea haalt een dekbed en een kussen met ganzendons en -veren uit het assortiment. De producten bevatten mogelijk dons en veren van levend geplukte ganzen, schrijft het bedrijf in een brief aan dierenbeschermingsorganisatie Wakker Dier. Ook kondigt Ikea aan een oogje in het zeil te houden en geen zaken meer te doen met pluimveehouderijen die wel levende ganzen plukken.

De Zweedse meubelgigant stelt begin februari met externe controleurs onderzoek te hebben verricht naar de Chinese dons- en verenbranche. Dat gebeurde nadat een Zweedse documentaire werd uitgezonden over de activiteiten van Ikea met betrekking tot het plukken van veren en dons van levende vogels.

Het eigen onderzoek van Ikea zou uitwijzen dat toeleveranciers waarmee Ikea werkt levende ganzen hebben geplukt. De onderneming komt tot de conclusie dat ook producten van haar veren en dons van levende vogels kunnen bevatten. "Wij accepteren absoluut geen dierenmishandeling", zegt een woordvoerder van Ikea.

Het bedrijf stelt dat alleen het dekbed Mysa Olvon en het kussen Gosa Näva ganzendons en -veren bevatten. Deze producten haalt Ikea daarom gefaseerd uit het assortiment. Vernietiging van bestaande producten ziet het bedrijf niet zitten, schrijft de Nederlandse tak van de onderneming in de brief. "Dat heeft volgens ons geen zin."

Verder geeft het bedrijf in de brief aan een traceersysteem voor dons en veren te gaan ontwikkelen. Het systeem moet ervoor zorgen dat het bedrijf ook weet wat er bij bijvoorbeeld toeleveranciers gebeurt, aangezien het vooral daar mis bleek te gaan.

Plukken van levende ganzen gebeurt volgens Wakker Dier omdat het dier dan tijdens zijn leven meerdere keren kan worden gebruikt. Dat levert meer rendement op.

Uitgegeven op Dinsdag 17 februari 2009 om 11:01:04 , bijgewerkt om 12:27:59

Home Arts **Business** Crime Education Entertainment Environment Food Health Internet Lifestyle Politics Religion Science Sports Technology Travel World

More: Blogs» Images» TV» Groups» Live Events» Alerts» Event calendar» Help» Search

Ikea drops live-plucked Chinese down bedding from shops

Published Feb 17, 2009 by ■ Adriana Stuijt - 12 votes, 1 comment

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Photo by DigitalJournal.com

Canadian Geese

⬆ Vote up this image!

Swedish furniture giant Ikea is phasing out its Mysa-brand down bedding from all its shops - because the down may come from Chinese fowl which were plucked while the animals were still alive. China produces 80% of the world's down and feathers.

Ikea told animal-rights organisation *Wakker Dier* in The Netherlands on February 17 that Swedish researchers discovered the cruel practice and warned that its goose-down bedding could also contain these cruelty-driven products. The Chinese down-traders are livid - denying that the practice is widespread.

China produces 80 percent of the world's supply of down and feathers, of which 90 percent are from ducks and 10 percent from geese. Industry sales hit 1.88 billion U.S. dollars last year, according to the CFDIA data.

Wakker Dier said it had asked Ikea to take steps to phase the product from their shops - and the company acknowledged the veracity of the research. see

They are also setting up a new tracing system which will allow them to ban trading partners found guilty of animal-rights abuses like this, they said.

Wakker Dier wants a total ban on the trade of goose down products which were plucked from living animals and an inspectorate label should be introduced too, it said.

📄 **Local News** Edit countries ✕

Latest from: Colombia

- Venezuela Admits It Will Buy Missiles From Russia
- Premier League Victories for Chelsea and Manchester United
- Chavez ends Russian visit with purchase of 'some little rockets'
- New video of Colombian hostages released
- Oliver Stone: US media, government demonize Hugo Chavez

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The torture of geese in Poland, Hungary and China

Page 1 of 2   **1**   2   >   ▽

LinkBack ▽   Thread Tools ▽

Dan
Member
Online

Join Date: Aug 2008
Location: Sweden
Posts: 1,299
Photos: 485

The torture of geese in Poland, Hungary and China   #1
03-02-2009

I would like to tell you about a tv documentary that has caught quite a stir here in Sweden. It was shown on one of our most reputable channels, TV4 nad the debate has been raging in all our leading newspapers.

An "underground investigative team" with hidden cameras has researched the goose feather industry - you know... goose feathers, the kind of stuff our cushions, winter clothes etc are filled with.

It seems that a fairly common custom is to pick the feathers out of living geese - not dead and slaughtered geese. The practise is forbidden in the EU, but apparently this law is not enforced in Poland and Hungary, according to the documentary. The footage shown is revolting. The geese scream in their pain. The biggest wounds resulting from the torture are hastingly sown together by their tortureres - so that the animals will not bleed to death but be ready for another "treatment" later on. The geese have to endure this torture 3-4 times before slaugther, unless they are especially unlucky and after this torture are being sent to one of these farms where they are force-fed to enlarge their liver before death finally release them from human torture.

A leading Swedish veterinary, commenting on the footage, called the practise... yes "TORTURE" and compared it to ripping out the hair of a human skull. "Double torture"... "...their lives are Hell on earth", was the commentary of the veterinary - Johan Beck-Fries - member of a Swedish governmental commission. Our Agricultural Minister sad he was "outraged" and would raise the matter with his Hungarian colleauge (hopefully also with his Polish).

According to the documentary, the practise is most common in China (SURPRISE!) but I will not go into that now - I know that even mentioning China is a lost cause from the beginning.

Most retailers in Sweden have already publicly commented on the issue. One of our leading department store chains - Åhléns - have immediately stopped the sale of goose feather goods and offer any consumer a refund on their purchased goose feather products. IKEA are taking measures etc.

But I would like to encourage forumsters from Poland and Hungary to protest against this barbaric procedure in any way you can! Find out all about it and do what you can in your countries, PLEASE!!!

Why is CSR important?
we talk about responsibility

Nationally and internationally operating companies have a responsibility towards their employees, customers, as well as their supply chain.

- Customers ask for information.
- Employees would like to know.
- Consumer magazines report on CSR.
- Analysts and investors show interest.
- NGOs question the corporate approach
- Globalization/free flow of information ⇨ Empowered stakeholders

Why is CSR important?
we talk about responsibility and concern

Nationally and internationally operating companies have a responsibility towards their employees, customers, as well as their supply chain.

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Besides the willingness to take responsibility, many companies are concerned about their reputation and risk management.

Governments

Company values

Legislative compliance:
- Consumer health and safety
- Environment

NGOs

Public pressure:
- Replace dangerous chemicals
- Brands: responsibility for
  supply chain

Company policy

Clients

- Products according to specs
- High quality assurance

Consumers
Consumer products

Expect:
- Safe products
- Good circumstances

Purchase requirements:

-**Social**
-**Product safety**
-**Environmental**
-**Quality**

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Implications for the supply chain
More and more requirements into the supply chain!

Retailers

Governments

NGOs

Consumers

EU Importer

Requirements

Supplier of garments

Requirements

Supplier of textiles, accessories
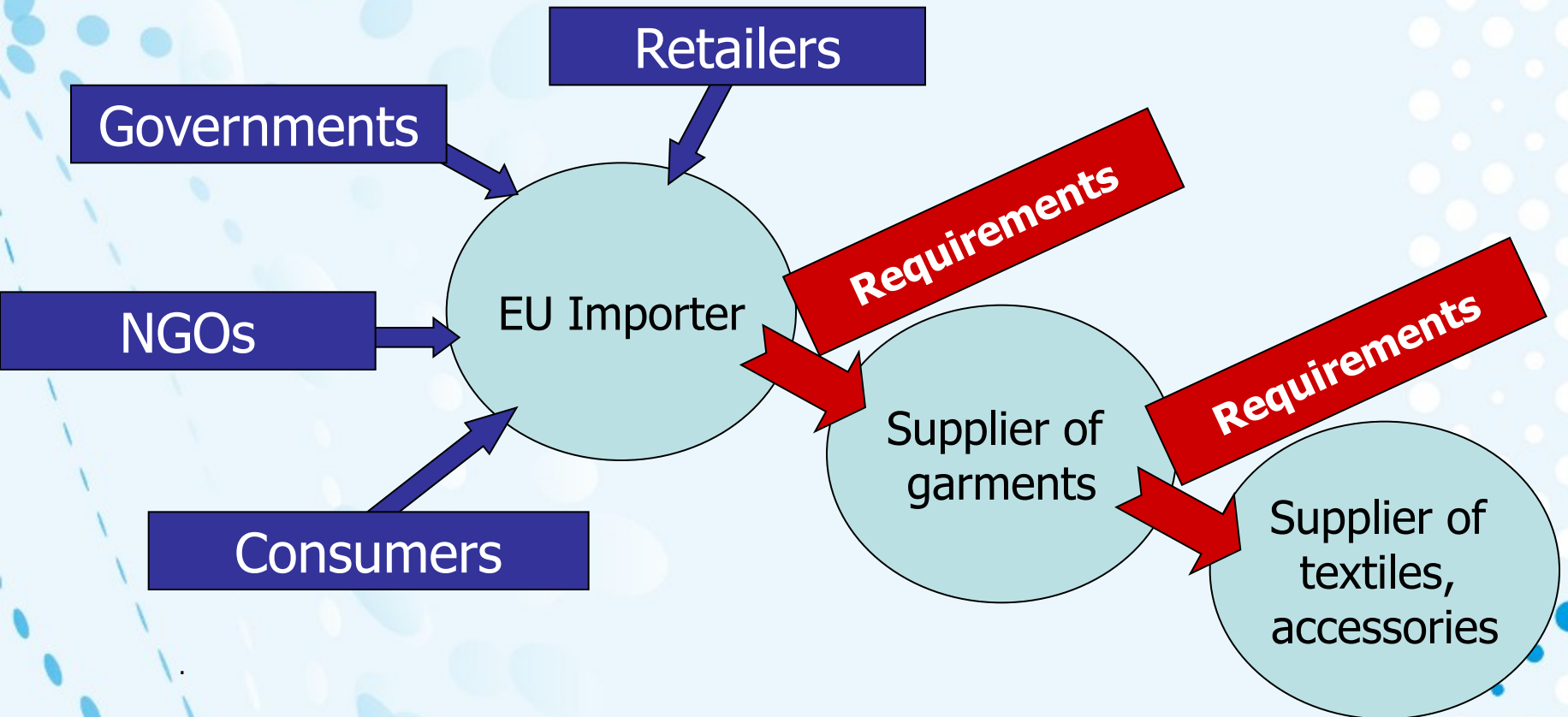
Why will (C)SR be even more relevant tomorrow? (trends)

- A shift from niche to mainstream (NOP)
- A stronger focus on chain responsibility
- A growing role of the financial sector
- More [C]SR Reporting
- Globalization & Outsourcing

Result = more companies will (need to) address CSR

➢ Public Private Partnerships (e.g. Sony/WWF)

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In fact......

Many Market [Access] Requirements originate from CSR policies

&

Many requirements can be dealt with through a [C]SR policy

Agenda MAR: some answers
an overview on Market Access Requirements
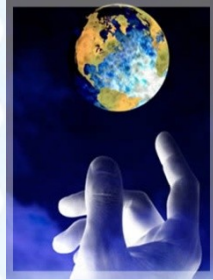
1. How relevant are MAR?

2. What are the origins of MAR?

3. Why and what are Legislative Requirements?

4. Why Buyer Requirements?

5. How to comply?

- What is [C]SR
- Triple P
- Supply chain
- CSR is important now and even more relevant in the future
- [C]SR basis of buyer req.

Agenda MAR: some ?'s to answer
an overview on Market Access Requirements

1. How relevant are MAR?

2. What are the origins of MAR?

3. Why and what are Legislative Requirements?

4. Why Buyer Requirements?

5. How to comply?

Working on MAR
How to ensure compliance

How to manage risks & create opportunities?

Step 1 Identify relevant buyers' requirements

- CBI database search by product group
    – Legislative and non-legislative requirements

- Internet search Codes of Conduct
    – Potential buyers
    – Sector codes

    ⇨ Assignment

Working on MAR
How to ensure compliance

Step 2 assess your position and ambition

- Baseline analysis
- Compliance to legislation
- Extent to which buyers' requirements are met
- Risk management versus market opportunities
- Stakeholder expectations
- Scope of responsibility & influence (boundaries)
- CSR ambition ⇔ responsibility / market strategy
- Build support within company & among stakeholders

.

Working on MAR
How to ensure compliance

Step 3 Develop a code of conduct

- Company Code
- Sector Code
- Region Code
- People planet and profit
- Suppliers code

Use examples in CBI database

⇨ CoC builder CBI Database!

Working on MAR
How to ensure compliance

Step 4 Identify areas of improvement

- Priorities, objectives, procedures
- Checklists

Step 5 Show performance and compliance

- Reporting
- Certification of management systems
- Labels

.

From compliance to value creation
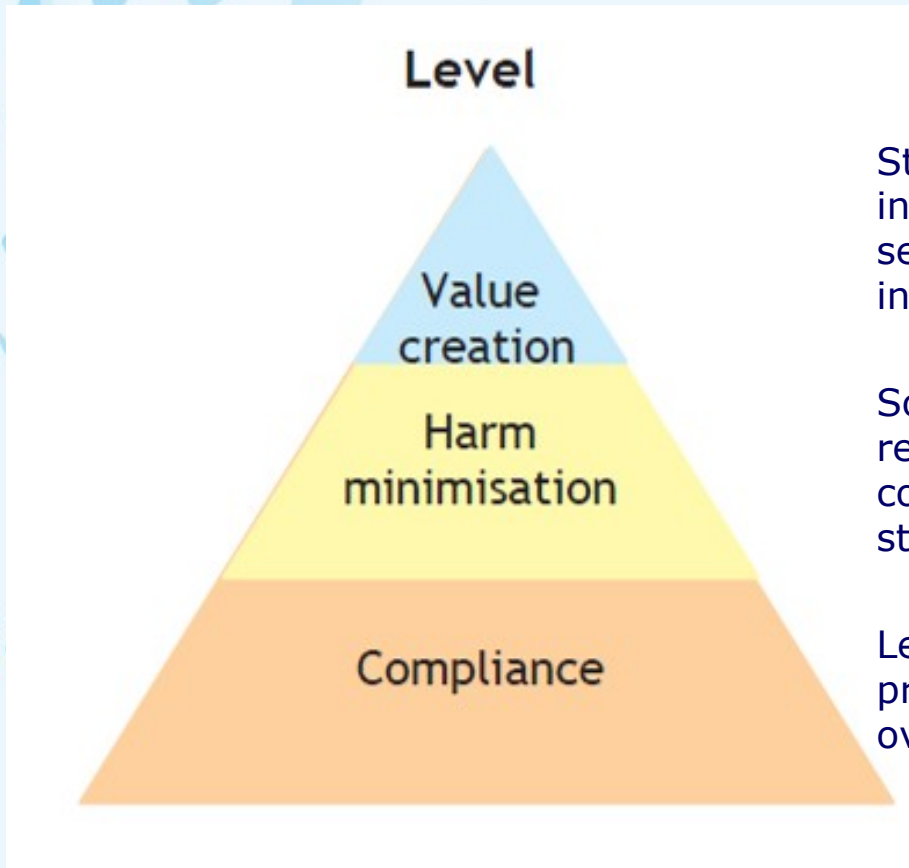
Strategic alignment towards CSR, community involvement, stakeholder dialogue, multi-sector partnerships, social investment, institution building, CSR-oriented advocacy

Social and environmental auditing and reporting, voluntary standards, codes of conduct, multi-sector partnerships, stakeholder dialogue, eco-efficiency measures

Legislation, inspection, criminal and civil prosecution, foreign direct liability (for overseas subsidiaries), industry standards

Market access requirements: combination of legislation & market demands

Legislation

Consumer / User Health and Safety

CE Marking / Reach

Environment

E.g. Packaging, WEEE, RoHS, Cadmium

Market driven

Market access requirements set by buyers
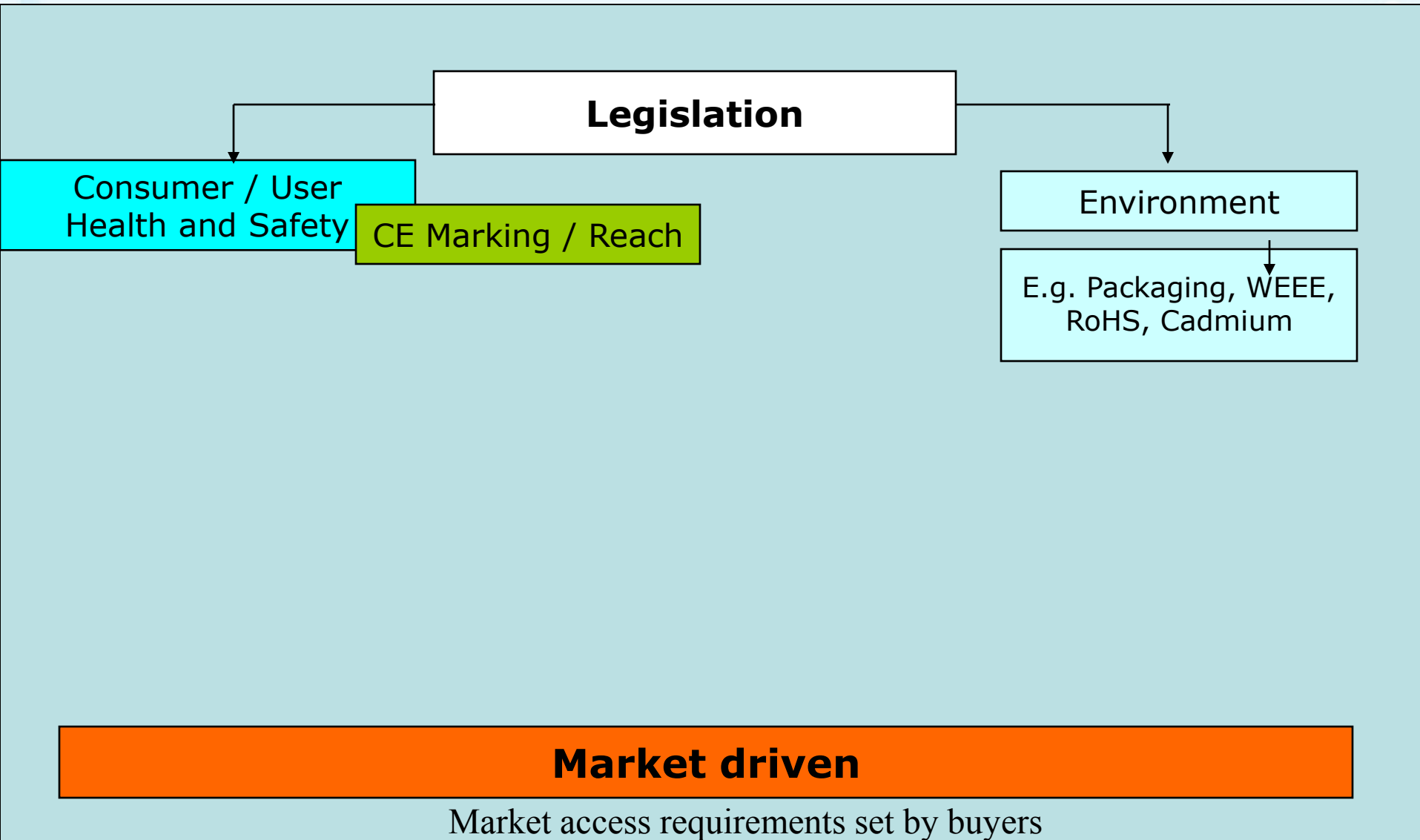
Relevant Legislative framework

- Product requirements and liability
- CE
- REACH

Directive 85/374/EEC product liability

- European legislation has approximated laws of the Member States concerning liability for products in order to ensure a high level of consumer protection against damage caused to health or property by a defective product. The injured person has three years within which to seek compensation.

- **Scope**: the Directive applies to movables which have been industrially produced, whether or not incorporated into another movable or into an immovable.
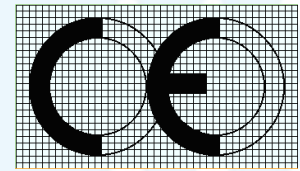
A bit of EU history on CE
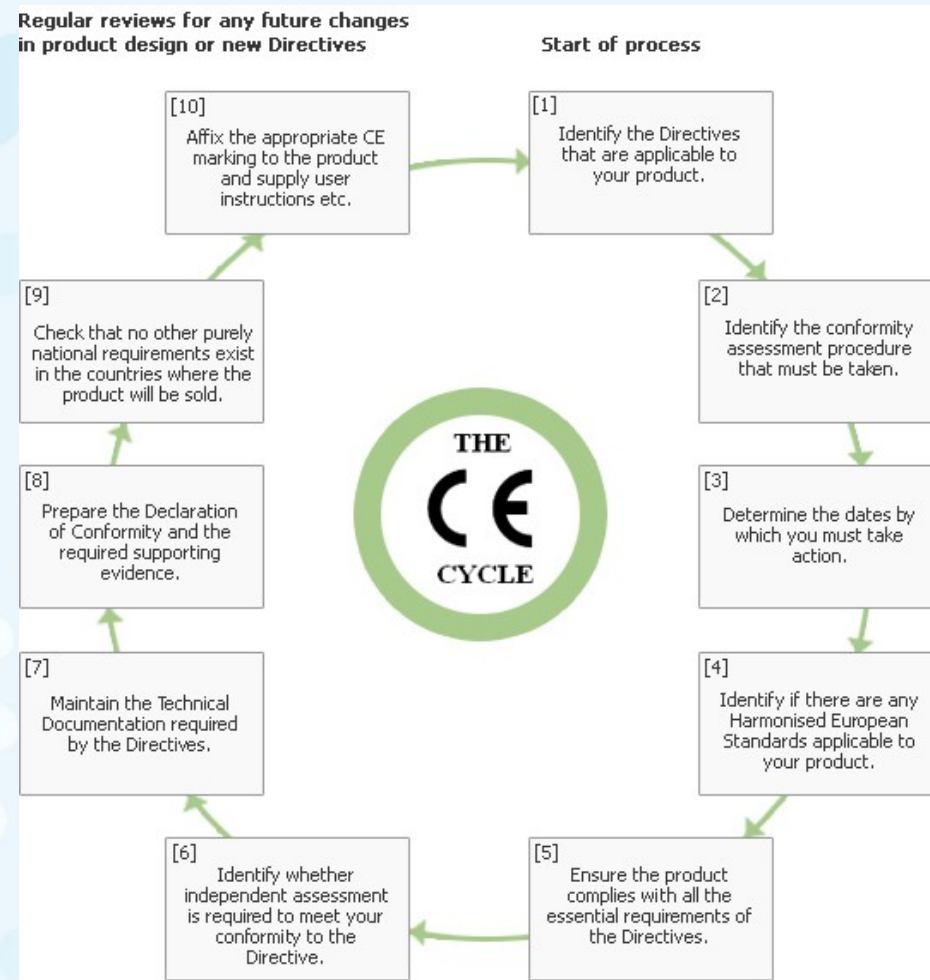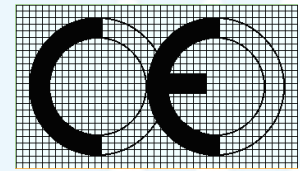## the new approach directive
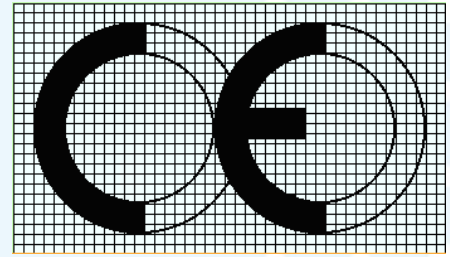
- Essential Requirements

- Conformity assessment procedure
  - Self Declaration, Competent body, Notified body
  - Test requirements are described in harmonized standards produced by European Standard Organisations (CEN, CENELEC, ETSI)
  - Standards can be changed, developed, amended without having to change the directives

The CE marking process
in 10 steps

Regular reviews for any future changes in product design or new Directives

Start of process

[10] Affix the appropriate CE marking to the product and supply user instructions etc.

[1] Identify the Directives that are applicable to your product.

[9] Check that no other purely national requirements exist in the countries where the product will be sold.

[2] Identify the conformity assessment procedure that must be taken.

THE CE CYCLE

[8] Prepare the Declaration of Conformity and the required supporting evidence.

[3] Determine the dates by which you must take action.

[7] Maintain the Technical Documentation required by the Directives.

[4] Identify if there are any Harmonised European Standards applicable to your product.

[6] Identify whether independent assessment is required to meet your conformity to the Directive.

[5] Ensure the product complies with all the essential requirements of the Directives.
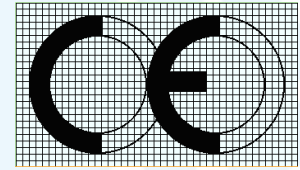
CE Mark is required for certain exports to the European Market.

DIRECTIVE No.	DIRECTIVE NAME	92/42/EEC	Efficiency of Liquid or Gaseous Fuelled Hot Water Boilers
		93/15/EEC	Explosives for Civil uses
73/23/EEC	Low Voltage Equipment (LVD)	93/42/EEC	Medical Devices (MDD)
87/404/EEC	Simple Pressure Vessels	93/97/EEC	Satellite Earth Station Equipment
88/378/EEC	Toys	REPEALED BY	
89/106/EEC	Construction Products (CPD)	98/13/EC	
89/336/EEC	Electromagnetic Compatibility (EMC)	94/9/EC	Equipment in Potentially Explosive Atmospheres -"ATEX"
92/31/EEC		94/25/EC	Recreational Craft
89/392/EEC	Machinery	94/62/EC	Packaging and Packaging Waste
REPEALED BY		95/16/EC	Lifts
98/37/EC		96/57/EC	Energy Efficiency: Household Refrigerators & Freezers
89/686/EEC	Personal Protective Equipment (PPE)	98/79/EC	In Vitro Diagnostic Medical Devices
93/95/EEC		97/23/EC	Pressure Equipment (PED)
96/58/EC		98/37/EC	Machinery
90/384/EEC	Non-automatic Weighing Instruments	1999/5/EC	Radio & Telecom Terminal Equipment
90/385/EEC	Active Implantable Medical Devices (AIMD)	2000/9/EC	Cableway Installations for Passengers
90/396/EEC	Gas Appliances	2000/14/EC	Noise Emission in the environment by equipment for use outdoors

- These are made mandatory by Directives released by the European Union. The products requiring CE mark are: (this is not an exhaustive list)

references

1. http://www.ce-marking.org/index.html
2. http://www.bsi-global.com/en/ProductServices/About-CE-Marking/
3. http://www.berr.gov.uk/whatwedo/sectors/sustainability/regulations/cemark/page11646.html

Registration, **E**valuation, **A**uthorisation and Restriction of **Ch**emical substances

The main aims of REACH are to improve the protection of human health and the environment from the risks that can be posed by chemicals, the promotion of alternative test methods, the free circulation of substances on the internal market and enhancing competitiveness and innovation.

REACH
The new EU chemicals legislation

Does REACH affect me?

Do you know what REACH means for your products and your company? You should find out your duties under REACH if:

▸ You **manufacture** or **import chemical substances** or **mixtures** of chemical substances (preparations).

▸ You **produce** or **import articles** (for example construction materials, electronic components, toys or vehicles) which contain substances included in a list of 'substances of very high concern' or which are released during their use.

▸ You **process chemicals** or you **formulate preparations** for end use (for example cleaning products, paints or motor oils) or you **use** these **formulated products** professionally. In this case you are a 'downstream user'.

REACH ME?

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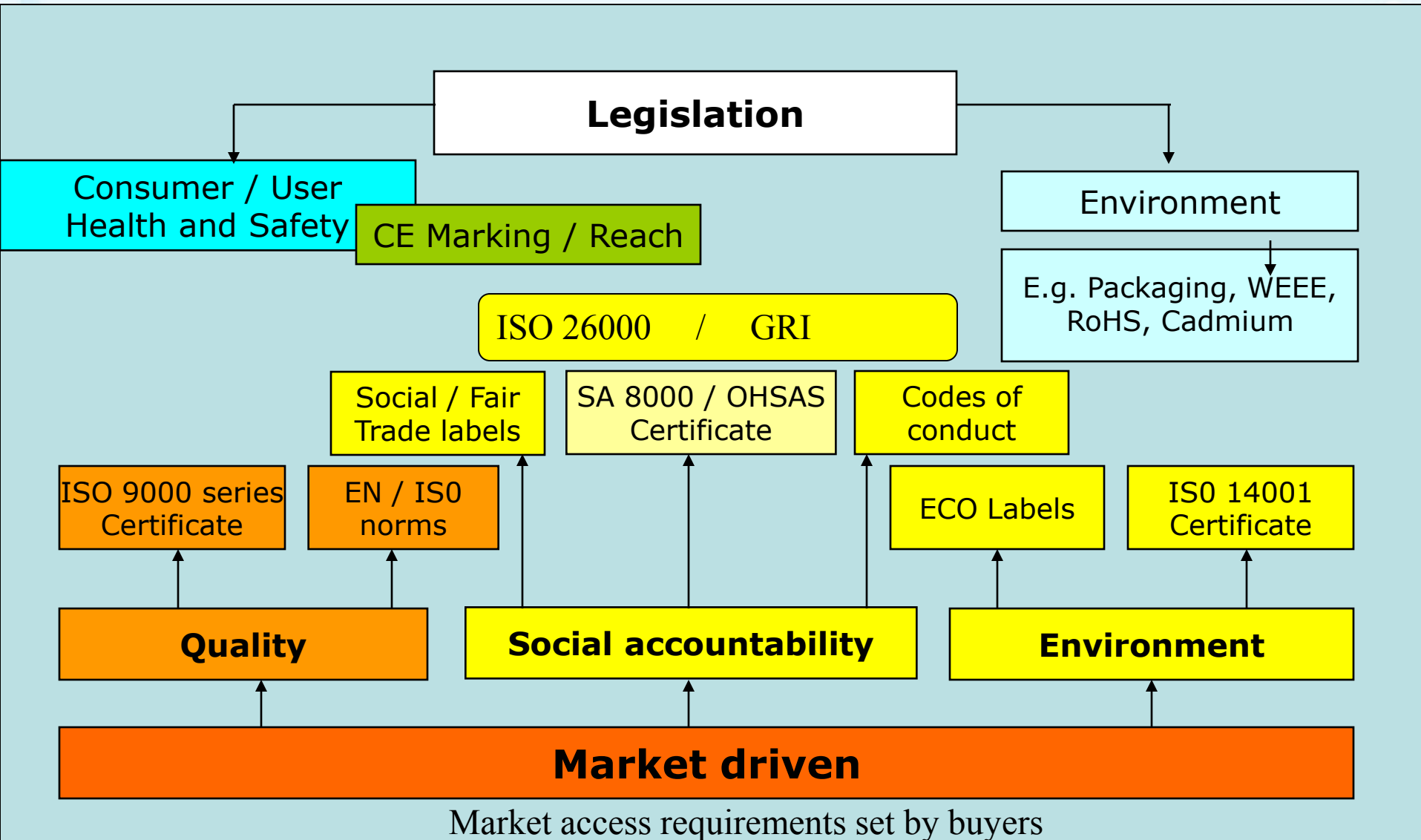
Why Reach?

- REACH entered into force on 1st June 2007 and will be implemented in phases within the next 10 years.

- It streamlines and improves the former legislative framework on chemicals of the European Union (EU).

- REACH will establish a new single regime throughout the 27 EU Member States for existing and new substances and requires manufacturers in the EU and EU importers of substances / preparations to register them.

- REACH makes industry responsible for assessing and managing the risks posed by chemicals and providing appropriate safety information to their users. In parallel, the European Union can take additional measures on highly dangerous substances, where there is a need for complementing action at EU level.

ISPM 15 (*International Phytosanitary Measure 15*)

- Packaging with wood
- **ISPM 15** is an *International Phytosanitary Measure* developed by the IPPC that directly addresses the need to treat wood materials of a thickness greater than 6mm, used to ship products between countries.

- It affects all wood packaging material (pallets, crates, dunnages, etc) requiring that they be treated with heat or fumigated with methyl bromide and marked, often branded, with a seal of compliance.

Market access requirements: combination of legislation & market demands

Legislation

Consumer / User Health and Safety

CE Marking / Reach

Environment

ISO 26000 / GRI

E.g. Packaging, WEEE, RoHS, Cadmium

Social / Fair Trade labels

SA 8000 / OHSAS Certificate

Codes of conduct

ISO 9000 series Certificate

EN / IS0 norms

ECO Labels

IS0 14001 Certificate

Quality

Social accountability

Environment

Market driven

Market access requirements set by buyers

Non-legislative requirements

- Instruments
  - Management systems
  - Standards, Codes and Labels

- Applied in specific sectors or in general
- Single issue vs multiple issue
- Mainstream vs niche
- Complicating factor: no harmonisation!

Non-legislative requirements

- In today's world a company has to demonstrate corporate social responsibility (environmental and social concerns) to all its stake holders.

Consumers:	
Product quality and safety.	ISI/CE/UL/CSA MARKING
Organization QMS for all its products and services.	ISO 9000 / ISO/TS 16949 / DIS/ISO 15001 (HACCP Draft)
Information Security Management focussed on customer property.	ISO 17799 / eSCM
Employees:	
· Social accountability.	SA 8000
· Health and safety.	OHSAS 18000
Society at large:	
· Environmental Management System.	ISO 14000

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How to use the management systems, standards and labels as tools

- ISO 26000
- GRI
- ILO

References

What is CSR?

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The **KLM** issues

- Environment

- Human Rights

- Labour Practices

- Organizational Governance

- Consumer Issues

- Consumer Involvement / Society Development

The "core issues" of ISO 26000

- Environment

- Human Rights

- Labour Practices

- Organizational Governance

- Consumer Issues

- Consumer Involvement / Society Development

ISO 26000, Guidance on SR

The 7 principles of SR

ISO International Organization for Standardization

- Accountability

- Transparency

- Ethical behavior

- Respect for stakeholder interests

- Respect for the rule of law

- Respect for international norms of behavior

- Respect for human rights

ISO 26000, Guidance on **SR**

- Standard under development (2010 target for publication date draft)

- Providing voluntary guidance

- For **organizations of all types**, in both public and private sectors, in developed and developing countries

- Contains guidelines, not requirements: **no use as a certification standard** like ISO 9000 or ISO 14001

- It will not replace any standard

ISO 26000, Guidance on **SR**

Will add value to existing SR work by:

- Developing an **international consensus** on what social responsibility (SR) means and the SR issues that organizations need to address

- Providing guidelines on translating principles into **effective actions**

- Distilling the **best practice** that has already evolved and disseminating it worldwide for the good of the international community

ISO 26000, Guidance on **SR**

www.iso.org/sr

ISO 26000, Guidance on **SR**

ISO 26000 provides guidance on:

1. Concepts, terms and **definitions** related to social responsibility
2. Background, **trends** and characteristics of social responsibility
3. Principles and **practices** relating to social responsibility
4. **Core subjects relating to social responsibility**
5. Issues of social responsibility (within each subject)
6. **Integrating, implementing and promoting** socially responsible behavior throughout the organization and through its policies and practices related to its sphere of influence
7. Identifying and engaging with **stakeholders**
8. **Communicating** commitments and performance related to social responsibility

.

ISO 26000, Guidance on **SR**

How can ISO 26000 assist you?

- By providing an overview of core subjects + issues

- By explaining the core subjects:

  "Labour practices and social responsibility"

- By explaining the issues:

  "Description of the issue"

- By explaining what an organisation should do:

  "Related actions and expectations"

- By providing examples in text boxes

ISO 26000, Guidance on **SR**

Expected impact of ISO 26000

- Codes of conduct on a sector and company level as well as labels and other CSR initiatives not yet in line with ISO 26000 will probably be **revised** (more **harmonization**)

- Although not intended for certification, certifiers may start providing ISO 26000 'in accordance **declarations**'

- ISO 26000 will stimulate and support **more companies** to adopt CSR

Global Reporting Initiative (GRI)

The GRI's vision is that reporting on economic, environmental, and social performance by all Organizations is as routine and comparable as Financial reporting

GRI creates conditions for the transparent and reliable exchange of sustainability information

- The Reporting Guidelines:
  - principles and guidance
  - standard disclosures – including indicators

- Background documents on specific CSR issues (e.g. Biodiversity)

- Simple reporting templates

GRI is used by companies as a framework for the development of their CSR policy!

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Global Reporting Initiative (GRI)

Human Rights Performance Indicators

ASPECT: INVESTMENT AND PROCUREMENT PRACTICES

CORE

HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.

CORE

HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.

ADD

HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

ASPECT: NON-DISCRIMINATION

CORE

HR4 Total number of incidents of discrimination and actions taken.

ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

RE

HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and

Society

Society Performance Indicators focus attention on the impacts organizations have on the communities in which they operate, and disclosing how the risks that may arise from interactions with other social institutions are managed and mediated. In particular, information is sought on the risks associated with bribery and corruption, undue influence in public policy-making, and monopoly practices.

Disclosure on Management Approach

Provide a concise disclosure on the following Management Approach items with reference to the Society Aspects:

- Community;
- Corruption;
- Public Policy;
- Anti-Competitive Behavior; and
- Compliance.

GOALS AND PERFORMANCE
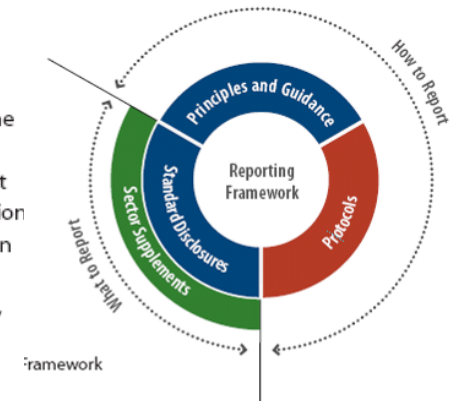
CSR milestones

- The International Labour Organisation (ILO)

- Rio Declaration on Environment and Development (1992)
  "To achieve sustainable development and a higher quality of life for all people, States should reduce and eliminate unsustainable patterns of production and consumption and promote appropriate demographic policies"

- Convention on Biological Diversity (1992)
  The objectives are the conservation of biological diversity, the sustainable use of its components and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources

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ILO

1. Right to union membership and to negotiate

2. Non-discrimination

3. Forced labour

4. Minimum age

5. Working hours

6. Equal remuneration

7. Minimum wages

8. Occupational Health and Safety

ILO

	ILO	SA8000	ETI	MPS
• Collective bargaining *(fundamental)*	X	X	x	x
• Free association *(fundamental)*	X	X	x	x
• Discrimination *(fundamental)*	X	X	x	x
• Equal remuneration *(fundamental)*	X	X	x	x
• Forced labour *(fundamental)*	X	X	x	x
• Child labour *(fundamental)*	X	X	x	x
• Minimum wage/living wage	X	X	x	x
• Maternity protection	X			
• Harassment or abuse	X	X		
• Health and safety	X	X	x	x
• Working hours	X	X	x	x
• Vocational Rehabilitation & employment	X	X	x	
• Home Work	X	X	x	
• Regular employment			x	x
• Harsh or inhumane treatment			x	
• Management systems		X		
• Compensation		X		
• Pesticides and chemicals				x
• Protection of the environment				x

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CSR Initiatives

- OECD Guidelines

  Voluntary principles and standards for responsible business conduct in a variety of areas including employment and industrial relations, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, competition, and taxation

- GRI

➢ Used by companies as a basis for their CSR policy

CSR initiatives

Global Compact (UN)

- 10 principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:
  - The Universal Declaration of Human Rights
  - The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
  - The Rio Declaration on Environment and Development
  - The United Nations Convention Against Corruption

- The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption.

What is a carbon footprint?

- A **carbon footprint** is a measure of the impact our activities have on the environment, and in particular climate change.

- It relates to the amount of greenhouse gases produced in our day-to-day lives through burning fossil fuels for electricity, heating and transportation etc.

- The carbon footprint is a measurement of all greenhouse gases we individually produce and has units of tonnes (or kg) of carbon dioxide equivalent.

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A norm is being made for carbon footprint

- ISO/TC 207 (Environmental management) is working on ISO 14067, a norm in two parts which will define requirements on the calculation and communication of the 'carbon footprint' of products.

- ISO 14067 will be based on the **Life Cycle Assessment (LCA)-methodology** which is defined in ISO 14040 and ISO 14044 and on the eco labels in ISO 14025.

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How to use the management systems, standards and labels as tools

- ISO 26000
- GRI
- ILO

- ISO 9001
- ISO 14000
- OHS 18001

References

Management Systems

What is CSR?

Processes + Continuous Improvement

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The essential features of the ISO 14000 family

- The ISO 14000 family addresses various aspects of environmental management.
- The very first two standards, **ISO 14001:2004** and **ISO 14004:2004** deal with **environmental management systems (EMS).**
  - ISO 14001:2004 provides the **requirements** for an EMS and
  - ISO 14004:2004 gives general EMS **guidelines**.
- The other standards and guidelines in the family address specific environmental aspects, including: labeling, performance evaluation, life cycle analysis, communication and auditing.

The EU Eco-Management and Audit Scheme (EMAS) is a management tool

- **EU Eco-Management & Audit Scheme**
  - **Management tool** for organisations to **evaluate, report** and **improve** their **environmental performance**
  - Since 1995 and originally restricted to companies in industrial sectors
  - Since 2001 integration of EN/ISO 14001
  - Participation is voluntary and extends to public or private organisations operating in the EU and European Economic Area (EEA) – Iceland, Liechtenstein and Norway

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OHSAS 18001

Occupational Health and safety Assessment Series

- An effective framework for managing occupational health and safety responsibilities and fully integrate them into overall business operations

- OHSAS 18001 does not lead to accredited certification but many certification bodies will provide a non-accredited certificate

- Implementation is structured along the lines of ISO 9000 and ISO 14000

.

OHSAS 18001

- No specific health and safety performance criteria

- No detailed specifications for the management system

- Tools to identify elements of your business that have an impact on health and safety

- Designed for all sectors

Market impact

- A relatively new field: difficult to predict if OHSAS will become an important requirement on the EU market

- Use the tools!

.

How to use the management systems, standards and labels as tools

• ISO 26000 • GRI • ILO	• ISO 9001 • ISO 14000 • OHS 18001	• BSCI • SA 8000 • ETI • All labels
References	Management Systems	Performance

What is CSR?

Processes + Continuous Improvement

Compliance + Benchmark

BSCI
Business Social Compliance Initiative

Business Social Compliance Initiative

- An auditing system, not a certificate
- Background: adequate laws are in place - but not properly implemented and enforced
- Lack of awareness
- So far retailers conduct social compliance audits in their purchasing markets mainly on the basis of different audit systems and criteria

- Too many different systems
- More or less similar standards
- Different tools
- Different processes

➡

- Lack of credibility
- Lack of transparency
- Lack of efficiency
- High costs
- No synergies

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SA8000

The world standard on social accountability

TÜV TÜV Rheinland Group

CERTIFICATE

The Certification Body for Social Accountability Management Systems of TÜV Rheinland Group

certifies that the Organization

Dongguan Shipai Wanhua Caps Factory
(Operated by Pekhai Trading Co., Ltd.)
1-3/F, Wanhua Caps Factory Building, Shi Chong Road, ChiKan Village,
ShiPai Town, Dongguan, Guangdong Province 523346, P. R. China

has established and applies a Social Accountability Management System for

Manufacturing of Caps and Bags

An audit was performed, Report No.   056651

Conformance to the requirements of

SA8000:2001

has been demonstrated.

The certificate is valid until   2008-07-28

Certificate Registration No.   01 114 056651

The validity of this certificate can be checked under http://www.tuvdotcom.com

Hong Kong, 2005-07-29

Certification Body of
TÜV Rheinland Group

SOCIAL ACCOUNTABILITY 8000

SA8000® is a registered trademark of Social Accountability Internationa

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Social Accountability 8000

- is a global applied management system for companies seeking **to guarantee the basic rights of their workers.**

- provides a voluntary workplace certification and is mainly used by Western companies ensuring their whole supply chain operates on a minimum of social standards.

- system provides social standards that are applicable to all industries and is based on the international accepted ILO Conventions as well as requirements for a management system which ensures the implementation of these standards in business policy.

(Source: http://www.sa-intl.org/)

Ethical Trading Initiative

An initiative by companies, non-governmental organisations (NGOs) and trade unions in the United Kingdom with the aim of guaranteeing **working conditions at companies**, which operate within the Chain

ETI was specifically set up for traders supplying the British market

Sainsbury's and Tesco

Ethical Trading Initiative

- The ETI promotes the **implementation of codes of conduct** at the level of suppliers and sub contractors, while encouraging the inclusion of home workers wherever possible

- The activities of the ETI are not focused on specific products or companies

- When joining the ETI, members commit to implement the Base Code in their **supply chains** and to reporting annually on their progress in doing so

Non-legislative requirements
Labels

- Communication tool: Business to business or consumer oriented

- Mainly niche markets

- Compliance is monitored by a competent body

- A fee is paid to carry the label

Non-legislative requirements
Labels, why use them?

- To use to identify key issues & best in class

- To benchmark

- To show compliance with specific social requirements in all markets

- To market your product in niche markets

- To market your product in main stream markets

.

How to remember?

Don't!   Know where to find it!

CBI Database

Other sources, e.g.
http://www.csr-supplychain.org/

Agenda MAR: some answers
an overview on Market Access Requirements

1. How relevant are MAR?

2. What are the origins of MAR?

3. Why and what are Legislative Requirements?

3. Why Buyer Requirements?

5. How to comply?

- Identify relevant requirements
- Assess position and ambition
- Code of Conduct
- Close the Gap
- Show compliance
- Use Management Systems, Norms, Standards and Labels

any other

The 6 Key Pillars of a Responsible Sourcing Chain
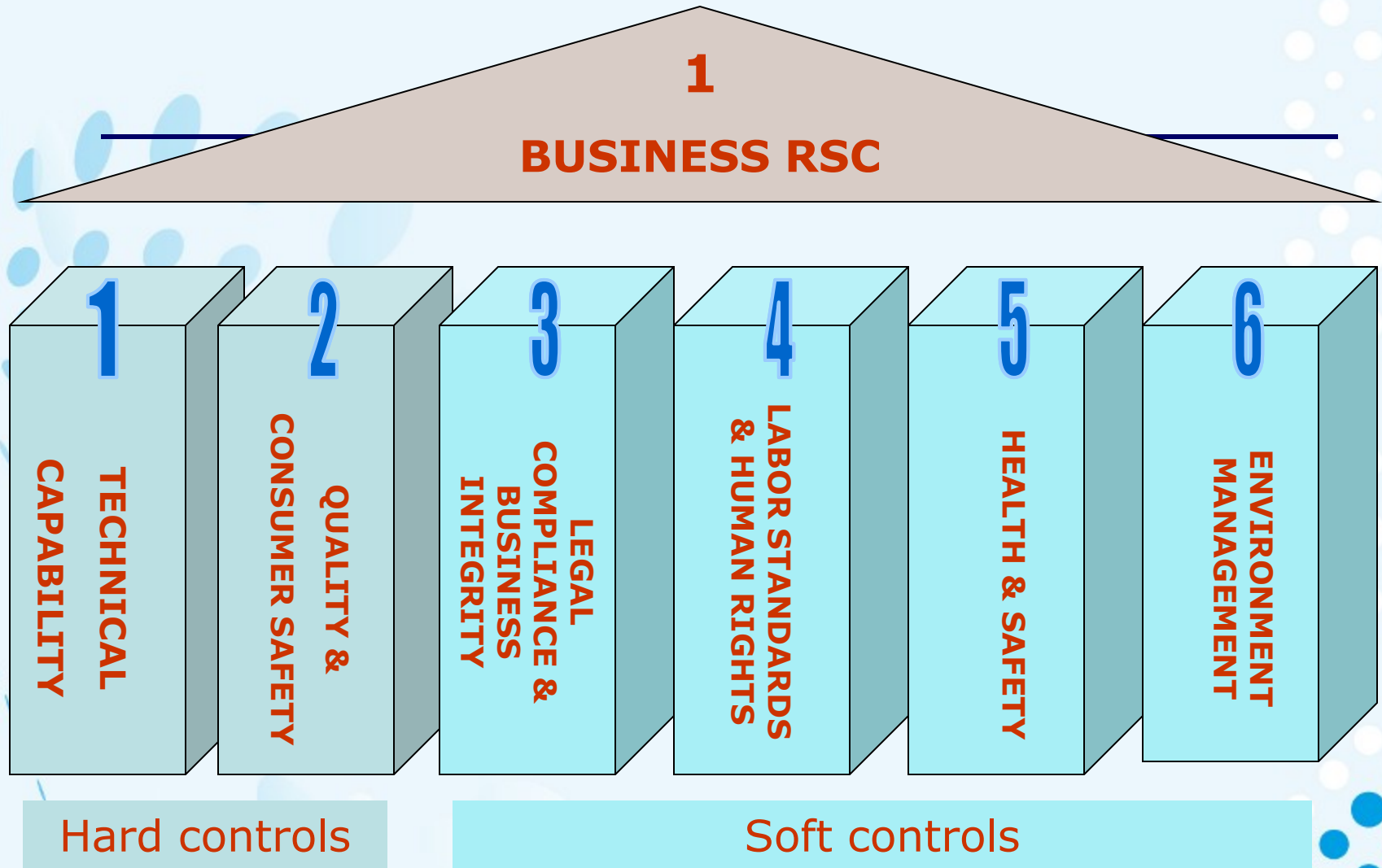
TOTAL PRODUCTIVE MANAGEMENT TPM*

qualitative factors
to be — philosophy

continuous Improvement KAIZEN
- systematic
- bonus
- down >> up
- up >> down

Maintenance
- autonomous
- planned/preventive

Training & Education
- life long education
- intercultural training

Safety for
- work place
- health
- environment

TPM in the Administration
- productivity assessment

Quality Management
- ZERO defects
- Total Quality Management

Start-up System
- as steep as possible — learning curve

quantitative factors
statistically evaluable — can be measured - to have

PRODUCTIVITY
- working productivity
- value creation per person

QUALITY
- rate of defects/failures
- no. of customer complaints

COSTS
- labour costs
- material costs
- energy costs
- further costs

DELIVERY
- production time
- stock turn-around time
- delivery time

just-in-time

SAFETY
- no. of accidents
- rate of health related absenteeism
- pollution

WORKING CONDITIONS
- no. of suggestions for improvement
- relationsship between employees
- level of motivation

* see also
TOTAL PRODUCTIVE MANUFACTURING
TOTAL PRODUCTIVE MAINTENANCE

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Exercise:
Understanding Pillars of a Responsible Sourcing Chain

For each of the pillars:

- What are the legislative requirements in your relevant market segment?

- What are the non-legislative (buyer) requirements in your relevant Market segment?
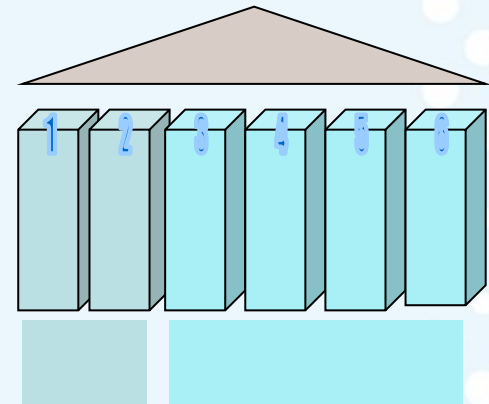
Where can you find the answers?
EU market information (www.cbi.eu/marketinfo)

- Market info database with over 3,000 reports:
  - Market surveys
  - Export manuals
  - Fashion forecasts and design guides
  - Market access requirements
  - Sector alerts
  - E-business reports
- 31 market sectors + all EU Member States.
- More than 5,000 external links.
- Free of charge for target group.

You can find the MAR for the mechanical industry?

EMP MADE VERY EASY:

MAR Mechanical Industry

- Visit CBI's web site: http://www.cbi.eu

- Go to Market Info
- Click SEARCH CBI DATABASE
- Select Engineering Products
- Select All Countries
- GO!

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Where can you find the answers?
EU market information (www.cbi.eu/marketinfo)

1. Technical Capability

(EU) Legislation:

- EC and ECE type-approval for automotive parts and components:
  - 70/156 motor vehicles
  - 2002/24: motor cycles
  - 2003/24: tractors
- CE marking process for machinery according to Directive 98/37/EEC: Machinery (MD).

(EU) Buyer Req.

- ..

2. Quality & Consumer Safety

(EU) Legislation

- ..

(EU) Buyer Req.

- ISO 9001:2008 (quality management system)
- ISO TS 16949 (industry standard for the production of automotive-related products such as body and engine parts, electrical equipment and various castings/forgings)
- Six Sigma (methodology to manage process variations)

3. Legal Compliance & Business Integrity

(EU) Legislation

- Product Liability Directive (85/374/EEC)
- ..

(EU) Buyer Req.

- Intellectual property rights:
  - Trademarks, collective marks and geographical indications
  - The patenting system
  - Licensing and franchising
- Norway social code of conduct: Ethical Trading Initiative
- ..

4. Labor Standards & Human Rights

(EU) Legislation

- .

(EU) Buyer Req.

- International ILO standards on working conditions

- SA8000 (global standard for managing working conditions)

- ..

5. Health & Safety

(EU) Legislation

- EU Directive 2001/95/EC on general product safety
- EC and ECE type-approval for automotive parts and components.
  - 70/156 motor vehicles
  - 2002/24: motor cycles
  - 2003/24: tractors
- Health and Safety at Work etc. Act 1974 (UK)
- ARBO en RI&E (NL)

(EU) Buyer Req.

- Occupational Health and Safety aspects specific for the mobile equipment parts industry
- OHSAS 18001
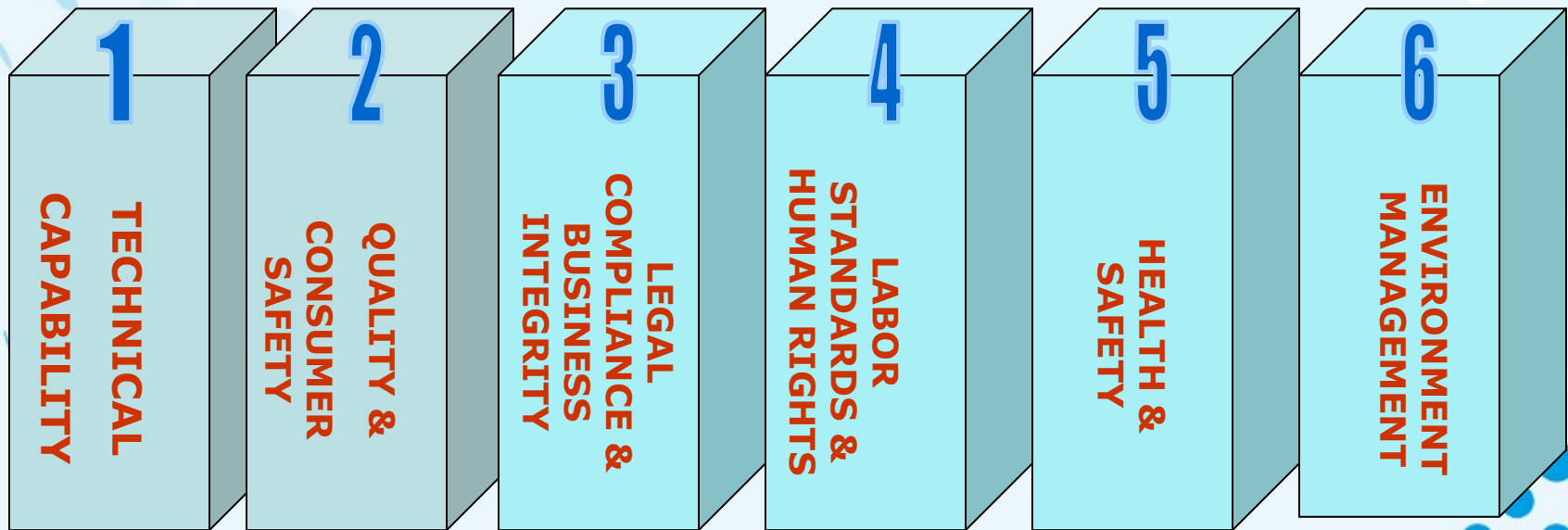- 5S

6. Environment Management

(EU) Legislation

- Reach (chemicals and their safe use)
- 70/220: emissions (carbon monoxide and hydrocarbon)
- 77/102: emissions nitrogen oxides
- 88/436: particulate emissions diesel engines
- Regulation (EC) 842/2006 on certain fluorinated gases
- Directive 2006/66/EC on (waste of) batteries and accumulators and waste
- Directive 94/62/EC on packaging and packaging wastes
- End of Life Vehicles (EU Directive 2000/53/EC)

(EU) Buyer Req.

- ISO 14001:2000 (environmental management system)
- EMAS (EU Eco-Management and Audit Scheme)
- Blue Angel (Blauer Engel)

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What are the pillars of a Responsible Sourcing Chain?

BUSINESS RSC

1	2	3	4	5	6
TECHNICAL CAPABILITY	QUALITY & CONSUMER SAFETY	LEGAL COMPLIANCE & BUSINESS INTEGRITY	LABOR STANDARDS & HUMAN RIGHTS	HEALTH & SAFETY	ENVIRONMENT MANAGEMENT

Hard controls   Soft controls