

Introduction to Corporate Social Responsibility for Small and Medium Enterprises

CASE STUDIES

This guide has been produced as part of the pan-European awareness-raising campaign on CSR, an initiative of the European Commission, Directorate-General for Enterprise



An initiative of the European Commission
Directorate-General for Enterprise

Company Name:
Telvill Kft

Sector:
Manufacturing (IT
Engineering)

Core Business
Core activities include the construction, mounting and design of information communication networks, telecommunication networks and electrical networks.

City/country:
Miskolc, Hungary

Website:
www.telvill.hu

No. of Employees:
72

Turnover:
EUR 2.3 million

CSR Issue/s
Environment, Community
and Training

Case: Telvill Kft

What actions did we take and who was involved?



Telvill, an ISO 9001 and 14001 certified information technology (IT) manufacturer, considers the protection of the natural environment, the creation of a good working environment and the improvement of living standards to be necessary and important for business viability. Beyond compliance with stringent environmental and quality management standards, we support local community groups and create sustainable employment. Telvill also recognises that good environmental performance delivers tangible business benefits such as improved reputation with customers and goodwill with the community.

Some examples of our responsible entrepreneurship efforts include:

- support for the Berekalja Conquest Park, which aims to encourage a healthy lifestyle and environment for local people;
- support for Miskolc Animal Park “Sculpture Park”, a memorial for local species that have become extinct because of human activities;
- regular participation in fora organised by the our town’s Chamber of Commerce;
- updating and maintaining the local elementary school’s information technology (IT) system, as well as providing assistance to its IT training programme;
- financial support to Borsod Aeroclub; and
- support for two vocational secondary schools in Miskolc.

Why did we take action?

We want to be a responsible enterprise. One of Telvill’s goals is to set a positive example for continuous improvement and success in the marketplace through environmentally and socially responsible behaviour.

What benefits did we gain?

The benefits from this include the enhancement of Telvill’s reputation in the eyes of our partners and customers as well as heightening their trust in us as a company to do business with, greater customer loyalty and satisfaction. We have developed good relationships with the local community and our participation in local activities and groups mean that we contribute to the development of the region we are a part of.

Who and how did we tell about our success?

Telvill’s takes an active role in informing both internal and external stakeholders of our business and social achievements. For example, we are promoted through the local media, as well as via the company’s web site and at events and exhibitions. Enhancing our reputation and profile is a quantifiable asset which directly translates into profit.

Company Name:
Meblo Jogi

Sector:
Manufacturing (Furniture)

Core Business
Manufacturing of beds and mattresses. Seventy percent of products are exported to Central and Eastern European markets, as well as international markets. The company has two plants, one in Nova Gorica and a second in Branik.

City/country:
Nova Gorica, Slovenia

Website:
www.Meblo-jogi.si/eng

No. of Employees:
158

Turnover:
EUR 1.23 million

CSR Issue/s
Employees/Training,
Internal Partnerships,
Environment

Case: Meblo Jogi

What actions did we take and who was involved?

Meblo Jogi, a bed and mattress manufacturer, believes that environmental awareness and good working conditions are, along with safety and quality, an integral part of good business policy. We are constantly striving to include these values in the company's goals and objectives. Meblo Jogi is strongly committed to ensuring employee satisfaction, welfare and development and we have developed a good working partnership with our employees.

The company has set about providing a healthy and safe working environment for employees, as well as reducing and eliminating environmental risks. Meblo Jogi also believes that the training and education of all employees are crucial for staff motivation and innovation.

Some examples of our responsible entrepreneurship efforts include:

- certification to the SA 8000 social accountability standard

(the first Slovenian company to do so);

- introduction of a ten-minute "active break" twice a day for all employees, a programme which was developed by a physiotherapist;
- organisation of away days (excursions, treks or skiing) three times a year;
- implementation of a health and safety training programme for all employees;
- encouragement of labour representatives to voice the employees' concerns and queries;
- emphasis on and encouragement of training, education and career development (especially for women employees) – the company was recently awarded a special prize by the Association of Managers for being a "women-friendly company"; and
- raising salaries and introduction of individual compensation schemes and bonuses.

Why did we take action?

We believe that better working conditions and ethical policies for our employees help to increase the company's productivity and innovation. Meblo Jogi is also aware of the need to take care of our employees and their potential as they spend a large part of their time in our environment and contribute to the company's success – and of the importance of a group vision, good working habits and creative co-operation.

What benefits did we gain?

Employee satisfaction, motivation, loyalty and productivity are all key factors in the company's success and competitive advantage. To support this competitive edge, we are continuously setting quantified goals or indicators of success and efficiency (e.g. work-related accidents, absenteeism, training hours, employee innovation,

development and monthly assessments) so that we continually improve and ensure our certification to SA 8000 – a standard which gives us market recognition for our achievements.

Who and how did we tell about our success?

The company's achievements in the area of responsible entrepreneurship are primarily announced in internal seminars, workshops and meetings, as well as via internal notice boards and memos. Our attainment of awards such as SA 8000 also publicises our achievement to our customers.

Company Name:
Matusewicz Budowa
Maszyn s.j.

Sector:
Manufacturing

Core Business
Core activities include
machining of plastics and
precious metal-working
that involves mechanical
working, cutting, bending,
welding and gluing of
plastics.

City/country:
Ubocze-Gryfow Slaski,
Poland

Website:
www.matusewicz.pl

No. of Employees:
235

Turnover:
EUR 3.4 million in 2003

CSR Issue/s
Employees/Training,
Community and
Environment

Case: Matusewicz Budowa Maszyn s.j.

What action did we take and who was involved?

Matusewicz, an ISO 9001 certified supplier of industrial products and services, is committed to developing the skills, knowledge, motivation and morale of its staff via specialist employee training. We also strive for continuous improvement in the quality of our services, as well as the reduction and avoidance of negative impacts on the environment. The company is also strongly committed to being a good neighbour – we support and sponsor local groups and try to be involved in the community.

Some examples of our responsible entrepreneurship efforts include:

- conduct specialist employee training with some employees achieving TÜV certificates (European-wide accepted technical certificates for training in specific fields);

- sponsorship for the development of a computer room at the Training and Education Centre in Lwówek Śląski;
- sponsorship of the local Gryfów Brass Band;
- active involvement in local organisations such as the Association for the Blind, youth sports clubs and the Veterans' Association;
- building of a sports and leisure centre for the people of Gryfów Śląski;
- providing technical and financial assistance to the local fire and ambulance services e.g. repair vehicles and purchased an air conditioning unit;
- recycling of the company's waste products locally; and,
- utilisation of recycled materials in production.

Why did we take action?

Matusewicz integrates social and environmental aspects into the company's business objectives because customers

are increasingly seeking goods to be manufactured in an environmentally and socially responsible manner. And also we are convinced that it is in our own interest to look after staff morale and welfare – employees reward the company with greater innovation and increased productivity.

What benefits did we gain?

We have noticed increased motivation, commitment and personal development among our employees. Matusewicz has also established a good reputation among the community, with customers, and among suppliers and partners. Our assistance to community groups has made for friendly relations in the region, and as a result Matusewicz has benefited from public support.

Who and how did we tell about our success?

The company's achievements in environmental care, employee training and local sponsorships are announced to the public through advertising, promotional materials and the local press.

Company Name:
Lippemeier
Gebäudereinigungsdienst
GmbH

Sector:
Service

Core Business
Core activities are cleaning services including maintenance cleaning, glass cleaning, cleaning of institutions and industrial cleaning, cleaning of building sites, carpet cleaning and private house cleaning.

City/country:
Schönaich, Germany

Website:
www.lippemeier.com

No. of Employees:
40 full-time, 255 part-time

Turnover:
Confidential

CSR Issue/s
Environment,
Employees/Training and
Business Relationships

Case: Lippemeier Gebäudereinigungsdienst GmbH

What actions did we take and who was involved?

As an industrial cleaning company, Lippemeier believe that we have both the opportunity and the responsibility to provide services in an environmentally-friendly manner. The company is also committed to employee welfare and sustainable employment.

Some examples of our responsible entrepreneurship efforts include:

- use of sustainable procedures and equipment, such as our 'Envirostar Green' floor cleaning system;
- utilisation of environment-friendly materials that reduce the need for aggressive cleaning chemicals, such as our intelligent, anti-stick coating for easier cleaning;
- construction of a new company building with solar heating panels, eco-paving

and a 'biotype' nature area for dragonflies and plants;

- use of rain-water for the washing of our cleaning equipment;
- implementation of a further education programme to offer training opportunities to both young apprentices and older, longer-serving employees;
- encouragement of flexible working hours for women employees with children; and
- completion of the Eco-management and audit scheme (EMAS) in 2005.



Why did we take action?

We recognise that the long-term success of our business depends on building a good company reputation, having highly-motivated, well-trained

and knowledgeable employees, and, to some degree, on our continuous efforts to protect the environment.

What benefits did we gain?

Lippemeier has primarily benefited by strengthening the company's position vis-à-vis our banks (they consider our economical and intangible aspects positively) and in improving the image of the company. The latter has given Lippemeier an advantage over our competitors, and netted the company "free marketing" via extensive and positive local press coverage. In the end, we believe that our approach to responsible entrepreneurship makes for a win-win equation – balancing the interests of our economic, social and environmental goals

Who and how did we tell about our success?

Good press coverage arose from being a winner of the Baden-Württemberg Environment Prize for 2001/2002. In general, the company's successes and achievements are announced via the local press and through co-operation with BAUM and Modell Hohenlohe, a national regional initiative for sustainable and environmentally friendly management.

Company Name:
Koffie Kàn

Sector:
Food and Beverage

Core Business
Coffee Roasting House

City/country:
Wenduine, Belgium

Website:
www.koffiekan.be

No. of Employees:
3

Turnover:
Confidential

CSR Issue/s
Community/Environment

Case: Koffie Kàn

What actions did we take and who was involved?

As a small family business, Koffie Kàn has embedded itself in the fabric of the local community in which it has operated since 1972. We believe that “the craft of coffee roasting belongs in the middle of the family and village life, in the same way that the craft of baking bread locally does”. We pride ourselves on being a good neighbour that has a strong involvement and open dialogue with our community, and we pay close attention to the environmental impact of our business. Koffie Kàn is committed to supporting local groups and overseas social development projects.

Some examples of our responsible entrepreneurship efforts include:

- paying above-market rates for coffee beans from small plantations, giving the growers a secure source of income;



- investing profits from the sales of other, larger blends of coffee into a project that supports women in Honduras;
- striving to minimise the company’s impact on the local environment; and
- donating our old coffee roaster to a small coffee grower in Mexico – our community, clients and suppliers raised the funds necessary to transport it to Mexico – and training the grower to use it so that he could supply his local market.

Why did we take action?

We believe in keeping the company close to the people we serve by being in the heart of the village of Wenduine and by operating in a way that fosters good relationships in the neighbourhood. Koffie Kàn is also supportive of small coffee plantations, who in turn provide us with premium quality coffee beans.

What benefits did we gain?

Koffie Kàn has gained in customer loyalty and maintained the goodwill of its community. Our reputation has also been enhanced via our support for social development projects and by adding organic and fair trade coffee to our high quality range of products.

Who and how did we tell about our success?

Koffie Kàn communicates informally and directly with the community around us. We have also generated a lot of awareness among customers through our fundraising efforts to transport our old coffee roaster to Mexico.

Company Name:
Hanley Economic Building Society

Sector:
Service (Financial)

Core Business
Building society and financial services including mortgages, insurance products, home improvement and personal loans, travel services and independent financial advice.

City/country:
Stoke-on-Trent, UK

Website:
www.thehanley.co.uk

No. of Employees:
70

Turnover:
Euro 13.62 million as of August 2003

CSR Issue/s
Community and partnerships

Case: Hanley Economic Building Society

What action did we take and who was involved?

The Hanley Economical Building Society is a local, mutual independent building society (savings and loan bank) established in 1854 for the benefit of the local community. We have given back to our community in various ways, including sponsorship, fundraising and partnerships.

Some examples of our responsible entrepreneurship efforts include:

- a ten-year sponsorship program benefiting the Staffordshire Wildlife Trust's education rooms, which enable children from local schools to learn about the environment;
- a three-year partnership with Stoke-on-Trent City Council's "Local Agenda 21: Greensteps" project;
- a three-year partnership with Newcastle under Lyme Borough Council for various

community projects including "Britain in Bloom" and Newcastle's carnival;

- ongoing involvement with the Prince's Trust's "Youth Businesses" program;
- organisation of fundraising for two local special-need charities, including the Endon Riding for the Disabled Association and North Staff's "Special Adventure

Playground." Three quarters of our employees are actively involved in these two projects both in and out of office hours;

- staff mentoring of young people, aged between 18 and 30, who are starting their own businesses;
- donation of our unwanted office equipment and computers to local charities; and

- implementation of a recycling scheme with the help of our suppliers.



Why did we take action?

We see a clear connection between the health and profitability of our company and the general well being of the community in which we do business. We believe that active involvement with the local community enhances the public perception of the company, brings real benefits to the community, adds value to our human resources development, and complements the company's business objectives.

What benefits did we gain?

Hanley has established a good reputation among the community, our clients and our partners. We believe that by being actively involved with the local community, we have made numerous beneficial contacts in the business and volunteer sector. Examples of this are Stoke-on-Trent City Council's Greensteps project which produced networking opportunities with other partners such as the environmental regulator and the

Prince's Trust that allowed us to work with other mentors and young business people giving us added communication skills. Such activities have increased our public awareness, staff and customer involvement and good standing in the local community. Beyond this, our employees get a "feel-good" factor by participating in community work, especially in our recent fundraising for two local special needs charities, Endon Riding for the Disabled Association and North Staffs Special Adventure Playground. This has increased our networking skills and we now have extremely good name recognition in our market. Involvement brings benefits not only to the people and organisations being supported, but also to those who are helping.

Who and how did we tell about our success?

The company's achievements are announced to the public via the company's web site, branch-offices, customer brochures, staff newsletters, customer and staff forums, annual general meetings, press releases and charity fundraising events.



Company Name:
S.C Galfinband S.A.

Sector:
Manufacturing (metal working)

Core Business
Production of cold-rolled steel strips, lacquered packing steel straps and cored wires for use in industrial automation, communication systems and technology equipment.

City/country:
Galati, Romania

Website:
www.galfinband.ro

No. of Employees:
109

Turnover:
Confidential

CSR Issue/s
Community, training and sponsorship

Case: S.C Galfinband S.A.

What actions did we take and who was involved?

Galfinband approaches all of its activities with an environmentally responsible attitude and we believe it is important to develop the skills of employees and contribute to the development of skills within the local community.

Some examples of our responsible entrepreneurship efforts include:

- partnership with the local university to offer students information technology (IT) skills;
- financial support for a modern IT Centre with 14 computers, equipment and Internet access for the local Simion Mehedinti School in Galati;
- sponsorship and support for local activities and improvements;
- stimulation of employee's children for all forms of education that have good

results by awarding some additional annual prizes;

- sponsoring of some local community activities; and
- treating environmental activities as core activities of our company, such as minimising, recycling and managing waste, training employees in the care of the environment so they act as positive examples in the local community and applying resource efficient technologies.

Why did we take action?

Galfinband is committed to responsible entrepreneurship in our sector and feels that we should lead by example. We understand the need to increase the motivation of our own employees and develop their skills - both these factors help us to operate successfully. Improving local educational standards by donating funds, time and expertise gives us the possibility of selecting and

training some people for our company as well as contributing to the local community.

What benefits did we gain?

The key benefit from Galfinband's actions, as a large taxpayer to the local budget, is the maintenance of a good reputation in the community and with local authorities. For the local community, Galfinband is the preferred employer, because we have a policy of caring for our employees and their families. We have also found business partners in different sectors e.g. waste treatment, with which we have developed business opportunities through our responsible entrepreneurship efforts. Lastly, the sharing of some of the company's profits for local development and improvement projects has a positive impact on employees' morale as they can see evidence of our support for the community in which they live.

An example of this is the increased participation of employees and their families' in actions to support the local community.

Who and how did we tell about our success?

Galfinband sometimes publicises its socially responsible work. Some of the local community projects we support make our involvement public e.g. in the media and amongst key groups such as local authorities.

Company Name:
Euroquimica de Bufu y Planan, S.A

Sector:
Research

Core Business
Core activities include researching technology for coatings and painting systems for industry and building services.

City/country:
Dorsius, Catalonia, Spain

Website:
www.euroquimica.com

No. of Employees:
70

Turnover:
EUR 7.7 million

CSR Issue/s
Employees/Training

Case: Euroquimica de Bufu y Planan, S.A

What actions did we take and who was involved?

Since its founding in 1962, Euroquimica has been committed to responsible entrepreneurship, providing sustainable employment and high-value training opportunities for all of our employees whilst building internal partnerships with our staff to help achieve business goals

Some examples of our responsible entrepreneurship efforts include:

- offering employees who have worked for the company for more than three years the opportunity to become shareholders – so far all eligible staff have taken up the offer;
- promoting permanent professional training e.g. on coating technology;
- using a participative approach to company activities;

- creating a staff suggestion box;
- providing equal working opportunities for all vulnerable groups – in particular disabled people and people over 45;
- encouraging flexible working hours for women with children; and
- hiring women into managerial posts (one third of our managers are women).



Why did we take action?

We believe that looking after staff morale and welfare assists with both innovation and creativity. One of Euroquimica's key strengths is the commitment of all workers, whatever their level, to the

mission of the company. This engagement helps us succeed in the competitive market in which we operate. Our efforts have resulted in improvements in the quality of our services and technology development through innovative concepts such as new technologies for industrial coatings.

What benefits did we gain?

Euroquimica had benefited through increased employee motivation and commitment to the mission of the company and its development. This, in turn, helps to build the reputation of the company. Our employees

are offered continuous professional training, ensuring the best possible service to our clients.

Who and how did we tell about our success?

High profile prizes, such as the 2004 PIMES Company Award for Social Management, highlight the success of Euroquimica efforts. The company has also created a book, "The Colour of Success", to communicate our way of doing business.



Case: Doğan Organic Products Industry and Trade Inc

Company Name:
Doğan Organik Ürünleri

Sector:
Agricultural

Core Business
Organic
Farming/Agricultural
Centre

City/country:
Kelkit-Gümüşhane, Turkey

Website:
www.doganholding.com.tr/sector/industry

No. of Employees:
70

Turnover:
US\$1.6 million (Target for
2004)

CSR Issue/s
Community, Environment

What actions did we take and who was involved?

Doğan Organic Products was created as a sustainable economic and social development enterprise in Kelkit, in underdeveloped north-eastern Turkey by Dogan Holding. This is an area in urgent need of economic support due to a lack of industry and employment, and the resulting depopulation of the region. In late 2001, we started putting together a plan for a viable, sustainable business, and realised quickly that organic farming could be introduced into the area.

One of Doğan Organic Products' key tasks is to ensure that the enterprise involves the local community, in such a way that local people are given an opportunity to take part in improving their own welfare and self-sufficiency.

Beyond the implicit social nature of the enterprise some specific examples of our responsible entrepreneurship efforts include:

- Assisting and supporting local farmers in organic farming techniques, turning them into owners of their own businesses to improve long-term sustainability and reduce outward migration;
- Building partnerships with local groups and municipalities and holding regular meetings with them;
- establishing several training programmes to develop agricultural skills among the local population;
- providing educational support via our agricultural engineering team; and
- developing an advanced vocational academy in Kelkit via the Aydın Doğan Foundation in partnership with Erzurum University – the academy provides organic agricultural training and has a

research and development centre focused on new organic farming methods and products.

Why did we take action?

Doğan Organic Product's objective is to help Kelkit and the surrounding area to become an important centre for organic agriculture, initially in Turkey and later in Europe, in order to build the local economy and raise the standard of living of local people. This, in turn, should help to reverse the flow of people from the region as well as contributing to social cohesion.

We hope to help develop the area so that it can be integrated into the global economy.

What benefits did we gain?

We feel that we offer real opportunities on several levels to both the company and local community and we expect it to contribute to a vibrant regional economy. The enterprise is

contributing to economic and social cohesion, and offers environmental advantages through organic farming practices, avoiding or largely reducing the use of synthetic chemical inputs such as fertilisers, additives, etc. All of this will, of course, improve our company's reputation, particularly locally, but also nationally.

Who and how did we tell about our success?

Organic farming has generated a lot of media interest. News about Doğan Organic Products and its parent company Doğan Holding has appeared in the local and national newspapers. The "ground-breaking" ceremonies were broadcasted on two national television channels.

Company Name:
Oy Pinifer Ltd

Sector:
Manufacturing (industrial lubricants)

Core Business
Pine-oil based industrial lubricants and services, develops, manufactures and markets biodegradable and environmentally friendly industrial lubricants

City/country:
Liminka, Finland

Website:
www.pinifer.com

No. of Employees:
14, 4 seasonal

Turnover:
EUR 1 200 000 (2003)

CSR Issue/s
Environment

Case: Oy Pinifer Ltd

What actions did we take and who was involved?

Pinifer respects environmental values in all areas of its operation from the choice of raw materials and additives to their utilisation and disposal. Product development is one of our key activities and aims at the continuous development of new and existing products and the improvement of environmental know-how.

Some examples of our responsible entrepreneurship efforts include:

- having a closed production cycle;
- our products are non-toxic and biodegradable and these properties have been verified by an independent technical classification institute (TÜV);
- certification to the management system standards of ISO 14001, ISO 9001 and to the occupational health and safety assessment system (OHSAS 18001); and

- employees are trained in order to raise their awareness about environmental, quality and safety issues.

Why did we take action?

Pinifer's operational policy is to emphasize to its customers the values of environmentally safe and sound products, the savings the customer can get by using environmentally acceptable products and the goodwill the customer can get by using non-toxic and biodegradable lubricants. It is very important for a company like Pinifer to show that the company itself respects the values that it is emphasizing to its customers.

What benefits did we gain?

Pinifer has differentiated its business in the market and most of the turnover is due to its environmental responsibility. Benefits have translated into improved sales and business quality. Our activities related to

quality, environment and safety create additional value for customers, vendors and other groups such as investors and fund-raisers. The skills and awareness of our staff has improved the quality and image of our business.

Who and how did we tell about our success?

We have a very open communications strategy and policy. We tell our personnel, customers, vendors and other groups such as investors

about our achievements. We publish once a year Pinifer News with the latest information of projects, products and other subjects related to our operations and activities. Professional magazines are used to spread technical and reference information. We arrange seminars targeting customers to be able to discuss specific issues with them.



