

SMART 52 weekly business actions

Environment

Society

Human Rights

Economic

Labour



Do SMART business week by week



ecosign

Acknowledgement

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Introducing SMART

The SMART business is valuable to any small or not so small company that needs hands on guidance on improving and communicating its sustainability performance. Small and Medium sized Enterprises (SMEs) are the biggest source of employment providing economic development and innovation in local societies. They represent the backbone of many economies and are a key to sustain industrial growth. However, they are also often a main source of waste and CO² emissions accounting for a majority of the industrial output worldwide. Due to their limited size and access to financial resources SMEs are often operating with outdated technology hampering their ability to stay competitive in the local and regional markets. Incremental changes would nevertheless be enough to sustain their position and even help them develop a more sustainable business style with less pollution and safer working conditions for their employees.

In this context, SMART business enables the company and its stakeholders to understand the relationship between good environmental and social management and financial performance. The SMART booklet has been developed as a self-help guidebook entitled “Do SMART Business – Week by Week” for SMEs around the world. The aim of this booklet is to introduce the basics of environmental practice and social responsibility for managers and employees of SMEs, and includes related examples, commentaries, and tips for action. It suggests easy accessible tools to improve daily business and increases the competitiveness of your business. The objective of SMART (Sustainability for the Small and Medium Sized Enterprises committed to Accountability, Responsibility and Transparency) is to provide a tool that targets new audiences – in particular daily managers and employees in SMEs, who are not familiar with sustainable development issues.

The guidebook is designed to provide 52 actions (one per week), and the text is written in an easily accessible style, avoiding jargon, and using visual images. The SMART actions can also be used as training material in projects targeting environmental management or as an appetizer to describe the elements of sustainable business when promoting Sustainable Consumption and Production. At the end of the guidebook, a tool for self-evaluation of the achievement is also offered.



to do

done

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to do done

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Value your community

Responsible management of social and environmental issues can create a business ethos that delivers improved financial performance.¹

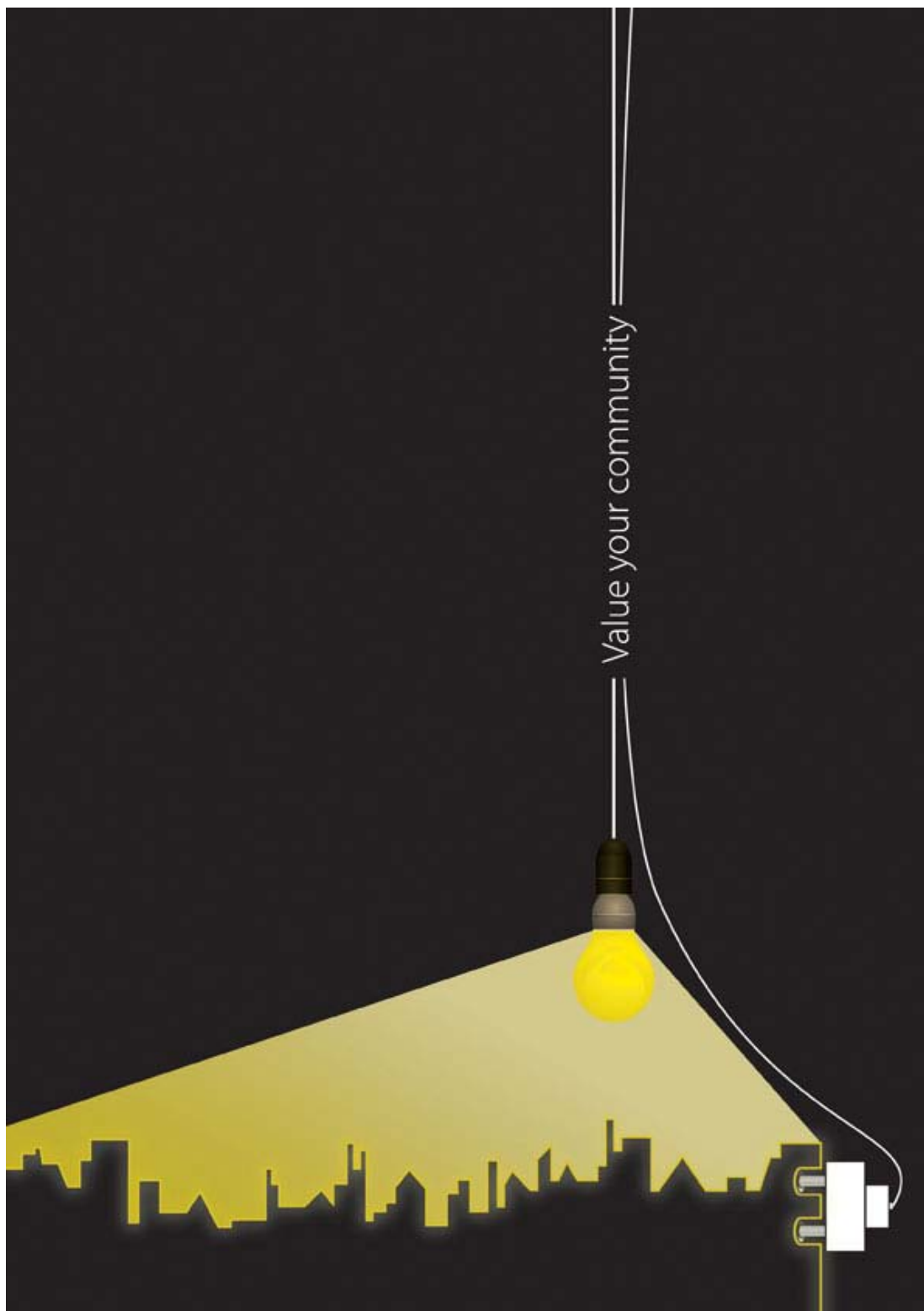
How do you treat the community you work in? Community involvement should be considered as a vital part of good business practice. By investing the time, skills and resources at the disposal of your company you can fulfil many needs of the local community while improving your business at the same time. Community involvement raises employee motivation, enhances skill sets and builds your reputation. Recent studies have also demonstrated that community work also is connected to enhanced financial performance!²

A closer look: Hanley Economic Building Society, UK

The Hanley Economic Building Society has provided savings and loans to local communities in Stoke-on-Trent, UK, for over 150 years. It has been taking part in a range of community activities demonstrating responsible entrepreneurship including:

- A ten-year sponsorship programme benefiting the Staffordshire Wildlife Trust's education rooms, which enables children from local schools to learn about the environment;
- A three-year partnership with a Local Agenda 21 "Greensteps" project;
- Ongoing involvement with the Prince's Trust's "Youth Businesses" programme;
- Fundraising for two local special-need charities, in which three quarters of the employees involved;
- Donation of unwanted office equipment and computers to local charities; and
- Implementation of a recycling scheme with the help of the suppliers.

By participating in this community work, Hanley's employees build pride in their company. Additionally, the company has made numerous beneficial contacts by working with other business people and also by creating new networking opportunities with partners such as the local environmental regulator. Together these factors have enhanced Hanley's reputation among the community, clients and partners.⁴



Guy Asmar | Academie Libanaise des Beaux Arts (ALBA) | Beirut, Lebanon

Tip 1 Have a strategy for investing in your local community

Identify the social issues in the community in which your company operates that are most relevant to your core business products and services. You need to consider what you can offer to the community to maximise the positive effects and minimise any negative community impacts. This could be, for example, working in partnership with charitable organisations, engaging employees in voluntary work, or cause related marketing to raise funds and awareness about charities and good causes.³



Tip 2 Involve your employees

Offering the opportunity for your employees to participate in community activities has been shown to be good for developing skills, such as leadership and teamwork abilities as well as improving employee motivation. Employee volunteering can take many forms, from team challenges to individual employees contributing their business skills to community projects. After identifying which strategies your business can adopt in the community, consult with your employees about their interests in participating in an activity. Make a list like the one below to collect the ideas:

Needs of the Community	Interests of the employees
More computers for schools	To run a workshop on basic computer skills with adults
Basic skills training for the unemployed	To work together with a local environmental topic
New benches or other facilities for a town park	To raise money for the local church/school/ community centre etc
Fundraising for new sports facilities	.....



Tip 3 Measure and Report

The community, your employees and customers will all be keen to learn how the work you are doing in the community is improving and enhancing your community and business. Develop a plan for reporting back on community involvement. You could allocate a member of your staff or a team to prepare a short newsletter, press release or announcement on a website. This will further enhance your reputation and transparency.



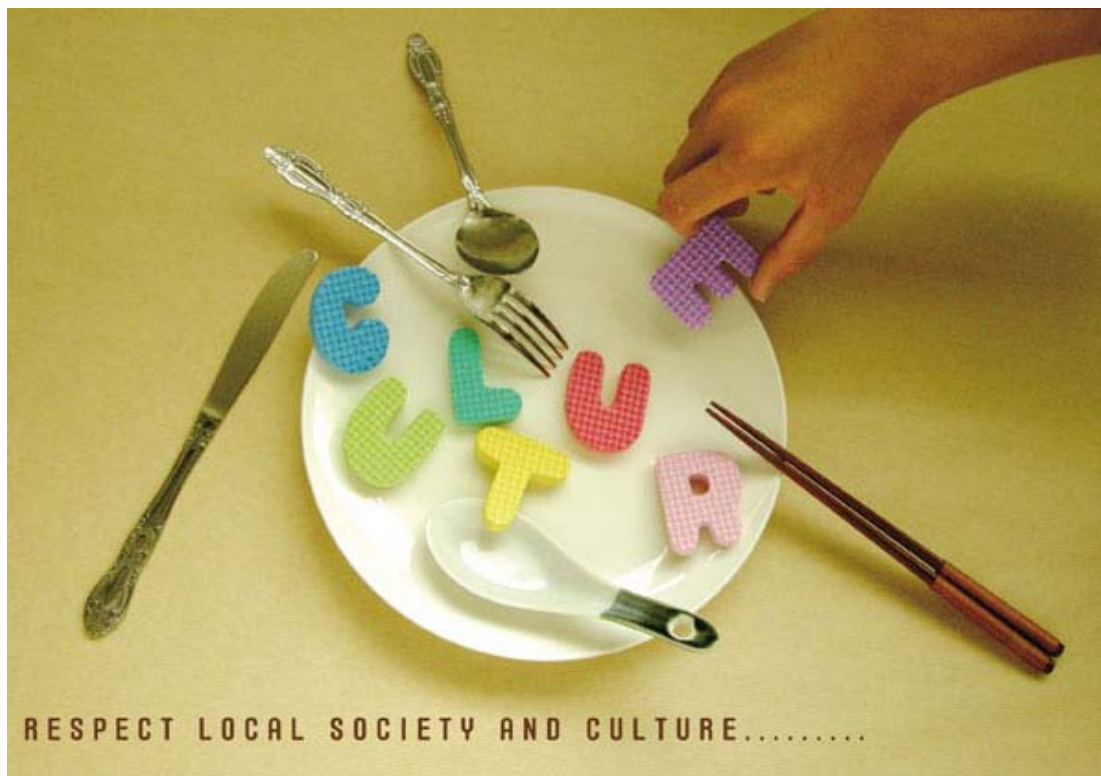
Respect local society and culture

An international toothpaste firm wanted to expand its market into South East Asia and, as in its previous advertising campaigns, promoted the ‘teeth whitening’ effect of its toothpaste. Much to their surprise the product was unsuccessful because they later found out that the local people of that area chew betel nuts to blacken their teeth, which they find attractive (Kwintessential Cross Cultural Solutions).¹

Failing to consider differing cultural factors can lead to misunderstandings, embarrassment or even failure of your business venture. ‘Culture’ can mean many different things, for example, the politics, history, faith, mentality, behaviour or lifestyle of people, and groups of people. One advantage of today’s globalised world is its increased cultural diversity, resources, services and information exchange. This means there is a greater variety of choice in the location of your company, the choice of your resources and labour force you employ. Nevertheless, different regions demand different approaches. When businesses fail to respect local culture, they can encounter business restrictions and lost opportunities. Treating local communities with respect and avoiding exploitative practices will help you build long term profitability.²

A closer look: Sambazon, Brazil | USA

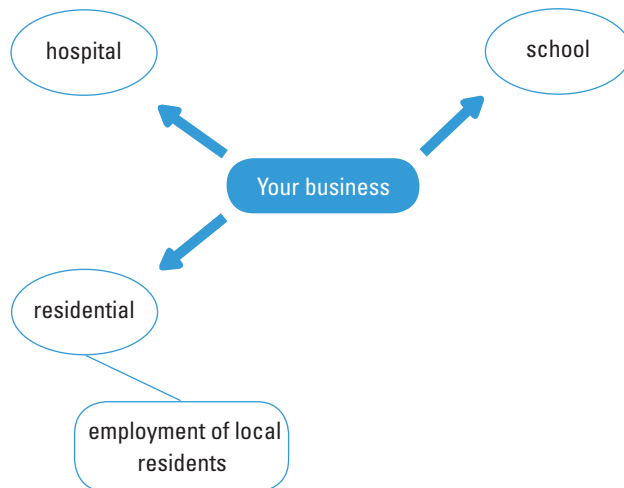
Sambazon (Sustainable Management of the Brazilian Amazon) is a company operating in the US and Brazil which imports highly nutritious Amazonian Açaí berries for sale to health conscious consumers. The berry is used in juices, smoothies, sorbets and energy drinks and is particularly aimed at athletically minded people or those interested in health and beauty. Sambazon realised that there was a vast US market for Brazilian food products where much of the culture is focused on image and health issues. However, the company still draws on the knowledge it obtains locally in Brazil. It is in the final stages of achieving ‘Fair Trade’ certification and offers training programmes and employment opportunities for local people in Brazil to benefit the local cooperative suppliers. Sambazon uses environmentally friendly practices to protect the local environment and has improved the local economy by offering jobs to people from the community. Sambazon respects and draws on the knowledge of the local culture where the berry is harvested while still targeting a very different market in the US.³



RESPECT LOCAL SOCIETY AND CULTURE.....

Tip 1 Do your homework

How much do you know about the area in which your business is located, and how much do you know about the people living there? Draw a diagram illustrating how your business is related to the local community and how you think both your company and the community could benefit from an increased exchange of knowledge. The following is a sample diagram you could use.



Tip 2 Consult local communities

Community involvement is the best way to find out the main cultural trends of the community in which you operate. Identify ways of selecting members of the local community to participate in consultations or information gathering sessions- these could be either groups or individuals. Finding out about the cultures and traditions of the area will help avoid difficult or embarrassing situations and potentially open up new business opportunities. In the same way, explaining your business to the local communities can prevent misunderstandings which might affect your daily operations.



Tip3 Employ local people

Having access to local knowledge where your business operates is vital to the success of your business and one of the easiest ways to access this is by the people who know the area best – the local people. Local people will know more about the needs of the community and the best ways to promote and advertise your business, all of which are valuable success factors for your business. Support local employment by offering training where appropriate. The payback from local insight and community building relations will be more than worthwhile in the long-term.



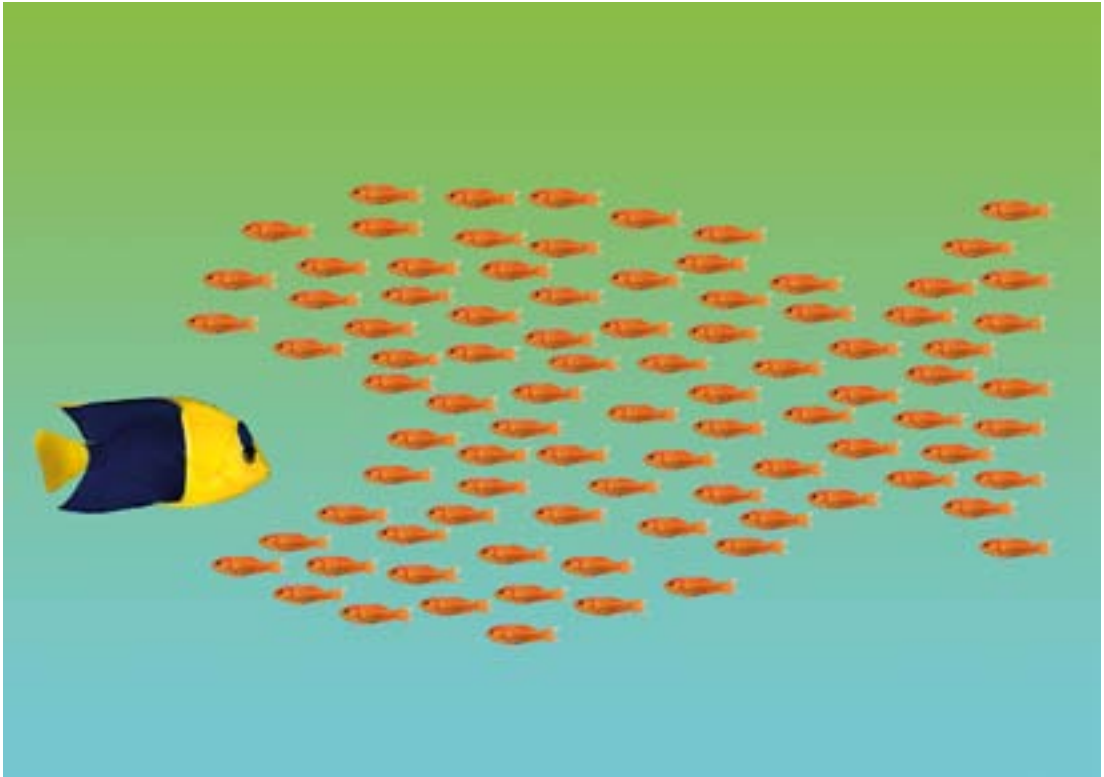
Lobby for good

Studies show that successful companies align their lobbying agenda with their business principles (GreenBiz).¹

It is well known that lobbying regulatory authorities can be a powerful way to improve the operating conditions for your business. By voicing your opinion and interests to local or national governments, you can create a business environment which is more favourable for the operation of your company. Lobbying is most successful when it is aligned with your company principles and practices because your reputation and trust from your stakeholders remains solid. Since the business world is becoming more concerned with environmental and social sustainability issues, lobbying on these issues will make business easier and more profitable for you in the long-run. Also, lobbying for green standards and the promotion of environmental practices can be a powerful marketing tool, which raises your profile and reputation among your stakeholders.²

A closer look: Bee Keeping, Nigeria

Tunde Fabunmi is the founder of an organisation in Nigeria, which delivers bee-keeping, honey-making and marketing classes for communities with the aim of ensuring that beekeeping and honey production is as sustainable as possible. Many current practices involve burning beehives so that honey can be extracted without the bees harming the harvesters, which causes environmental degradation and pollution. One aspect of Tunde's work is to lobby the government for new laws preventing this environmental degradation and to provide economic opportunity through promoting alternative honey-harvesting methods. The Nigerian government has created an environment ministry to address issues of this nature but the ministry has yet to address the issue of bee conservation, making Tunde's lobbying work extremely valuable.³



Tip 1 Start a ‘green’ task-force

Involve your employees in your lobbying strategies, this will ensure transparency. Start a ‘green’ task-force within your business and use it to promote environmental and social issues both inside and outside your business. Allocate a member of staff to the green task force and conduct regular meetings to plan actions and strategies and ensure that your lobbying aligns with your business strategies.



Tip 2 Become a local leader

Your company is most likely part of a local group of other SMEs and businesses in the area. Your business can become a leader and catalyst in your sector to stimulate broader sustainability action. This will help further the interests and mission of your business. Sharing ideas within your business community can also be profitable for all members of the community.



Tip 3 Monitor and report your company's involvement

Analyse potential lobbying issues and investigate whether your company could engage other parties or form partnerships to deal with these issues. Make a note of the areas where action has already been taken. Are there any gaps to be filled? Think about the topic and the action taken. You could write your ideas in the table below. Some ideas have been added for you. Use your analysis to plan potential areas for lobbying.²

Topics for action	How Action taken
e.g. Pollution regulations	.....
e.g. Waste separation and recycling	Lobbying local government for better recycling services/collection of recyclable waste



A series of 15 horizontal lines spanning the width of the page, providing a template for writing.

Learn from your stakeholders

‘Effective stakeholder engagement provides the opportunity to manage those challenges, to find innovative solutions and create value for everyone involved.’
(UNEP)¹

Stakeholders are the people or groups of people influencing or being influenced by the decisions or actions of your business.² The business world today is tough and competitive, and your business can benefit from dialogue with your stakeholders. Communication with the people involved directly and indirectly in your company not only helps you operate transparently and build good relationships but regular and effective dialogue allows you to develop new and more competitive products and services.³

A closer look: Ascensores Jordá, Spain

Ascensores Jordá is a Spanish firm producing lifting systems that employs 70 people. The company recognizes the importance of working “hand in hand” with its stakeholders in order to achieve sustainability. Continuous communication with stakeholders is understood as a key driver for mutual learning. For instance, Ascensores Jordá operates under strict subcontracting policy to establish long-term supplier relationships and to develop supplier quality control and risk prevention programmes. This allows the company and the stakeholders to improve performance of both organisations and consequently offer better products and services to their customers.^{7,8}



learn from your stakeholders

Tip 1 Identify and map your stakeholders

Look at the diagram below. It shows the different categories of stakeholders involved in your business. Try to think of specific examples for each category and write them in the correct place. A few examples are given below.⁴



Tip 2 Prioritise your stakeholders and their interests

Using the stakeholders you identified in Tip 1 above, complete the left hand column of the table below. Along the top row of the table list the most important outcomes for your business. Some examples are completed for you, but you can adapt the table to your own preferences. Decide how important you think each stakeholder is in respect to each outcome, by giving them a number from 1 to 3 (1 = low influence and 3= high influence). By adding the numbers at the end of each row you can rationally identify your most important stakeholders. A high number means a high priority.⁵

Outcome Stakeholder	Enhanced reputation	Increased profit	Improved access to capital	Improved relationships	Sum
Employee					
Customer					
Supplier					

Tip3 Plan for improved stakeholder relations

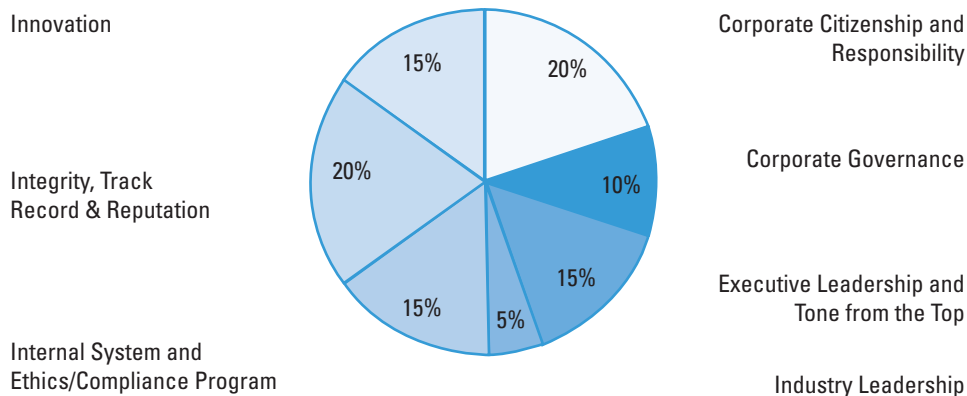
Now that you have identified your most important stakeholders, it is important to formulate a plan to improve your business relationship with these key groups. In the table below, list your 4 most important stakeholders, and this time classify them according to whether they are internally or externally involved in your business. Outline a strategic step you can take to improve your relationship. In the final column list the specific benefit this will bring for your company.⁶

Stakeholder	Strategic step	Benefits
Internal		
1. Employees	Online employee forum for anonymous feedback and suggestions	Improved employee-employer dialogue and transparency
2. ....	.....	.....
External		
3. Non-governmental Organisations (NGOs)	Consultation procedure when business decisions affect the wider community	Getting NGOs on side early can prevent problems later
4. ....	.....	.....



Compliance is the first step

‘Integrity, track record and reputation’ are considered the most important factors when assessing a firms ethical character (Ethisphere Institute).^{1,2}



Ensuring that your company is complying with the local, regional, national and international regulations is expensive, but not nearly as expensive as failing to comply. Observing the required regulations helps you avoid direct costs through fines or prison sentences but also indirect costs incurred through loss of business from a bad reputation. Making a checklist of the requirements your company needs to observe will save you money in the long run and ensure your business's integrity and reputation.

A closer look: AOS Art on Stitch Co. Ltd., Thailand

Art on Stitch is a family owned enterprise of some 250 employees that produces adult and children's knitwear for export to the USA, Korea, Japan and EU countries. Art on Stitch ensures that it complies with relevant Thai laws by carrying out regular internal assessments to identify areas which may have been forgotten or neglected. In addition in 2005 Art on Stitch successfully passed the Thai Social Audit TLS8001 and the BSCI (Business Social Compliance Initiative). This means that it complies with an array of regulations on issues such as freedom of association, the right to collective bargaining, a prohibition of all forms of discrimination, child labour, forced labour, compensation/minimum wages, working hours, sub-contractor monitoring, health and safety and environmental regulations. Art on Stitch has been expanding since 1993 and in the words of the managing director are 'achieving whilst remaining committed to sustainability'.^{4,5}

Compliance
is the **first** step



Tip 1 Identify relevant regulations and legislation

As a small business you are unlikely to have the luxury of an in-house lawyer. However, you can use your internal expertise, reports and documents from your operation in addition to working to build a relationship with local authorities will help you identify the rules and regulations you need to obey. Check also sources such as daily newspapers, Chambers of Commerce, industrial associations and trade journals for updates and changes to relevant laws and regulations. Use the following themes to structure a quick overview and identify potential gaps:³

Health and safety	☐
Product and service labelling	☐
Marketing communication, advertising, promotion and sponsorship	☐
Provision and use of products and services	☐
Environmental laws and regulations	☐

Tip 2 Check your compliance with the regulations

After this process of identifying the relevant requirements, you need to work through each rule one by one to evaluate your current performance. Compare your performance with the legal requirements. Other documents such as permits and reports will help you to establish your current legal position. Even if you think your business complies with the relevant regulations, it can be a useful exercise to conduct this procedure because you might identify alternative cheaper methods of compliance.³

Tip 3 Act now, not later and keep documents up to date

Draw up a clearly defined action plan that identifies the changes you need to make, the costs and forecasted timescales. You may find that taking action now even saves you money and time in the long-run. Also consider carefully the methods you will use to store your legal information, it must be regularly updated and securely stored. Allocate an employee or a group of employees to undertake this important task and regularly review the process.

This image shows a blank sheet of white paper with horizontal ruling lines. A small blue pencil icon is positioned at the top left corner. The paper is otherwise empty, with no handwriting or other markings.

Ensure Licence to operate

Crime, litter and graffiti are disincentives for business investment. Making your trading environment as attractive for customers, employees and residents is important in your company's everyday practice.¹

Have you ever thought about where your business is located and the people and communities living in the local area? The success of your company could depend on your location and relationship with the nearby community. Make sure that your business has 'licence to operate', which doesn't just mean coordinating with legal obligations but it also means monitoring the impact your business has on the local surrounding and community. Because of the impact on the success of your business it is in your interest to gain social trust and approval of your neighbours and people in the area you operate. Ensure that you don't cause annoyances or disturbances to help build long-term trusting relationships with the community in which you are based.²

A closer look: Alltournative, Mexico

Alltournative, a tour operator and provider of products, services and ecotourism recreation activities in Yucatan's peninsula, Mexico, has been operating since 1999 and currently has a complement of 207 employees. Alltournative is an ecotourism venture and as a fundamental part of its work has agreements with the local Mayan communities to preserve the natural environment as well as to cooperate on building the necessary infrastructure for tourists and community development. Alltournative prides itself in offering its customers a unique holiday experience with real contact with the traditional Mayan cultures of the region. It has strict principles to protect archaeological ruins and supports members of the community in the performance of cultural rituals and ceremonies. Inhabitants of the local community have found in Alltournative an alternative economic income to agriculture as well as a way of preserving the Mayan culture.^{5,6}



Ensure licence to operate

Tip1 Think about disturbance

Is there anything your business does which could potentially be disturbing to people living nearby? Draw a map of your company site similar to the one illustrated below and include a 50 m (or further) buffer surrounding the area. Mark on the map potential problem areas or impacts your business might cause for the community in the surrounding area. Think about noise, smells, emissions or transport congestion.³



Tip2 Review complaints from your local community

Review records and create a summary of complaints from the local community due to disturbances from your business. Also include the processes or operations at the source of the complaint and the action that was taken. You can draw up a table, like the one below (number 1 is an example).⁴

Complaint | Problem and date it occurred	Cause of the complaint/ problem	Action taken
1. Loud noises from heavy duty vehicles delivering supplies before 7 am	Residents living next door to business	Review of company policy, delivery not before 7.30 am
2. .....	.....	.....
3. .....	.....	.....
4. .....	.....	.....

Tip 3 Determine priorities and prepare an implementation plan for action

Examining complaints from the local community gives you opportunities to improve relations. Identify the most cost effective measures you can take and prioritise them. Use this information to prepare an implementation and action plan. Do not forget to monitor your plan on a regular basis.

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Corruption Corrupts your business

Recent studies have shown that corruption increases the cost of doing business by approximately 10 % (UN Global Compact).¹

The risks you take in business when you engage in corrupt practices can jeopardise your company's reputation and success alike. Corruption means taking legal risks since national and international laws are becoming both increasingly strong and enforcement is becoming diligent as never before. Moreover, if you are involved in blackmailing activities, your staff, business and its assets can be exposed to security risks that can threaten internal trust within your organisation. A corrupt company also means that people lose sight of both corporate ethics and good practice the use of raw materials Corruption has been shown in some cases to lead to the over exploitation and destruction of natural resources. Tackling corruption is not simple, but an integrated internal, external and collaborative approach to addressing this issue will ensure your business does not become a part of it.²

A closer look: Course SMEs programme with integrity and transparency, Colombia



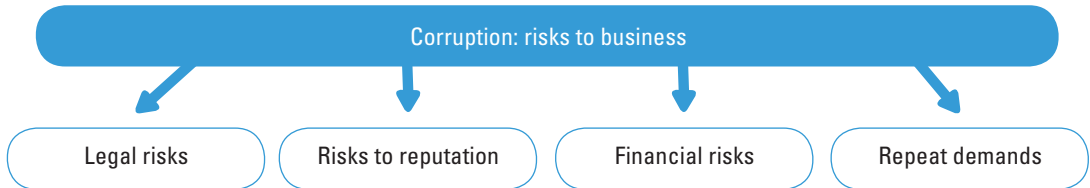
Transparency for Colombia developed the 'Rumbo Pymes – integras y transparentes' (Course SMEs – with integrity and transparency) anti-corruption programme which aims to foster ethical business practice and prevent corruption among Colombian SMEs. The initiative relies on the support and cooperation of a number of larger firms. Through their leadership and market influence these larger players help create an ethical business foundation and build trust among SMEs. The strategy employed in the program included delivering a 13-month training course with learning modules on topics as diverse as ethics-oriented leadership, assessing the ethical environment in firms, ethical commitments, ethical conflict solving, ethical decision making, guidelines for counteracting corruption, and strengthening communication channels.⁷

Corruption corrupts your business



Tip 1 Know about corruption

The term 'corruption' encompasses everything from minor abuse of influence to large scale institutional bribery.³ In order for your business to develop effective anti-corruption policies, and therefore reduce its risk on account of corruption, it is necessary to understand what corruption means for business. Transparency International defines corruption as "the abuse of entrusted power for private gains", and these gains may be financial or non-financial.⁴ Look at the diagram below. It includes risks that corruption could bring to your business. Can you identify any more?



Tip 2 Assess the current situation

What are already doing to prevent corruption? Do you have internal policies or do you participate in sectoral or regional anti-corruption initiatives? Draw up a list of the existing measures your company has implemented to fight corruption. Add a date when each was implemented and add relevant comments that you might wish to add. Be honest and assess whether the measures you currently have in place are adequate.⁵

Anti-corruption policies	Date implemented	Comments/Success rate
e.g. Not offering or taking bribes		
e.g. Refusing to support criminal 'protection rackets'		
e.g. Refusing to launder money from criminal action		
e.g. Not offering or accepting large gifts		
e.g. Not making undocumented donations to political parties		

Tip 3 Three sides to fighting corruption for better business

The community, your employees and customers will all be keen to learn how the work you are doing in the community is improving and enhancing your community and business. Develop a plan for reporting back on community involvement. You could allocate a member of your staff or a team to prepare a short newsletter, press release or announcement on a website. This will further enhance your reputation and transparency.

Fighting corruption at three levels

1. Internally- you need to introduce/refine anti-corruption policies in your business and include programmes and capacity building activities for your staff in your everyday operations.

2. Externally- effectively communicate your anti-corruption work to inform external stakeholders that your business success is based upon business integrity and a strict 'Zero tolerance' approach to corruption. This will build transparency and trust between your customers, suppliers and other external stakeholders.

3. Work together- Become part of a collective effort together with your industry peers and stakeholders. This could be as part of an intermediary organisation or platform through which collective action can be taken.



Get the Word Out!

Communicate your success openly

More than 1,500 companies from around the world have signed on to the Global Reporting Initiative (GRI) since its launch in 1997. This means they voluntarily release public reports on the economic, environmental and social progress of their business (Global reporting Initiative).¹

An excellent business needs excellent communication strategies. Customers, authorities, non-governmental organisations (NGOs), investors and the local community have an interest in how your company is performing, and this no longer just concerns how much profit your might have earned. Nowadays, forward-looking businesses also communicate on their sustainability practices. This can be done through professional reporting on the progress of your company over time. Importantly, reporting the progress your business has made does not just include your economic success, but social and environmental issues as well. Demonstrating that your company upholds strong environmental and social principles enhances your reputation, improves stakeholder relations, motivates employees and can open new market opportunities.² Reporting publicly on key issues in your firm is also an important way to identify improvements that can be made in all aspects of your business.

A closer look: MIRNI S.A., Peru

MIRNI is an apparel company that began operations in 1968 in Lima, Peru. It is a family owned company that began with ten employees and today employs about double that number. MIRNI designs fashion apparel and accessories for retail sales in addition to workplace uniforms. The company joined the GRI 'High 5' reporting initiative after an invitation from a GRI group at the Pontificia Universidad Católica del Perú. After following through the reporting process suggested by the GRI, the firm is now convinced that the processes followed to produce the report have aided them to far more clearly understand what it means to be a sustainable company in all senses of the term. At the same time, the reporting process has enabled MIRNI to identify and prioritise future improvement opportunities that affect them in the long and short term.⁴



Communicate your success openly.

Tip 1 Form a reporting team

Allocating a group of your staff that are responsible for your reporting activities will ensure your reporting process runs smoothly and efficiently. The job of the reporting team will probably include the following tasks:³

Overall coordination of the reporting project

☐

Communication with the owner/management concerning the progress

☐

Documenting the results for public release

☐

Tip 2 Prepare a communication plan that targets your audience

Outline a plan for communicating your business success and progress in the preceding year. Consider the following points.

Target audience (their needs and expectations)

☐

Information to communicate

☐

Internal means of communication within your company e.g. notice board, newsletter, e-mail

☐

External means of communication e.g. formal report

☐

Budget for communication

☐

Timetable for activities

☐

Tip 3 Make information readily available

Choose a method to communicate your report to your different stakeholders so that they will have an opportunity to comment and provide feedback. This could be in the form of a questionnaire included in the report or alternatively results could be published on an internet website that offers an opportunity to provide input. This ensures an open and transparent relationship with your stakeholders. Remember you need to engage a wide spectrum of people that are affected by your business, such as employees, the community, customers and suppliers. You could, for example, publish and distribute hard copies of the report which could be complemented by an electronic online copy.



Use marketing for a good cause

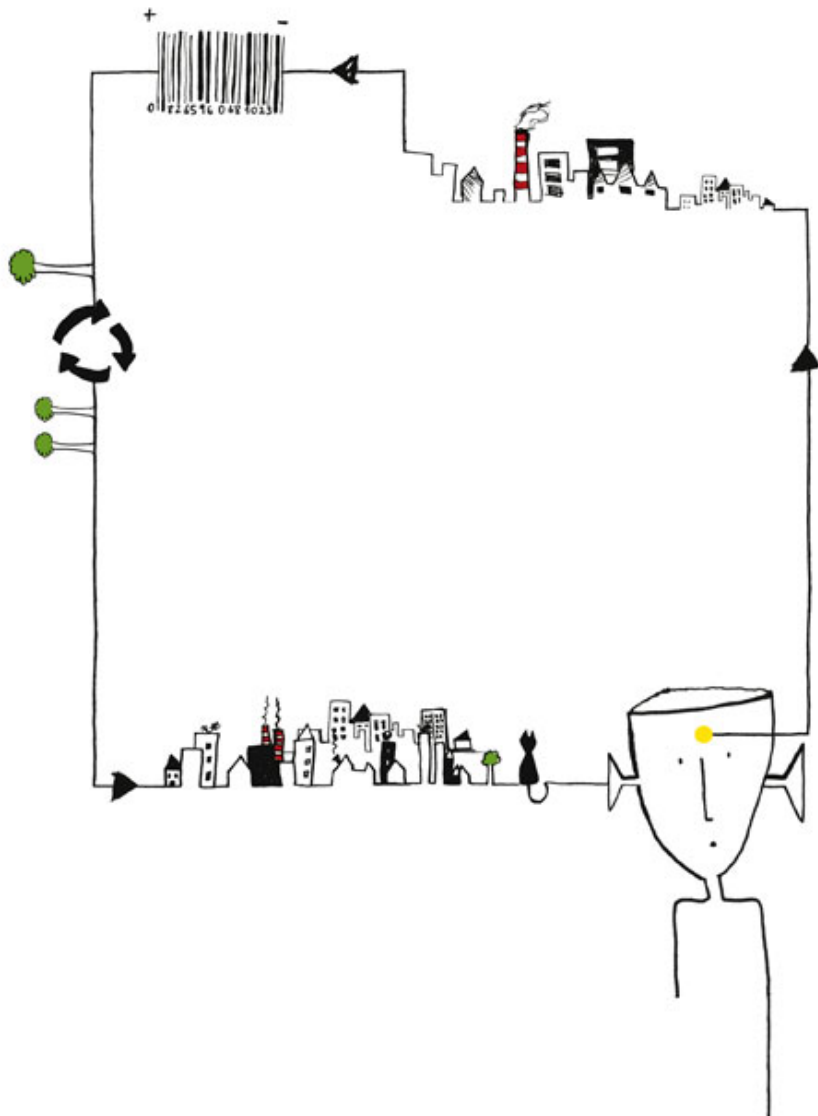
According to a recent survey, some 40% of Americans consider responsible marketing and advertising to be an issue that is for them 'very important' (Doing Well by Doing Good survey).¹

Customers are becoming better informed about the social and ethical background of businesses. Using marketing techniques that contradict ethical or cultural standards or attempt to influence vulnerable audiences like small children are ineffective at reaching modern customers. Inappropriate marketing also presents a risk to your business because it can alienate customers and other stakeholders, damage your reputation and result in financial losses in the event you breach any local legislation on the issue. With good marketing strategies you have the power to positively influence opinions and customer purchasing decisions. As an SME that chooses to market sustainable lifestyles and products you will enable your customers to differentiate between your products and other brands. Through innovative and alternative marketing techniques you may even be able to reduce your marketing costs.²

A closer look: Stonyfield Farm | Danone, USA

With around 250 employees, Stonyfield Farm (recently acquired by Danone) is the world's leading organic yoghurt producer. It has adopted a marketing strategy that involves providing information printed directly on packaging coupled with an internet website, both of which aim to raise awareness of organic food and social issues. Stonyfield Farm produces hormone-free organic dairy products while supporting small local dairy farmers. As a part of their commitment to the broader community, Stonyfield also donates 10% of profits to social and environmental groups or programmes. Their main tool was to take advantage of lids on their yogurt containers as a vehicle to promote their partnership campaigns with NGOs, and social and environmental programmes in addition to promoting sustainable lifestyles more generally. These combined efforts enabled Stonyfield Farm to increase sales turnover without the often large costs associated with traditional marketing strategies.^{4,5}

Use marketing for a good cause



Tip 1 Understand the issue and products

Understand the added value and limits of your product by talking to different members of your team at different stages of the supply chain. Using a lifecycle analysis for your products or services can provide you with a basis for choosing a captivating means of marketing your product or service. You could also think about the following issues when assessing your marketing options:

Product value added and the sustainability context



Labelling efforts to enhance the credibility and comparability of the sustainability attributes of your products



Tip 2 Build partnerships with peers

There has never been a better time to market sustainable products. Currently there is substantial support from NGOs and other organisations to promote and support products that conform to environmental or social labelling criteria. Moreover, coverage of sustainability issues in the media is also increasing and well known celebrity figures have been known to endorse innovative and sustainable products. Explore opportunities to form partnerships with local NGOs or other groups to collaboratively co-market your respective products and campaigns. Partnering in such a way can contribute toward making your overall marketing strategy more effective.



Tip 3 Have a voluntary internal marketing standard

Write down a code or set of requirements for all of your business' marketing strategies. You can refer to your code as a matter of routine to ensure you are not inadvertently targeting vulnerable markets or marketing products that are subject to controversy in public or stakeholder debates. This will also reduce the risk of wasting time or money on ineffective marketing programs.³



[illegible]

Support external sustainability initiatives

The business-driven anti-corruption ‘Partnering Against Corruption Initiative’ (PACI) in Brazil represents firms with a turnover exceeding \$500 billion (US) and with a staff complement exceeding 1.4 million employees (World Economic Forum).¹

Supporting leading national or international external initiatives can be excellent for the reputation and image of your company and can even serve to increase your customer base. There are many different ways in which a business can become involved in external initiatives. Examples include supporting conventions, agreements, national strategies, policies and plans, or through the membership of trusts, networks, councils or other programmes that aim to improve the business climate for sustainability. Today, your customers are certainly becoming increasingly aware of international programmes on the environment, poverty or corruption. When they know that your business wholeheartedly supports well-known initiatives to tackle such problems your customers will be more likely to choose your business over others.²

A closer look: Happy Computers, UK

‘Happy Computers’, is a London based computer training firm that supports external development projects through donations of cash and volunteer work. In supporting the development projects the company employs the concept of “mutual benefit” for them and their staff by enabling employees to apply to support a charity project of their choosing. For their contribution Happy Computers has allocated 100 days per year (2.5 days per employee) to a time bank scheme that will enable staff to support charity projects of their choosing. An example initiative that Happy Computers has supported in the past was an allocation of 20 staff days to support the Pan African Development, Education and Advocacy Programme (PADEAP) in Kampala, Uganda. Two Happy Computer trainers spent a full month on site at the PADEAP IT Community Training Centre to provide training in MS Office software. The mutual benefits they realised out of this effort included gaining a substantial boost in the motivation of their staff, personal development for their trainers, significantly enhanced publicity for their firm in addition to building the staff skill and efficiency at the Kampala community centre. Over 40% of the Happy Computers training staff have applied to participate in future projects that are planned for Cambodia, Nigeria and Uganda.^{4,5}

Support external initiatives



Tip 1 Go for the big ones

Does your business already support any initiatives? In what way? What type of initiatives are they? Is the scope local, national or international and over what timescale? Assess what if any role your business currently plays to identify potential gaps and/or contacts your business could make to fully realise the benefits you might be able to achieve through your participation and support for leading projects and initiatives. Consider the table below and complete it for your business.

Initiative	Timeline	Comments
e.g. membership of 'Green Building Council'	Ongoing	Being a member of this organisation means supporting the principles of the Green Building Council and promoting their work. Cooperation is recognised and improves the reputation of my business.

Tip 2 Think globally and locally

There are many large initiatives that offer potential for even small businesses to participate. Although it might seem unlikely, you could play a role in furthering the achievement of the World Bank Millennium Development Goals (MDGs). The official website for the MDGs (given below) can provide you with more information and background.³ At a smaller scale there you may consider local campaigns and projects within which you could become involved, which offers potential for you to gain the trust and respect of your local community. Such initiatives may not have the profile of large global projects but can be useful to strengthen your local connections. Since your involvement does not necessarily require a large financial contribution, perhaps even without any direct financial cost at all, supporting local programs can be exceptionally cost effective relative to what they can offer your business.



Tip 3 Spread the news

Once you are part of an external initiative, maximise your gains by communicating your involvement through your market channels, suppliers, customers, the community and other stakeholders. Associating your company with a leading external project or initiative is not only great advertising but will be a source of ongoing pride for you and your staff!



Use sustainability for innovation

Following detailed life-cycle analyses laundry detergent manufacturers discovered that some 90% of carbon emissions from the washing process came from heating and powering the machine, rather than from the production and distribution of the washing detergent. They realised that if they modified their products to produce the cleaning effect at lower temperatures they could better attract customers because of the better value for money they could offer while minimising environmental impact at the same time (World Business Council for Sustainable Development).¹

Successful companies are those which are innovative and efficient. Many businesses have been producing the same goods and services for years because there is a stable market demand. However, studies have shown that the best companies constantly consider new and innovative strategies. Sustainability can be a source of inspiration for new products and services. By offering products that are more eco-efficient, you can increase value for money to consumers and individuals and perhaps even lower your production costs.²

A closer look: Partners for Help to Self-Help, The Gambia

The Partners for Help to Self-Help organisation is run by Yusupha Kujabi who designs easy to produce solar energy devices and offers training to rural groups on their production and use. Other innovations include solar processing and preservation techniques, a parabolic food cooker which provides cooking for larger communities such as schools or families and a solar bakery, intended for areas with high demand for bread. These products were developed to address chronic food shortages that occur in West Africa, which are often magnified by a lack of cheap preservation technologies. Yusupha also works extensively with local communities to help them accept and cost-effectively use his new technologies. His designs are flexible and can be adapted for use in other areas in the Cape Verde and Senegal region.⁴



**Use sustainability
for innovation**

Tip 1 Assess your strategies

What is your current company strategy for product and service related innovation? List the different options available to you and assess which is most suitable for your business. For example...

Focus on differentiation – offer a superior product or service with a distinctive brand

☐

Offer low cost and no frills products

☐

Take pre-emptive moves – win customer loyalty by first mover advantages

☐

Look for synergies – enhance value to your customers while reducing your production costs

☐

Tip 2 Market effectively

The key to making innovation work for your company is to identify opportunities at an early stage and deciding how to best market your innovation to your customers. Sometimes it might not be obvious to your customers how they will derive benefit from your innovation. You need to develop an effective strategy that will speak to your clientele that communicates the direct and indirect benefits of using your product or service.

Innovation	Source
e.g. energy efficient washing machine	Customers need to understand it saves them money on a long-term basis.

Tip 3 Collaborate on innovation

Look around for support for your product and service innovation. Working with other businesses or organisations can help you test or and implement your ideas. Use or form networks of trade and professional bodies to help you make important contacts that can assist you in bringing your sustainable innovation to market.³



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Design products for sustainability

80% of the environmental and social impacts that are caused by a product over its lifetime (production, use and disposal stages) are determined during the planning and development phase alone (Political Ecology: Sustainable Design).¹

Considering the social and environmental aspects of your products and services can offer exciting new business opportunities. Thinking about sustainability and environmental issues during your product design can open a gateway to new ideas, activities and business concepts.² For instance, consider the quantities of raw materials, energy and water you're your company uses. How much fuel do you require for distribution? How much energy do your products consume during their use? What about the waste formed after using the products? Is it recyclable? Customers are becoming increasingly interested in the social and environmental consequences of their purchases. Make sure you keep one step ahead of these emerging trends by developing exciting new products that are good for both your customers and the environment.³

A closer look: Freeplay Energy PLC, UK

Freeplay Energy plc Group, located in the United States and Canada, is the licensed international producer and distributor of the revolutionary Freeplay wind-up radios and lanterns. Freeplay products are smaller, lighter, more efficient, well-designed and cheaper than alternatives. The Freeplay Radio does not contain batteries or other electrical energy storage materials but rather draws its energy from a unique mechanical system similar to a spring operated clock. There is also an upgrade for the radio which to operate with solar cells. The Freeplay Energy Group has raised over \$45m in capital and sold over three million units since producing their first radio in 1996. Freeplay products are widely available across North America and Europe, and are fundamental in many of the poorest developing countries.⁶



Fu, Yibo | Fine Arts School of Hangzhou Normal University | Hangzhou, P.R. of China

Tip 1 Follow the environmental profile of a product

The diagram above illustrates the important stages in a product lifecycle and actions you can take to make improvements at each stage to increase efficiency and reduce environmental and social impacts connected to the product. AS an example consider a product or service provided by your company. Follow the diagram below and consider changes that could be made at each stage.⁴

7) Optimisation of end-life-system

Recycling of the product / Better collection and sorting /
Reuse of materials / Clearer waste incineration

6) Optimisation of the product life

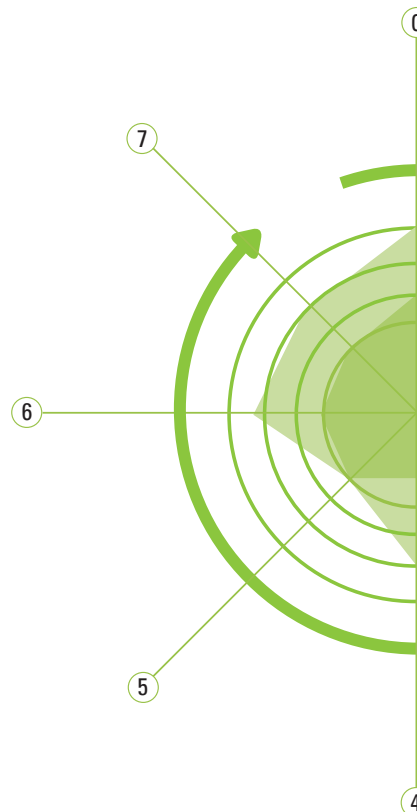
Reliability and durability / Easy maintenance and repairs /
Product with a module structure / Classic design /
User takes good care of the product

5) Reduction of environmental impacts associated with product use

Low energy consumption / Cleaner energy source /
Few necessary secondary materials / Use/consumption
No use of energy / secondary materials

4) Efficient distribution systems

Less packaging and more environmentally / friendly packaging /
Energy efficient forms of transport / Energy efficient logistics



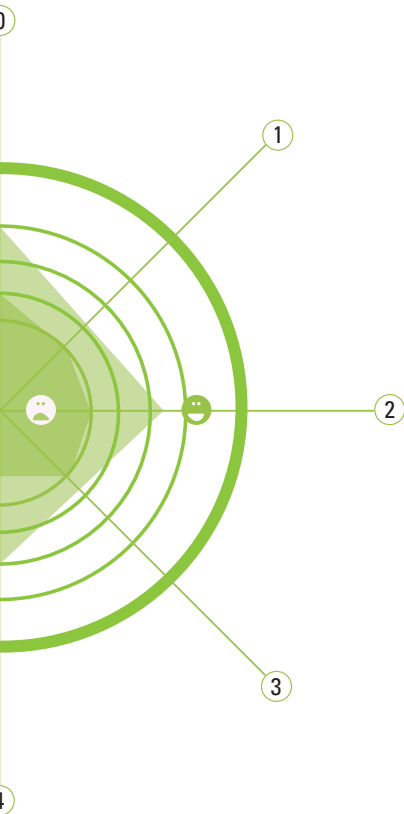
Tip 2 Plan your strategy for change

Identify one key change that can be made at each stage of your product lifecycle. Taking stage one, material use as an example, you could select one more material which is recyclable as a substitute for a non-recyclable material you currently use. Keep a chart like the one below to track the process of making changes. Rather than tackle all issues simultaneously the key is to systematically make small changes that over time minimise the cost to your business and maximise the benefits to you and your customers.

Stage of the life cycle	Current Situation	Proposed Improvement
Select fewer high risk/toxic chemicals	Metals such as zinc used for curing activator for rubber and for PVC	Minimise use, ensure proper disposal, modify production process to allow the incorporation of alternative non-toxic substances

■ New environmental profile
- goals for product development

■ Environmental profile
- existing product



0) New concept development

Dematerialising / Common use of the product /
Integration of function / From product to service

1) Selection of environmentally friendly materials

Fewer environmentally harmful materials / Renewable materials /
Material with a long energy content / Recycled material /
Recyclable materials

2) Less consumption of materials

Reduction of waste / Reduction of transport (volumen)

3) Optimisation of the production technology

Use of cleaner technology / Fewer production processes /
Lower energy consumption / Lower waste generation / Fewer /
cleaner secondary materials

Tip 3 Use your changes to create a positive brand image

Once you have started to plan your incremental changes you can begin to communicate the results to your customers, suppliers, shareholders and the broader community. Taking care to ensure that your communication is open and transparent will not only build trust, it will also improve your business as it demonstrates that you are among the leading companies in your field by providing new and sustainable products that customers demand today.⁵

Pollution doesn' t pay

Industrial wastes, air emissions and legacy pollution affect over a billion people around the world (Top 10 Worst Pollution Problems).¹

Pollution occurs when unwanted substances or heat are present in the air, water or land and because of their location, quantity or properties cause an undesirable effect on the environment.² Preventing pollution arising from your business is an effective way to improve your competitive advantage. By eliminating or minimising pollution your business can cut costs, reduce liability, improve worker safety, increase competitiveness and gain public interest. Systematically reviewing the way your business addresses pollution could help you identify ways in which pollution can be dealt with more effectively.³

A closer look: VIRECO, Hungary

VIRECO is a Budapest based company specialising in the manufacture of yeasts for nutritional products. VIRECO has developed a unique technology capable of removing toxic heavy metals from waste waters that surround its plant. Yeast manufacturing can produce large quantise of pollution and the company was convinced that it could find a way to prevent undesirable impacts by recycling some of the yeasts it produced. The company conducted laboratory experiments to find suitable types of yeasts and after identifying four suitable strains it began testing to understand how effectively they could clean the polluted water. The results so far have been good and the company considers this new technology as a viable cost effective alternative to conventional treatment options.^{5,6}



Tip 1 Assess types of pollution

Make a list of the possible sources and different types of pollution which could arise from the daily operation of your business. Review the effect of the pollution on your employees, the local and wider community. Write your review in a table, like the one below.⁴

Type of pollution	Source	Effect
Air pollution	e.g. emissions from burning	Dust and fumes can result in allergies for employees or the local community. It can also contribute to climate change, and damages land, water-courses and wildlife.
Nois pollution	e.g. machines in factories, engineering workshops, mills and foundaries. Plants-construction, agriculture and forestry. Loud music.	Depending on the length of the exposure and the level of noise, noise pollution can cause health and other problems to employees, and members of the public.
Water pollution	e.g. spills or leaks from oil/chemical containers, discharge of trade effluent, extraction of too much water from surface waters and ground waters	Damages the environment, humans, plants and animals.

Tip2 Review relevant legislation

Using the table above, identify relevant legislation and regulations in your region, country or internationally and ensure that the levels of air, noise and water pollution are within these regulations or requirements.



Tip 3 Adopt new strategies

Once you have identified the types of pollution your business releases and whether or not you are in compliance with relevant legislation you will need to review your current strategies for pollution prevention and control. Construct a table similar to the one below that identifies specific pollutants and current reduction/mitigation strategies you might employ. In the final column include any improvements that could be made.⁴

Type of pollution	Current strategy	Proposed improvements
Air pollution	• compliance with workplace exposure limits • air pollution included in current risk assessment	• ensure staff are informed about level of fumes • clean machinery and premises thoroughly • seal vessels that contain solvents and other hazardous substances • install ventilation system
Noise pollution	• isolating vibrating machines • use dampening to stop machine panels vibrating • putting up sound proof barriers	• include low noise design when purchasing new equipment/machinery
Water pollution	• using a suitable drainage system • Handling materials according to the manufacturers' instructions	• minimise quantities of materials used • prevent chemical releases/leaks • clean up leaks and spills immediately • store waste securely • ensure staff know how to handle hazardous substances

Minimise production input

Raw materials play a very important role in production costs. In the fishing industry, for example, the raw materials required in seafood processing plants represents 53% of total production costs.¹

Regardless of whether your company is oriented toward the production of goods or the provision of services there are always opportunities to optimise the quantity of your company's resource use. "Resource efficiency" means the reduction of resource use and waste generation while producing products or services of equal value. When fewer resources are needed in production processes or services not only is stress on the environment but there is a substantial likelihood of identifying opportunities to reduce costs as well. Note that currently some 90% of the resource requirements used economy-wide are non-renewable.² Making the most efficient use of your material inputs means that these critical resources will remain within the system for as long as possible before being discarded as waste. Operational costs are usually directly proportional to the quantity of raw materials used in production and in an era of increasing raw material prices improving process efficiency and reducing the quantity of process inputs offers a significant business opportunity.^{3, 4}

A closer look: Van Clewe, Germany

Van Clewe is a German company with around 200 employees, which provides tailor-made solutions to textile finishing services for business clients in the textile industry. The company developed and implemented a new idea to reduce water and energy consumption in their production processes. By recycling wastewater, they reduced the water consumption to 2.5 litres per kilogramme of textile produced, radically lower than the water consumption in this sector which can average between 100-300 litres per kilogramme. The water recycling process has provided an opportunity to reduce energy consumption as well since the recycled water flows are warm and are used as an energy source for other parts of their unique process.^{4,5}



Sarah Keyrouz | Academie Libanaise des Beaux Arts | Beirut, Lebanon

Tip1 Look for opportunities to reuse

Through the reuse of resources you can diminish the quantity of new resources required. To look for these opportunities, draw a diagram of all the processes and the flows of matter and energy, and search for options where it is possible to reuse these resources. For instance, a flow of warm water or other material can be used as an energy source to pre-heat another step in a process.



Tip2 Get the most use out of office materials

Sometimes you can reuse some office material such as paper or folders. Paper printed only on one side can be used for notes or drafts. Similarly, used folders can be reassigned for document archive purposes instead of buying new ones.



Tip3 Utilise refillable products

The use of refillable/rechargeable articles like toners, cartridges or batteries is another way of reusing, and is highly efficient, since there is no energy required to repeatedly produce new replacement products. For example, over 15 billion batteries are produced and sold worldwide and many are discarded after a single use. Consider how much energy and space could be saved if everyone converted to rechargeable batteries!²



[illegible]

Reduce, Reuse and Recycle

On average 8-10 billion tonnes of waste is produced globally every year!¹

Producing waste is a very expensive process. Do you know how much money your company spends on disposing of the waste you produce? There are many opportunities to save money by considering your products in a life cycle perspective and by systematically reducing wastes, reusing items where possible and finally recycling the waste instead of simply throwing materials away.²

A closer look: Vicente Trapani S.A., Argentina

Vicente Trapani S.A. is a leading lemon growing firm in the district of Los Nogales, Provincia de Tucumán. Since the local district has no formal waste management system, they implement their own waste management and recycling programme for wastes arising in all stages in their production. To manage the large volumes of waste generated by Vicente Trapani's production process the company applies strategies of reduction, maximization of reuse, and recycling. This saves both money and resources that would otherwise be required for final waste treatment and disposal. Recycling plays a particularly important role, and the company manages under the principle that "the best way to classify waste outcomes is not to mix them". Materials like cardboard, plastic packaging and bottles, metals, wood, used oil and glass, as well as office, harvesting and storage waste, are separated and reused in the company, or sold to other companies who are able to put them to productive use. The company also adopts measures such as composting of organic waste and recollection of hazardous liquids for further treatment. It is also important to note that a key driver within Vicente Trapani's waste management programme to build capacity and knowledge. Staff from the entry level all the way up to the management board receive ongoing training through talks and seminars, which helps the company to visualise waste management as a common goal.⁶



Masaki Wakayama | Nagoya University of Arts | Nagoya, Japan

Tip1 Follow the simple 5 step scheme

Use the following scheme to improve the management of materials in your company. Do you carry out this procedure with all materials in your company?³



Tip2 Focus on 'reusing'- identifying opportunities

Reusing items in your business can save money on waste disposal costs as well as in reduced need to purchase new inputs. You could even identify whether there are clients who may be interested in buying your reusable materials. Reusing an item means using it in its original form, for its original or alternative purpose. Compile a list (like the one below) of opportunities to reuse items in your business.⁴

Scrap paper, postal packaging, boxes and packing cases	☐
Donate computers and furniture to organisations/charities or sell them at reduced prices	☐
Use rechargeable batteries	☐
Use refillable products such as printer cartridges	☐
Avoid disposable items such as plastic cups and using reusable mugs and glasses instead	☐

Tip 3 Separate waste at source

Separating waste from your business provides your company with other opportunities than simply throwing it all away. Set up a facility in your company which enables employees to divide the waste into plastic and packaging, glass, cans, paper and cardboard. When the waste is separated you then have several options to responsibly manage the materials. You could try to sell or donate this separated waste to other interested companies or organisations who may be able to make use of it. Organic waste can be composted. Quality compost is one of the most valuable resources for beautifying your landscape. You can also find out whether there is a cheap and convenient recycling facility nearby your business or if there are any other opportunities for recycling in your area.⁵



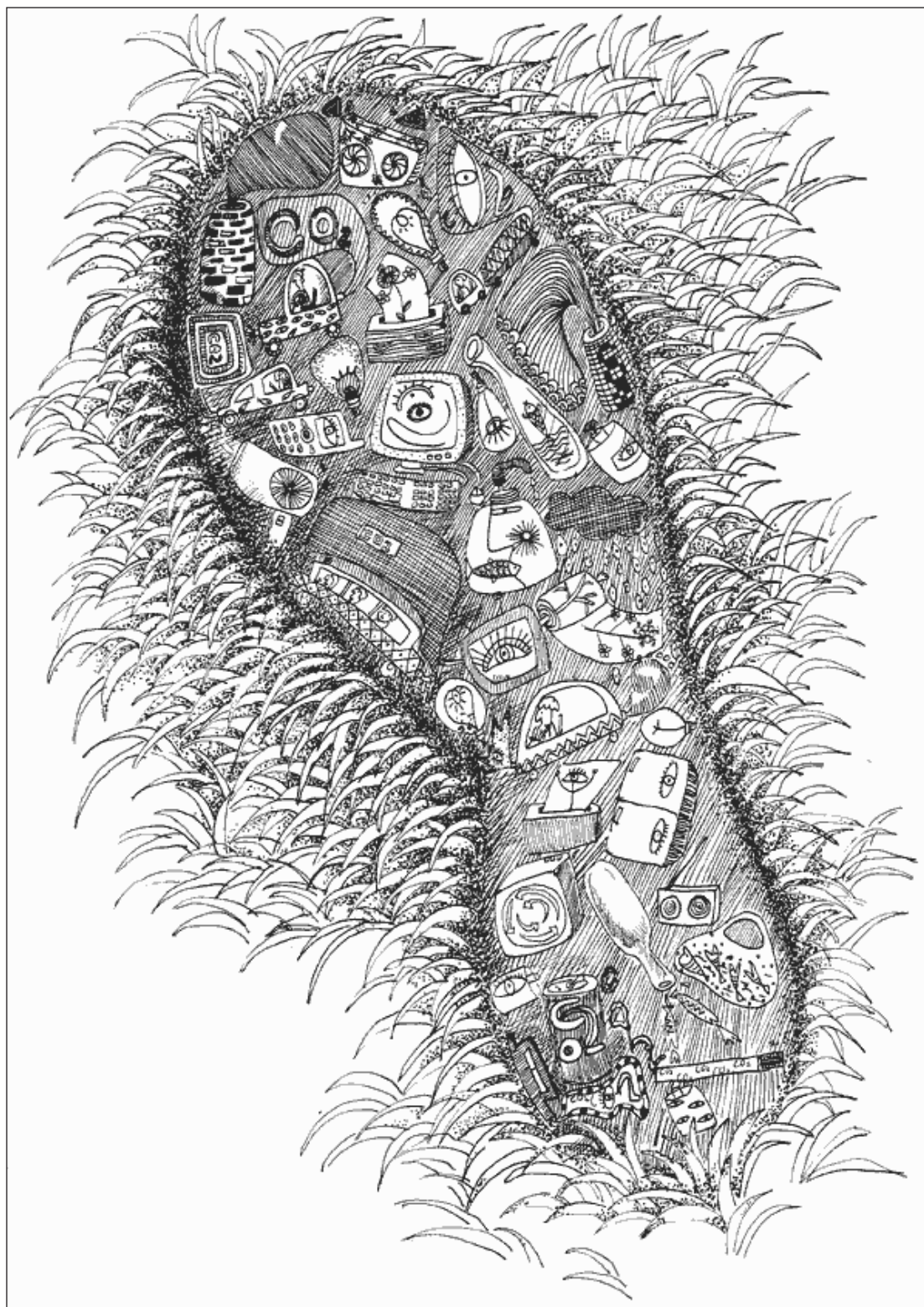
How big is your footprint?

Humanity is now using ecological resources at a rate 30% greater than the earth can provide.¹

An 'ecological footprint' is a way of measuring the size of the area of land required for the operation of your business. This does not just mean the space where your business is physically located but also includes the land area used for farming, fishing, building and the area needed to absorb CO2 emissions from the activities of your company. There are now many studies showing that humans are using substantially more ecological resources than the planet can provide. It therefore makes business sense to protect the ecological assets which are the resource base upon which business operates.² The concept of the 'ecological footprint' is no longer just used by politicians and environmentalists. Business is now beginning to understand that the concept can be used to increase life-cycle production efficiencies as well as to save money. It can be applied as an element in cost-benefit analyses to assess corporate risk and to model alternative business strategies and scenarios.³

A closer look: Kadoorie Farm and Botanical Garden, Hong Kong

Kadoorie Farm is an education centre, botanical garden and advocacy group for biodiversity, situated in the New Territories in Hong Kong. It spans a total of 148 acres and is situated in a deep set valley that includes woodlands, streams, vegetable terraces, as well as conservation and education facilities. Kadoorie Farm decided to calculate its ecological footprint and used a relevant calculator to obtain its footprint results. It also led a workshop where the results were interpreted, calculation explained and strategies for reducing the farm's footprint were discussed. The vision of Kadoorie Farm is to be caring, committed and to uphold professional standards and best practices. Calculating its ecological footprint allows it to continually focus on improvement.^{5,6}



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Tip 1 Calculate your footprint

There are now many possibilities and tools available to help you calculate your ecological footprint. Many of these are available free of charge on the internet. If you cannot find a calculator useful for the type of business you run, you can ask the Global Footprint Network for advice. In order to make meaningful calculations, you will need to collect the relevant data. The exact type of data you need will vary depending on your business and the your choices of calculation type.



Tip 2 Utilise your footprint

After calculating your ecological footprint you can begin to investigate what improvements could be made to reduce your footprint. You will find that a reduction of the footprint often goes hand in hand with cost savings. Think about the potential improvements that could be made in all aspects of your business. It is also important to ensure that your employees are fully aware of their role in improving the company's carbon footprint. You can inform them of small changes that each staff member can make such as remembering to power of computers and other equipment at day end.⁴



Tip 3 Review and improve

After using your ecological footprint calculation to make improvements in your business you need to constantly review your progress. After identifying and implementing ways to reduce your ecological footprint you should periodically revisit the footprint calculation to see how much it has been reduced. You will probably find you have saved money too!⁵



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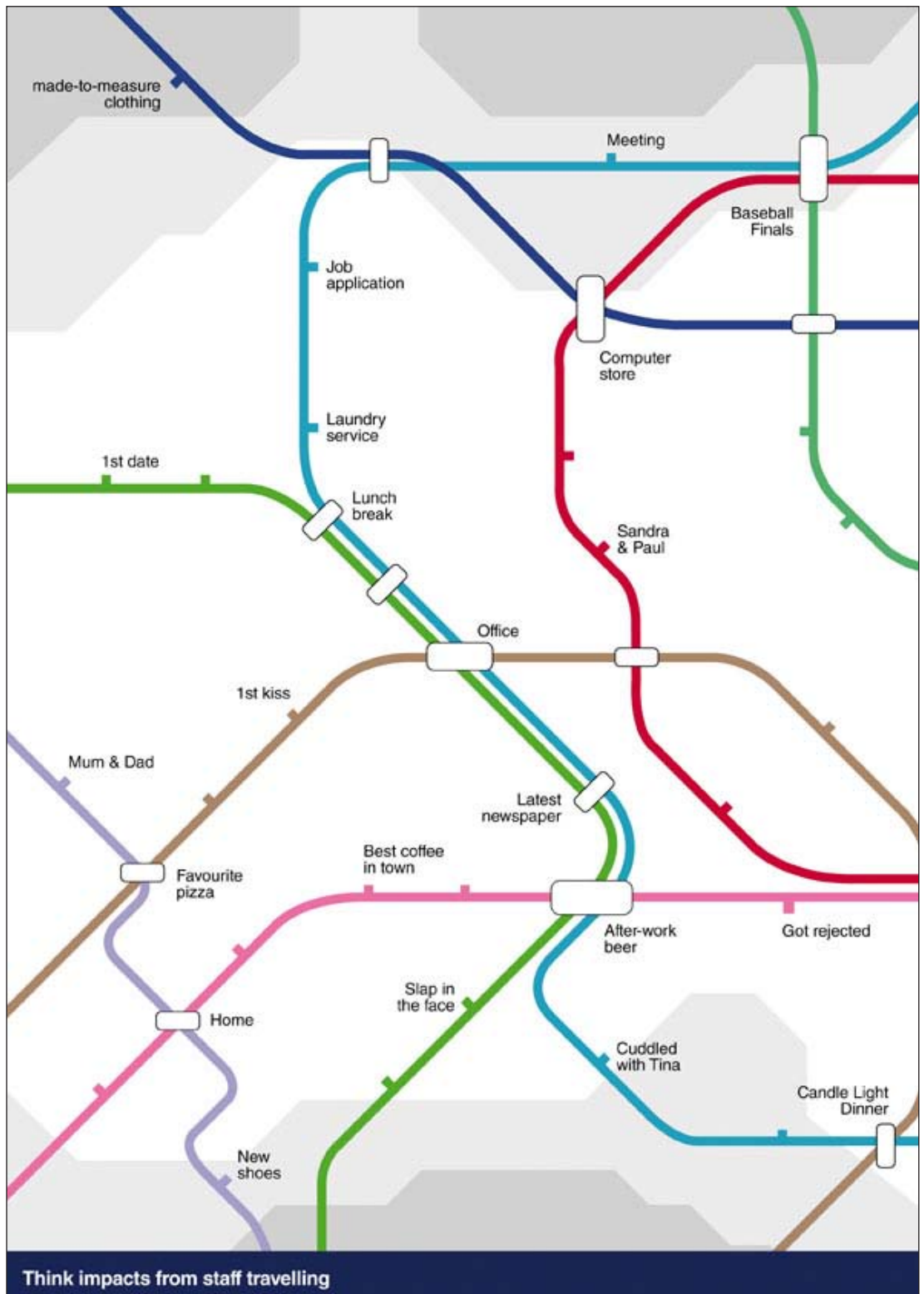
Think impacts from staff commuting

The average world commuting time is 40 minutes each way. Thailand has the longest commuting times in the world with a total of 37 million hours being spent travelling to work every day. The shortest journeys to work are in Malawi, taking just 2 minutes. (Worldmapper)¹

Successfully managing your work-related travel can have many advantages for your business. Do you know how employees travel to and from work? Do people travel together? Are many people travelling long distances by car? Good planning for staff travel and reducing the need for travel can save you money. Effective travel strategies can even mean reducing the costs paid out for commuting, as well as cutting your staff business travel time. An effective travel plan can also improve your reputation, as it shows that you look out for the welfare of your staff, which in turn helps improve staff retention and promotes a positive image among your customers and stakeholders. By planning and organising the way your staff travel to and from work you can also have a positive effect on your employees' quality of the life, by building physical exercise into their everyday lives or reducing congestion in the locality of your business as examples.²

A closer look: SEEK, Australia

SEEK is an Australian recruitment company. It has about 300 employees working at its head office in Melbourne and has been leading the way in promoting cycling as an effective means of travelling to and from work. It does this by using several methods such as providing e-mail information to employees to help them understand the contribution cycling makes to reducing CO2 emissions as well as the health benefits it can offer.^{3,4}



Tip1 Review the current transport options

The first step is to find out, where appropriate, about the current travel habits of your staff. This could be done by conducting a short survey of car and/or public transport travel, time spent on business trips and even a cost estimation for how much they and you spend on travel. You can also investigate different options in your local area to assist you in identifying improved transportation solutions.

Tip2 Know the ingredients for success

The key to making innovation work for your company is to identify opportunities at an early stage and deciding how to best market your innovation to your customers. Sometimes it might not be obvious to your customers how they will derive benefit from your innovation. You need to develop an effective strategy that will speak to your clientele that communicates the direct and indirect benefits of using your product or service.

Transport pooling in industrial clusters



If your business is situated in a high-rise building or an industrial area, you could organise a high quality transportation service for your employees with the other employers in the area. This could mean employees could travel quicker and easier to and from work, without clogging the roads with unnecessary traffic.

Promotion of car sharing



This could either be through a network in your own company or between other companies. This doesn't just cut the number of cars on the road, but can also be sociable too!

Encouraging use of public transport



If many of your employees travel by car, you could provide incentives for employees to use public transport which could also save your company costs on car parking

Support journeys made on foot or bicycle



Some businesses offer loans to buy bicycles

Cut down on the need to travel



You could recruit employees locally, so they do not need to travel so long distances. You can also encourage flexible working hours, home working, or the use of video or telephone conferences to cut down on business trips.

Tip 3 Monitor, communicate and encourage

Separating waste from your business provides your company with other opportunities than simply throwing it all away. Set up a facility in your company which enables employees to divide the waste into plastic and packaging, glass, cans, paper and cardboard. When the waste is separated you then have several options to responsibly manage the materials. You could try to sell or donate this separated waste to other interested companies or organisations who may be able to make use of it. Organic waste can be composted. Quality compost is one of the most valuable resources for beautifying your landscape. You can also find out whether there is a cheap and convenient recycling facility nearby your business or if there are any other opportunities for recycling in your area.

Build local alliances



You could try negotiating volume discounts with local public transportation companies or liaise with local firms to organise car sharing facilities.

Allocate staff time



You need to find an employee or group of employees who can be responsible for monitoring the improvements and changes in staff travel patterns.

All employees should be responsible



Promoting alternative methods of transport in your workplace will only be successful if all employees of all levels practise the same principles. This means that managers should be involved too!



Think of transportation impact

In a survey of 500 industry executives, 73 % said that sustainable transport issues will be increasingly important over the next 3 years (Eyefortransport's 'Green Transportation and logistics report 2008').¹

There are many risks associated with business transportation costs, for example, fluctuating oil prices, or increasingly stricter emissions regulations. Rethinking the logistics of your business and planning and implementing the supplying of your services more effectively can have great benefits for your business. Improvements can often be made using unique and innovative techniques. The main strategy is to reduce the amount of transport required, or switch to a more efficient way of meeting your transportation needs. You could however also consider improving fuel management or cooperating with local businesses in your area. The steps are not just a good environmental management strategy, they could save your business costs, and improve customer and public relations too!²

A closer look: Ralph Coleman International Ltd., UK

Ralph Coleman International is a family owned storage and distribution company which began operating in 1971. The firm realised that excessive idling of heavy goods vehicles (where the engine is left running while parked) is a waste of both fuel and money, and that reducing unnecessary vehicle idling could directly improve local air quality and reduce noise and environmental health risks in the communities in which they operate. In September 2007, they began a campaign to train and inform drivers about reducing idling and followed up by implementing an idling reduction plan for 16 of their 20 vehicles. In just one month the company saved 662 Litres of fuel and reduced its CO2 emissions by 1.74 tonnes. Ralph Coleman believe that 'every little helps' and realise that these seemingly small improvements add up to significant savings in the long term.⁴



Christine Ziadé | Academie Libanaise des Beaux Arts | Beirut, Lebanon

Tip 1 Identify transport impacts

Draw up a list of the different types of transportation your company uses in its everyday business and the possible impacts this transportation could have. Are there any ways of reducing these impacts?

Type of transportation	Impact from transport	Reduction strategy
Raw materials delivery • via trucks	Energy use e.g. oil, kerosene, fuel, electricity. Emissions e.g. greenhouse gases, ozone depleting substances	Use hybrid trucks, newer trucks, more energy efficient trucks
Shipping of products to retailers	Energy use e.g. oil, kerosene, fuel, electricity. Emissions e.g. greenhouse gases, ozone depleting substances	.....



Tip 2 Assess distance and efficiency

You may have included it in your strategy section above, but the best way to reduce impacts from transportation is to reduce the distance travelled. Calculate how far and for what purposes you need to transport goods and people to and from your business. This might help you see where you can make reductions or improvements. If there is no way to reduce the distance of transport for goods, you may consider how you can make the journeys more efficient. Many companies are now using innovative ideas, such as reducing the amount of idling time in truck transport, or using double decker freight transporters.



Tip 3 Collaborate for logistics

Are there any other companies travelling similar distances and routes that you use? Consider transportation collaboration possibilities for certain journeys to reduce transport costs. Working together successfully with other businesses in your area could mean you not only cut down on the number of journeys made, but you could save on your transportation costs too.

[illegible]

Every Drop Counts!

Global water use has more than tripled since 1950 (CSCP).¹

Water is essential for sustainable business because it is not just important for the direct uses we immediately think of, like drinking or washing, but also for the production of goods. Global water consumption has increased by almost 8 times since 1900, and experts predict serious water shortages by 2020.² As water becomes more scarce, costs are likely to increase, which could have an effect on the future of your business. Experts estimate you could save up to 30% on your water bill by taking small steps to use water more efficiently.³

A closer look: A tomato factory in Goiânia, Brazil (Unilever)⁷

In 2001, a tomato processing plant in Goiânia, Brazil, undertook an eco-efficiency program, including within its framework a water-saving strategy known as 'Project Medusa'. Their strategy was to reduce consumption of water, used to transport tomatoes through the various stages in the production of tomato sauce, which include washing and cleaning as well as equipment cooling. Unilever, the owner of the plant, modified this process so that the water evaporated during the cooking process could be used for equipment washing and cooling. These improvements mean that the company saved some half million cubic meters of water in the 2004 peak production season, which corresponds to 3.67 m³ per tonne of production, a substantial savings relative to 5.43 m³ water consumed per tonne of production in the year 2000 prior to making the modifications.



Save water!

Tip1 Identify how and where you use water

Find opportunities to save water by getting an overview of how much water your company uses and for which purpose. By doing this you might also identify leaks or places where water is being wasted. You could consider the following action:

- Looking at past water bills – sudden increases can also help identify leaks
- Reading water meters
- Identifying water intensive machinery, processes or areas of your business

Use the table below to draw up a plan measuring the water consumption in your company. This can help you see whether water consumption has increased and why.⁴

Water Source	Amount/unit	Comments
.....		

Tip2 Create a water-saving action plan

Outline measures that can be taken in your company to save water. Propose a deadline for carrying out each measure and cross or tick when each has been implemented.⁵

Water-saving measure	Deadline	Implemented
Use of collected rainwater or grey water (all waste-water except toilet waste and food waste derived from garbage grinders) for toilets and garden		
Use of water-saving equipment in sanitary facilities (see Tip 3)		
Replacement of evaporative cooling systems by free cooling systems during refurbishment		

Tip 3 Invest in water-saving equipment

Although the initial offset may seem high, you can reduce water consumption, and therefore your water bill, just by including cost-effective water-saving equipment in toilets and water taps. Some equipment you can install includes:

Self-closing taps

☐

Spray taps

☐

Water saving options for flushing toilets

☐

Flow restrictors (reduces the amount of water and increases the pressure).⁶

☐

Turn off lights

Lighting accounts for 19% of global energy consumption (CSCP).¹

Adapting and improving lighting is an easy way to save resources, reduce energy consumption and save money. Since lighting consumes a large part of non-residential electricity consumption reducing lighting energy use can have a remarkable impact on your overall business energy cost. Improvements can often be made through small investments with a relatively short payback period of just 2-3 years.²

A closer look: Gates Europe NV, Belgium

Gates Corporation is a manufacturer of hi-tech industrial, hydraulic, agricultural and automotive applications rubber belts and hoses. One of its Belgian plants carried out a lighting efficiency project that resulted in improvements in ergonomic, economic and environmental aspects of its operations. The project replaced 340 old lamps (220 TL5 fluorescent) with a new generation of fluorescent lamps (omnidirectional luminance control - OLC). This new lighting system provides a more consistent light source with reduced flicker with increased brightness and reduced energy consumption. The project also incorporated sensors and controls to adjust the lighting level according to specific requirements.

In addition to ergonomic improvements this project produced positive economic and environmental results. The new lighting enabled an annual saving of over 52% or 97,000kWh of electrical energy, saving €4,668 annually. The pay-back period for the project was 5.2 years. The reduced number of lamps and their longer lifespan (2.5 times longer) led to a reduction in the generation of hazardous waste (mercury) from expired fluorescent lamps.⁵



Tip 1 Reduce usage

The first step is to assess simple changes that can be made to optimise and reduce the amount of energy your business uses for lighting. As an example, this could be done by reducing the overall lighting in a room while increasing lighting where employees carry out their work tasks. You can also survey your workspace to identify opportunities to eliminate unnecessary lighting. Lighting used for strictly aesthetic and display purposes can often be minimised.³



Tip 2 Use energy efficient and timer-controlled lights

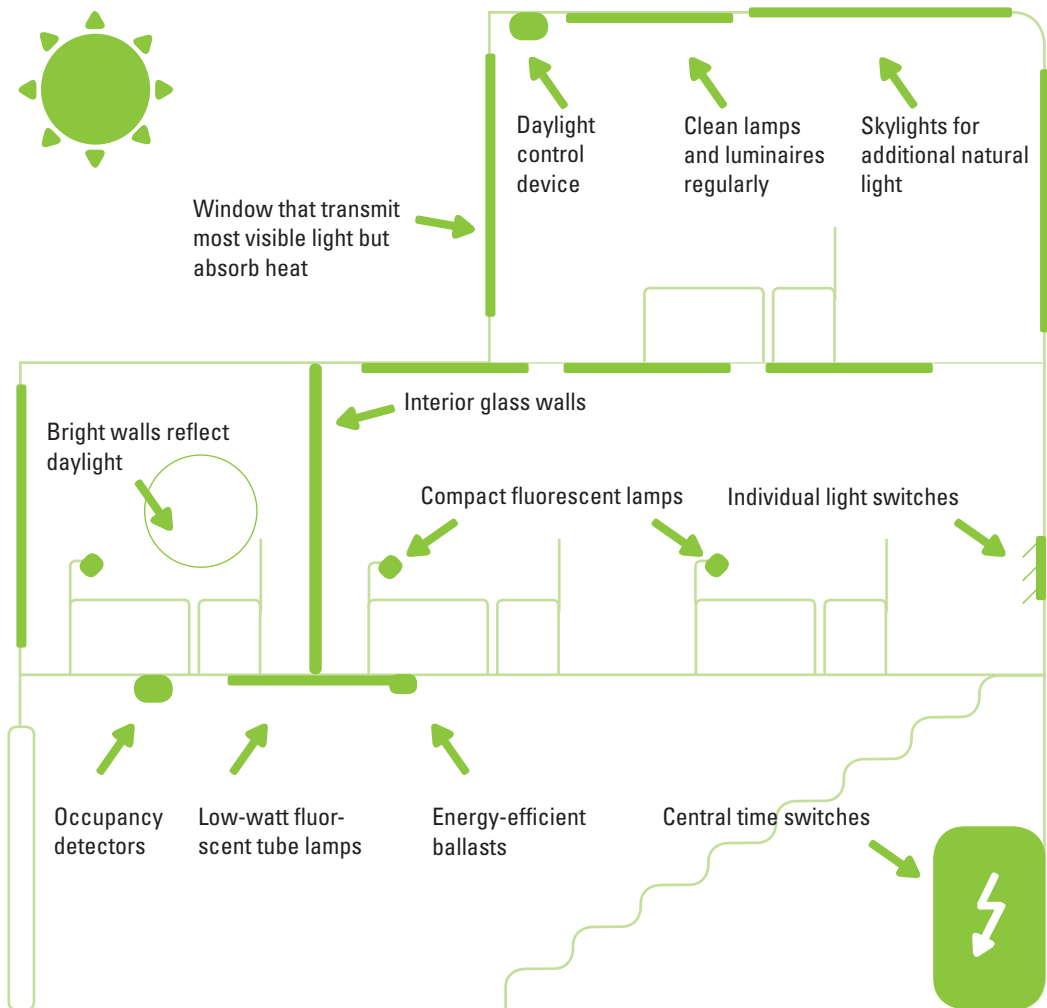
Change the main lamps and lighting in your workplace to more energy efficient alternatives. Focus firstly on the main and most energy intensive lighting so you can achieve the biggest impact at the least cost. No matter how energy efficient lighting might be many people still forget to turn off lights at times. Installing automatically controlled lighting in strategic areas of your business, such as toilets, can ensure greater energy savings. Examples of techniques you might use include timer switches or motion sensors that automatically switch off lights after a period of time.⁴



Tip 3 Assess further changes in your company

Look at the plan below. It shows modifications that can be made to save money and energy through more efficient lighting. Sketch a similar plan for your company. This will allow you to identify other options for saving energy in the short and long term. You may be able to make a number of small changes which will make a big difference to your overall energy expenditure.





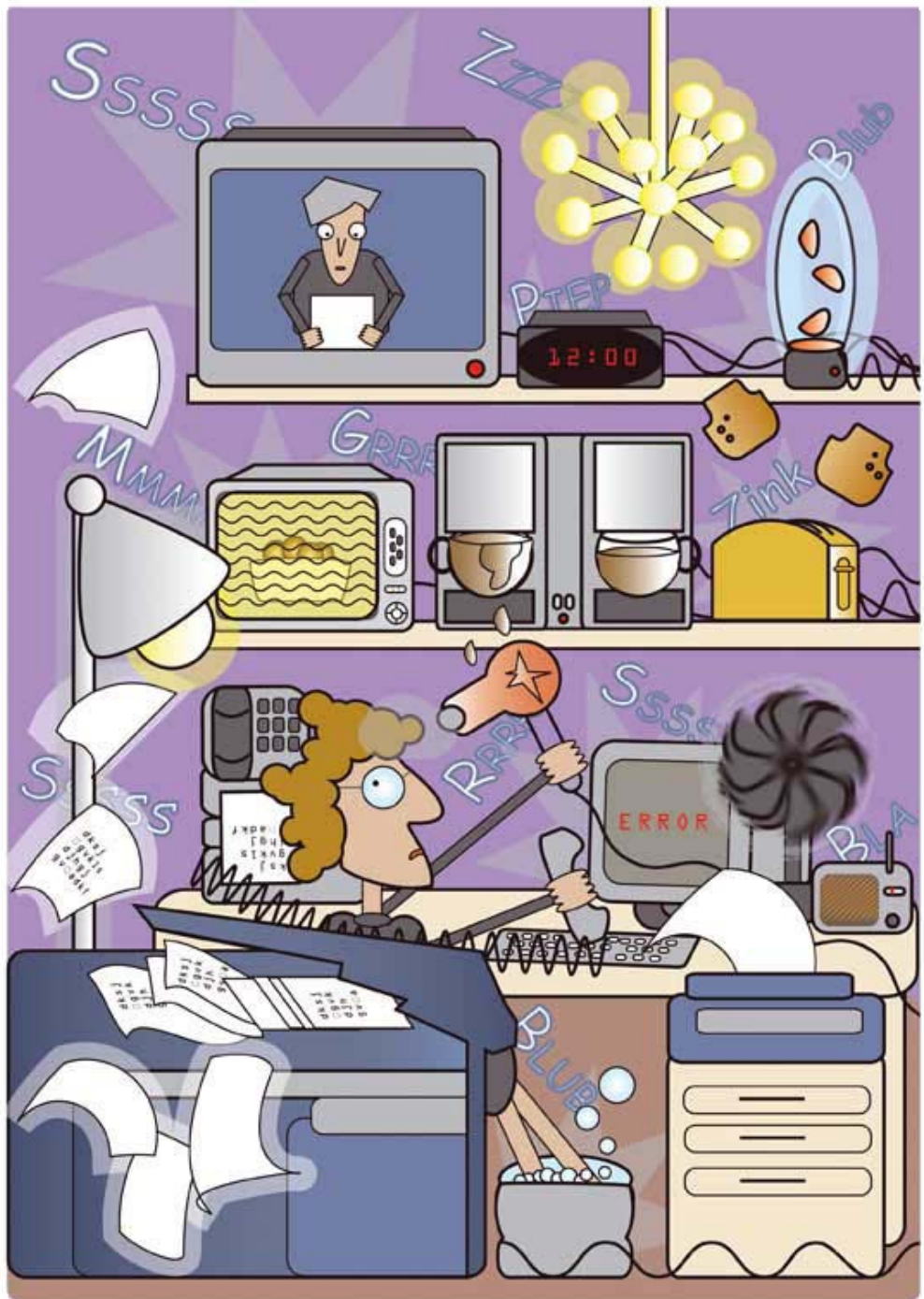
Save energy, save money

An estimated 60 % of the energy used by office equipment is used by machines on standby or being left on when not needed. This is a potential 60 % cost that you could save on your energy bill! (ecosys).¹

Energy expenses are part of the cost of doing business. When you use electricity and fuel you could even end up paying for it twice, firstly when you buy the fuel or electricity, and secondly when you pay for the emissions released into the air.² However, it is possible to take no-cost or low-cost steps to reduce the amount of energy your business consumes. This is not only a positive step to take for the environment, but it can also save money for your business. By choosing energy efficiency measures which suit your circumstances you can save significant amounts of money on your energy bill. Furthermore, energy efficiency measures not only show environmental responsibility but also often result in increased productivity and enhanced business competitiveness.³

A closer look: Eco-camps, Aquitaine, France

There are many campsites in the French region of Aquitaine which are becoming increasingly modern and offer sophisticated facilities. Consequently environmental impacts are becoming increasingly intense. A 2004 through 2007 project was undertaken at a number of camping sites aimed to demonstrate management techniques that offer both economic and environmental benefits. A key dimension was the reduction of energy consumption. Measures to realise this aim included designing installations to reduce energy consumption, insulate buildings, allow entry of natural light, the installation of geothermal air conditioning systems and the use of light sensitive lighting systems that automatically turn off during daylight hours. Some campsites were even able to make use of technologies such as 'green roofs' which could be introduced on some buildings and are made up of shade plants for insulation purposes. This serves to keep structures both cool in summer and warm in winter. Renewable energy technologies, such as solar panels, were also explored. The campsite managers gave positive feedback and noted their surprise at how much money could be saved through these relatively simple changes and approaches.⁶



save energy - save money

Tip1 Assess your potential for energy savings

Take a walk around your business and identify places where energy might be wasted. You could focus on key areas such as heating or identifying when machinery is left on while not in use. Review your main production processes and other activities in which your business is involved and use this information to identify opportunities for saving energy.⁴



Tip2 Determine opportunities for priority

The key to making innovation work for your company is to identify opportunities at an early stage and deciding how to best market your innovation to your customers. Sometimes it might not be obvious to your customers how they will derive benefit from your innovation. You need to develop an effective strategy that will speak to your clientele that communicates the direct and indirect benefits of using your product or service.

Buildings – insulate unused spaces, stop leaks, check doors, windows and openings

☐

Equipment and machines – turn off office equipment such as computers, monitors, printers, faxes and copiers, purchase high efficiency equipment

☐

Motors – install efficient motors, downsize oversized motors, adhere to manufacturer's maintenance schedules

☐

Tip3 Plan and implement

Choose three changes you would like to make and outline an implementation plan. You could construct a table like the one below.

Energy saving improvement	How to implement	Date Completed
e.g. posters reminding employees to turn off computers at the end of the day	e.g. design and print posters, position in a strategic and visible places	e.g. in 2 weeks time

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

Buy Eco-Products

Over 2,000 large and small companies in Japan have already declared that they are buying green (eco) products and services for their offices and production facilities (Green Purchasing Network).¹

Eco-products are manufactured in ways that reduce natural resource consumption and environmental impacts during all stages of the product life, from resource extraction and production through to use or end-of-life management. Examples of eco-products include organic foods, goods produced from sustainable forestry, energy efficient products and goods containing recyclable or recycled materials. Eco-products also contain fewer toxic and hazardous materials. Nowadays there are many advantages for businesses that produce eco-products. For instance, your business will not simply be an actor in global supply chains but it will also be more efficient and clean while supporting environmental improvements at levels that extend far beyond your business. Reducing in-house risk translates directly to reduced cost and increased profitability. In your supply chain, using eco-products also decreases the chance that your suppliers will be involved in risky activities, which makes them better business partners. Customers using your products and services will not only recognise your enhanced reputation as a responsible supplier, but will also reduce their own risks and build customer loyalty.²

A closer look: Guiding Hope, Cameroon

Guiding Hope is a profit-making organisation that promotes and helps to refine traditional beekeeping methods in order to introduce new high-value wax products such as soap and candles for export. An array of product feedstock is sourced in an environmentally and socially sustainable manner. Their products include a naturally smoky flavoured liquid from beehives in the rich flowering Adamawa forest savannah as well as creamy, naturally granulated white honey from the Kilum-Ijum forest and hand-made soaps, candles and other beeswax-derived products. The company exports these 'eco-products' abroad and has aims to become Cameroon's largest exporter of quality beeswax.^{5,6}



Tip 1 Evaluate your present purchasing practices

In order to decide where you can best include eco-products in your day-to-day business you need to assess what your business currently buys and uses. This information can then form a baseline measure for your future eco-product strategy. Use a table like the one below to assess your current status.³

What is purchased	What quantities	What price
.....		

Tip 2 Define your eco-product, define your goals

Based on the information collected above you need to formulate goals and a strategy for integrating eco-products into your everyday business. Think about the short- and long-term changes you can make, identify suitable products and services, and evaluate the performance of your suppliers. Having a definition and criteria for an eco-product is also an important part of this process. Independently certified product labels, such as eco-labels, are a reliable way to ensure the products you buy meet sound environmental criteria. If there are no suitable suppliers for the products you need you can ask your suppliers for environmental information. You may not be the first to ask and could even stimulate the creation of a green market.⁴



Tip 3 Advertise, communicate and review

After you begin to use eco-products you can then communicate this to your customers, shareholders and the local community. You should also regularly review your eco-products strategy to identify improvement opportunities



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Reduce Carbon Footprint

Hundreds of companies around the world are using systems of calculating greenhouse gas (GHG) emissions and are applying tools to manage carbon footprints to the benefit of their business through the development of new products, improved energy efficiency, and through participation in GHG programmes and markets (World Resources Institute).¹

A 'Carbon Footprint' is on way of measuring the quantity of greenhouse gas emissions produced by a certain activity. Greenhouse gases trap radiant solar energy reflected from the earth, and in turn re-radiate heat that increases the average temperature of the planet. This change in climate increases the risks of natural disasters and unexpected weather in different places in the world. Reducing carbon footprints is a priority for everyone, but especially so for business because slowing global warming can reduce risks to your company and thereby ensure sustainable growth and success in the future.

A closer look: Castle Cement, UK

In 2003-2004 Castle cement, a UK cement firm that is part of the Heidelberg Cement Group, undertook to reduce its carbon footprint. The company recognised that its use of virgin raw materials and fossil fuels contributed significantly to its greenhouse gas emissions and on this basis decided to try replacing 160,000 tonnes of coal with 195,000 tonnes of alternative fuels using a new kiln. The alternative fuel of choice was scrap tyres, 'Cemfuel' which is processed from the residues of recycled waste solvents or 'Profuel', a mix of paper and plastic wastes that cannot be viably recycled in other ways. After calculating their results, Castle Cement concluded that they reduced greenhouse gas emissions by some 17.5 % on a per tonne basis (relative to previous performance). Moreover, the project also offered other environmental benefits such as reducing toxic gas outputs.⁴



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Tip 1 Determine the source of your business' greenhouse gas emissions

Greenhouse gases (GHGs) come from many different sources, but the majority of emissions come from burning of fossil fuels. The table below illustrates the main greenhouse gases. Beneath the table is a list of the main sources of these gases in a small business context. Can you think of any more sources relevant for your company?²

Greenhouse Gases

The six main gases are:

CO₂ Carbon dioxide

CH₄ Methane

N₂O Nitrous oxide

HFCs Hydrofluorocarbons

PFCs Perfluorocarbons

SF₆ Sulphur hexafluoride

Main sources of greenhouse gases in small businesses

- Supplies
- Raw materials
- Waste
- Power
- Commuting

Table adapted from WRI
<http://www.ghgprotocol.org/downloads/calcs/working9-5.pdf/>

Tip 2 Calculate your emissions

Once you have identified the sources of your greenhouse gas emissions you can use the data available to you to calculate how much your company emits. There are now many different online tools available to help you with this task. Websites such as the World Resources Institute www.ghgprotocol.org, Carbon Footprint www.carbonfootprint.com or The Greenhouse Gas Protocol www.ghgprotocol.org offer many alternative methods and tools designed for specific sectors and locations in which your business may operate.

Tip 3 Collaborate on innovation

Look around for support for your product and service innovation. Working with other businesses or organisations can help you test or and implement your ideas. Use or form networks of trade and professional bodies to help you make important contacts that can assist you in bringing your sustainable innovation to market.³

Area for improvement	Current GHG emissions	Changes to be made
1. Lighting	X,Y,Z tonnes of CO2 equivalent per year	e.g. turn off lights at night
2. Office equipment	.....	e.g. use timers on electronic equipment
3. Ventilation and air conditioning		e.g. optimisation of air conditioning systems
4. Heating		

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Remember your relationship to nature

Two thirds of all ecosystems examined in the most recent Millennium Ecosystem Assessment have been damaged or are being used unsustainably (the largest ever study of global ecosystems, the Millennium Ecosystem Assessment, 2005).¹

Ecosystems are extremely important for business because they provide many important materials and processes necessary to operate your company. The raw materials or chemicals you use, cleaning, washing or waste disposal processes are all likely to be dependent on functioning ecosystems at some stage. Destroying or damaging these systems could have serious and long-term negative effects on your company as well as your suppliers, investors and customers. Rather than presenting merely costs for protecting ecosystems there can be many untapped business opportunities from this situation. Investigate options such as new technologies and products, markets, businesses, or revenue streams that protect both the environment and benefit your business.²

A closer look: Tiwai Island: Traditional Medicine Health and Fitness Centre, Sierra Leone

Tiwai Island is both a nature reserve and profit-making health centre offering an insight into local traditions. Tourists can come to the resort and enjoy all the benefits of a luxurious health retreat while also experiencing the local culture and the unspoiled natural setting of the surrounding forest. The area in which Tiwai Island is situated is rich in natural assets and contains many complex and diverse ecosystems. Many of the traditional techniques used in the health centre rely on resources from nature, and the guests in the centre come to relax in the beautiful surroundings. Therefore conservation of surrounding ecosystems is of paramount importance to the success of the business. The centre trains local people for employment in the health centre and nature reserve. They apply their indigenous knowledge and ecosystem monitoring skills to support the centre's overall vision of allowing visitors to enjoy a relaxing stay while conserving local culture and ecosystems.⁶



Mauro Cerati | Istituto Europeo di Design | Milan, Italy

Tip1 Identify the impact of your business on nature

Draw up a map of the sites in which your business operates and their proximity to protected areas or areas of high biodiversity value. On your diagram, label the type size of operation that occurs at each site.



Tip2 Recognise the effect of you activities, products and services on biodiversity

Using the map you have drawn out above identify the biodiversity impact from your operations. Consider the following impacts your actions might be causing:^{3,4,5}

Possible impacts of your actions

- Destruction through construction and transport infrastructure development
- Pollution
- Introduction of invasive species
- Habitat conversion and change in ecological processes

Tip3 Develop a protection strategy

Formulate a plan to enable your company to implement a biodiversity management strategy. Consider the following categories for improvement:

Strategy	Action
Integration of biodiversity considerations into operations	e.g. eco-labelling
Setting specific targets and objectives	e.g. obtain funding to modify a process
Public Reporting	e.g. local media communications
Monitoring processes	.....

[illegible]

Approach diversity as an opportunity

By some measures well-led, diverse teams can outperform homogenous teams by as much as 15% (London Development Agency).¹

Having a diverse workforce can bring valuable opportunities to your business. Diversity in your company means employing people with differing racial or cultural backgrounds, of different genders and with differing abilities/disabilities. With a diverse workforce you are more likely to attract and maintain skilled employees as well as increase productivity and innovation. The reason behind this is that diversity guarantees different life experiences meaning different perspectives, ways of thinking, solving problems, and identifying opportunities or making suggestions. Diversity provides an opportunity to identify and capitalise on new markets by enabling you to understand different customer needs. Your company will also be practising equal opportunity, employment equity, human rights and non-discrimination principles which can provide a substantial boost for your reputation.²

A closer look: Fresh AB, Sweden

A Swedish SME, Fresh AB, develops, manufactures and sells innovative building and industrial ventilation equipment. Fresh AB holds a comprehensive diversity policy company-wide which has led to recruitment of 10 different nationalities among its 49 employees. In accordance with Swedish law, Fresh AB applies the principle of equality in the workplace. Achieving a balance between men and women, old and young, employees with basic and higher education is actively pursued. The company also employs people with physical disabilities. The company is convinced that they have benefited from their diversity policy in the form of highly motivated staff and enhanced productivity, brand value, good will, all of which support greater profitability. Fresh AB was awarded as the Best Workplace Sweden in 2003.^{4,5}



Tip 1 Assess the diversity in your workforce

How diverse is your workforce? Think about issues like ethnicity, skin colour, gender, age, faith, disability and national origins as well as personal characteristics such as levels of education, marital status and socioeconomic background of your employees. Note down any diversity related issues or challenges you have encountered in the past and how they were resolved.



Tip 2 Review your recruitment policy and check legislation

One of the true signs of a diverse company is when diversity is apparent amongst the workforce as a whole. Having a recruitment policy only aimed at certain groups of people (e.g. gender, age, nationality, education), could be an indicator of a stagnant firm. You want to find talented people who could participate as part of your team and enhance your business. There could even be legislation related to diversity where you are located.



Tip 3 Reach out to diverse groups

Use innovative organisational techniques to reach out to diverse local groups. These could be groups or communities affected directly or indirectly by your business such as local schools, community groups or charities. Ways that your business can connect with these groups include:³

Special events or activities

☐

Emails, websites or newsletters

☐

Using media to take up concerns related to diversity in the community/business

☐

Donating to local charities that support minority groups in the community

☐



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Discrimination and bullying is bad for business

Discrimination can prevent businesses from taking advantage of the full breadth of knowledge and experience in the labour force. Worldwide only 28.3% of senior positions in business are held by women (International Labour Organisation).¹

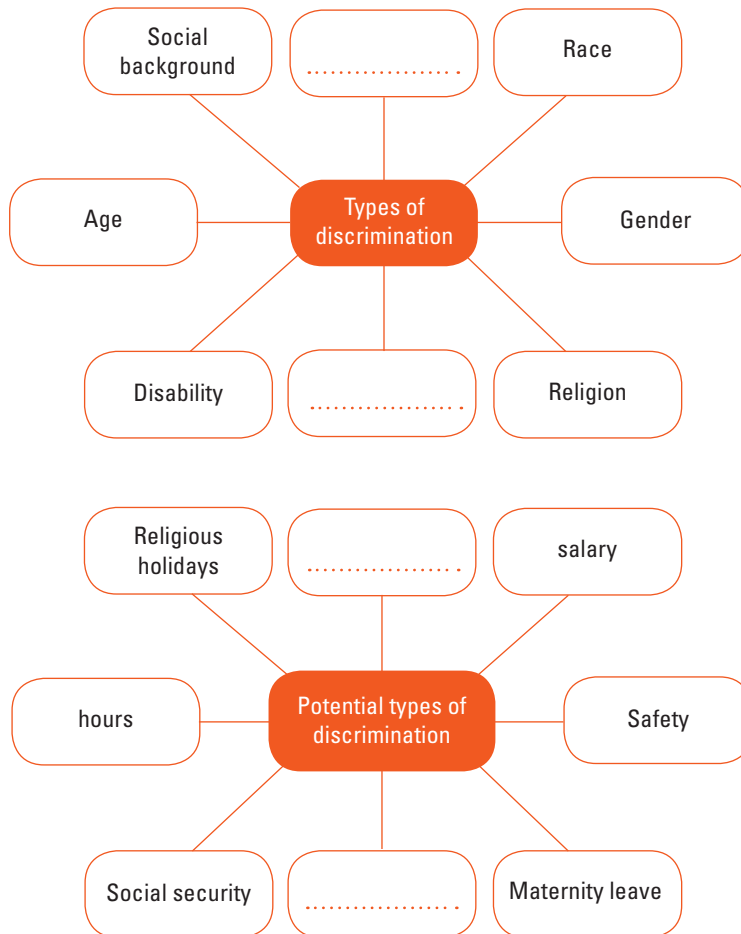
Discrimination in the workplace means placing current or potential future employees at a disadvantage on the basis of factors other than their skills, qualifications or abilities. This includes paying an employee a lower wage because of their age, sexual orientation, race or culture. Discrimination doesn't make business sense because it limits the number of workers and skills available to your company, reduces your potential for growth and can seriously damage your business' reputation.²

A closer look: Abreu Advogados, Portugal

Abreu Advogados is a Portuguese law firm that is frequently recognised for its leading and progressive management and employee performance management policies. In 2008, they were ranked as both the best law firm and best employer in Portugal. In particular, Abreu Advogados believes in creating a strong team spirit, positive work ethic and engaging a diverse cross section of society. The company prides itself on providing opportunities for young talent and nurtures this by organising regular internal events for both male and female tennis and soccer teams. Some 60% of their professional staff are women and Abreu Advogados ensures their staff are offered a generous policy on maternity leave to provide five months paid leave as well as the opportunity to work from home for up to a full year following the birth of a child. By holding to their three main principles of a strong team work spirit, continuously striving to improve professional skills of their staff, and aiming for a balance between professional and home lives Abreu Advogados is maximising their potential for long term success. Further, in 2009 they plan to launch their first sustainability report which will be a first in the Portuguese justice sector.³

Tip 1 Understand what discrimination could mean for your business

Make sure all of your employees understand what is meant by discrimination. To get an overview complete the two diagrams below showing a) potential types of discrimination b) different ways in which people could suffer discrimination: Which are important in your business?



Tip 2 Respect local and national legislation

Once you have identified the potential types of discrimination that could occur in your business the next step is to confirm that you are in compliance with relevant legislation. Use your understanding of discrimination defined above to identify legislation relevant to your firm. Where there are compliance gaps you should take immediate corrective action.²

Tip 3 Form company policies on discrimination

Ensure your policies prioritise qualifications, skills and experience above all other factors. This must be the case in recruitment, job placement and training at all levels. Be sure to retain complete records related to recruitment, training and promotion. Summarise the records periodically to ensure you have a transparent overview of your recruitment, training and promotion policies.²

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Take responsibility for the conduct of your suppliers

Some 4% of the global Gross Domestic Product (GDP) in any given year is lost due to injury, death, sick time, and payments for disability and survivor benefits (United Nations Global Compact).¹

Do you know the health and safety standards that your suppliers and their employees operate under? How about the environmental or social principles they espouse? Good and sustainable supply chain management means good business for you since your operations will be more stable. If you have suppliers with poor human rights performance, including operating unsafe workplaces, your reputation could be equally at risk as that of your supplier. A key requirement for a sustainable supply chain is to collaborate closely with your suppliers to ensure all stages in your supply chain uphold the same high standards that you operate within.²

A closer look: Pressalit, Denmark

Pressalit, a Danish manufacturer of wood and plastic toilet seats and other bathroom fixtures employs a staff of some 470 employees. Over time, they have cultivated a strong relationship with 'Kagi', their Lithuanian based supplier. At the outset of their commercial relationship Kagi had a staff of just 15 employees working under conditions that were considerably below Danish standards despite their compliance with Lithuanian legislation at the time. Through their relationship Pressalit worked closely with Kagi to enhance workplace sustainability, both in terms of working conditions and production inputs to eliminate toxic substances, which has increased the overall commercial success of both firms. Further, with resources from Pressalit many of the Lithuanian staff have been given opportunities to learn English which has not only facilitated enhanced communications between the two firms but has also earned a solid reputation for Pressalit in terms of their social commitment.^{3,4}



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Tip1 Draft a code of conduct

Draft a code of conduct outlining the environmental, health, safety and working conditions you expect from your business partners and clearly communicate your expectations. Clarify your expectations in a formal code of conduct, but keep it simple and concise to be certain your suppliers will not misunderstand what is expected. As an example you could present your expectations in the form of principles as below:

Code of Conduct

Principle 1: health and safety standards in line with legal requirements

Principle 2: reasonable working hours for employees

Principle 3:



Tip2 Monitor and screen within the supply chain

Set up a system to regularly monitor and audit your suppliers. Use your code of conduct as a benchmark. Where there are minor discrepancies between your expectations and the actual performance of your suppliers make suggestions around opportunities for improvement but also be sure to highlight your suppliers' good performance. Ensure your monitoring results are clearly communicated to external stakeholders to build trust in your firm through your commitment to transparency in your business relationships.



Tip3 Organise a workshop

Identify your most significant suppliers and conduct joint workshops on workplace sustainability issues. Outline and discuss the standards you expect of your suppliers and chose to do business with those who meet your standards. This will benefit your business and your suppliers alike because a sustainable supply chain equals a sustainable business.

[illegible]

Say no to child labour

In 2004 the International Labour Organisation reports some 218 million children were trapped in child labour of which 126 million were engaged in hazardous work. (International Labour Organisation).¹

Children under 15 years of age or under the age of completion of compulsory schooling should not face circumstances where they are compelled to work.² Employing children, either directly or indirectly within your supply chain, is bad for your business for many reasons. Consumers take human rights issues very seriously when making purchasing decisions. Child labour is a serious issue that can greatly affect the opinions your customers hold of your firm and the products or services you are selling. Moreover both current and prospective employees will be reluctant to work for a firm that has a poor social record. Your investors will want to invest in a company that is alert to human rights issues and is less likely to take unreasonable risks like supporting child labour.³

A closer look: The 'Sialkot Programme' to combat child labour, Pakistan



Child labour was a very common feature in the football stitching industry in Pakistan until this practise became broadly publicised in the 1990s. As a result producers responded to consumer pressure and took action within their supply chains. Rather than simply dropping their suppliers, many firms developed a joint voluntary initiative among manufacturers representing over 90% of balls exported from Pakistan. These manufacturers agreed to assure that they employ only children older than the age of 14 as well as to continuously monitor suppliers to ensure ongoing compliance with this policy.⁶



Aleksey Bokov | High Academic School of Graphic Design | Moscow, Russia

Tip 1 Review your business and its sphere of influence

Review whether children or forced labourers are working within your supply chain. Can you be certain about the practises of your business partners and suppliers, and in turn their partners and suppliers? What about suppliers operating abroad?



Tip 2 Invest in young people

Education makes people more open, motivated and eventually, better employees. Why not support basic education for children and young people in your local area? When they have completed their education they will be good candidates for your future workforce. You can play a role in cultivating the brightest and best workforce for the future. When addressing child labour issues among your suppliers be sure to take care that changes are made in a manner that do not cause even more harm to the affected children and their families.⁴



Tip 3 Communicate your principles

Communicating your policy to eliminate child labour in your supply chain is important, especially if the area or type of business in which you operate has a reputation for child labour. You can communicate your principles in a marketing campaign or in the form of a simple poster, label or as an element of your quarterly or annual report. In addition to the direct benefits to your business, your investors, customers, suppliers and suppliers will also benefit from your efforts to eliminate child labour.⁵





Maintain customer privacy

In a survey of 250 small businesses, 77% agreed that data protection is important to their business, stating that personal information should 'absolutely' be protected and that data protection principles are a good thing (Information Commissioner's Office).¹

All businesses need to handle information, whether it is related to staffing, customers or suppliers. Protecting this data is very important as it strengthens customer and supplier loyalty and satisfaction as well as helps you avoid financial regulatory penalties and fines. This will enhance your reputation. Ignoring good information management can lead to leaks and gaps in your data protection system which is a sure sign of poor organisation in your business. Taking a few simple steps like training your staff and adopting an effective privacy policy can do wonders to secure your data and your business. Collecting customer data is a necessity for good business. Making a few small modifications to strengthen your data collection and storage systems could save you significant money.²

A closer look: More than Communications (MTC), USA

MTC is a Kansas based firm that services telecommunications, mobile telecom and internet communications system. MTC has a firm grasp of that the importance of privacy in assuring customer satisfaction. Although they maintain close client relationships and use client information extensively, MTC takes strict measures to assure the protection of the data collected from their clients. At the core of their policy is the principle of client consent respecting the authorised use of data. MTC continuously updates its privacy policy and takes steps to ensure that customers remain aware of developments or changes in this area.⁴

customers are not an open book



By : Sonia Bedi D.J Academy of design India

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Tip 1 Focus on use, accuracy and security

Where do you currently store your data? Make sure that the data your business has collected is used only where necessary and appropriate. This limits the risk of security breaches and will also save you time. Additionally, ensure that the data is accurate and not kept for longer periods of time than necessary. These simple initial strategies will strengthen data protection at low or no extra cost.

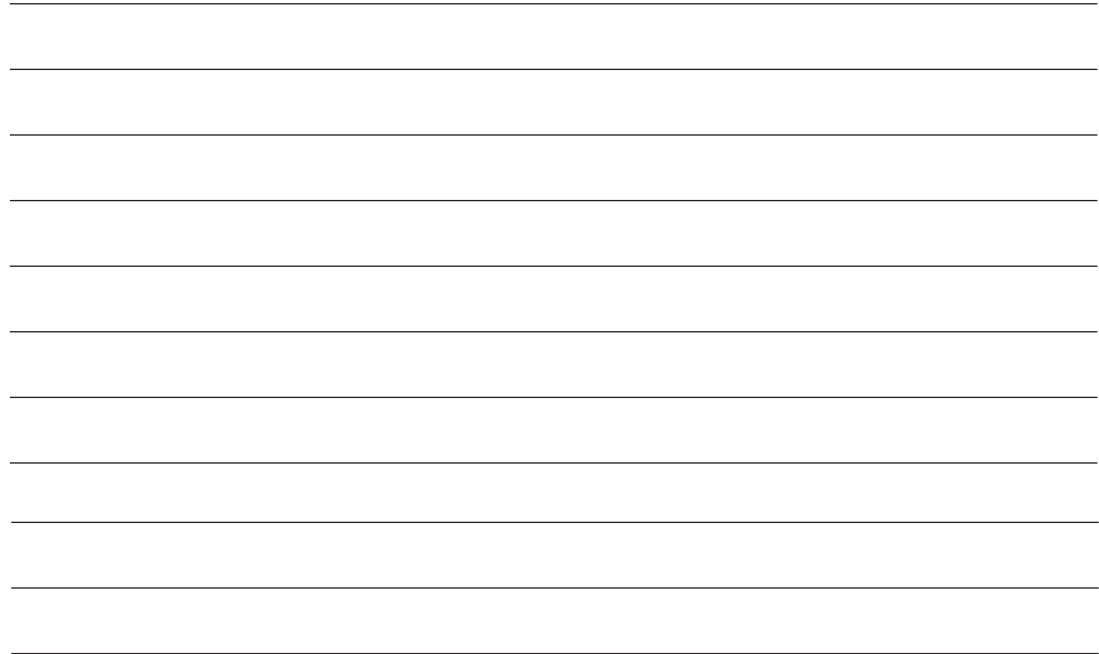


Tip 2 Choose a storage method

Think about the format in which you will store your data and the risks associated with the data storage. You can summarise his information in a table like the one below. Add more ideas you may have and use the table to choose the storage methods that present the least risk to your business.

Storage method	Source	Effect
Filing of paper documents	• Easily accessible • Requires little support or financial input	• Takes up physical space • Susceptible to fire, floods, vandalism etc.
Electronic storage such as CD ROM, databases	• Requires little space • Can store vast quantities of different information • Can be customised for specific uses	• Initial financial investment • Can be stolen/corrupted damaged





Maximise your human capital

A survey in the UK found that 90% of employees were satisfied with work-based learning experiences they have had in the course of their employment (Learning and Skills Council).¹

Maintaining and improving human capital is crucial to the organisational development of your company. Training expands the knowledge base of your employees, provides them with new challenges and opportunities to develop and perform better within your business. It also improves staff retention and productivity. Many companies are now also recognising the business advantage of training and employing local people if their company is situated abroad. Offering a training programme to include local employees not only completes your skilled workforce, but helps out the local community and economy as well.

A closer look: 3 Sisters Adventure Trekking, Nepal



The '3 Sisters' is a sustainable tourism venture which trains local women to lead treks for tourist groups in the Himalayas. The organisation offers a one month training programme involving leadership, health, English language conversation, nutrition, environmental conservation practices, national history, cultural practices and cultural conservation. Following the initial training local participants are offered a 5 month paid apprenticeship after which they can take up a position as a guide. Guides are offered opportunities to continue their education in specialist skills such as rock or ice climbing. In the last 8 years, over 600 women have been trained in this program with over 80 women working as guides with the remainder working in other tourism related jobs. Employees of the organisation are provided an opportunity to build confidence and knowledge which they are eager to pass on to tourists who enjoy the opportunity to become familiar with these local, knowledgeable and well-trained guides.⁴



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Tip 1 Analyse your training strategy

How much time do you allocate to staff training? Draw up a table including the type of employees within your company and the total hours of training you offered them in the last relevant period.²

Employment category (manager, administrator)	Total hours of staff training (per time period)
.....	



Tip 2 Identify employee training needs

Plan areas where staff training could be expanded, these could include:

Communication- language courses, assertiveness-building workshops, presentation skills.

☐

Computer skills-specific programs required for your business or general skills so people can improve their basic knowledge

☐

Customer service- make sure your employees know exactly how to meet the customers' needs in the appropriate manner

☐

Human relations- training to ensure employees can get on with one another in the workplace this is increasingly important in dealing with misunderstandings and conflict

☐

Occupational safety- Safety training is critical when working with heavy equipment, hazardous chemicals, repetitive physical activities

☐

Tip 3 Train and employ locals

There are many opportunities and advantages when employing people from the local areas that your company operate within. Expand your employee training to allow opportunities for workers from the local area to be incorporated into your business. This will have positive knock-on effects for your business, the community and local economy.³



Motivate your employees

Studies show that when employees feel a sense of job satisfaction it can make up to 16% difference in the productivity of a company (Institute of Work Psychology and Centre for Economic Performance).¹

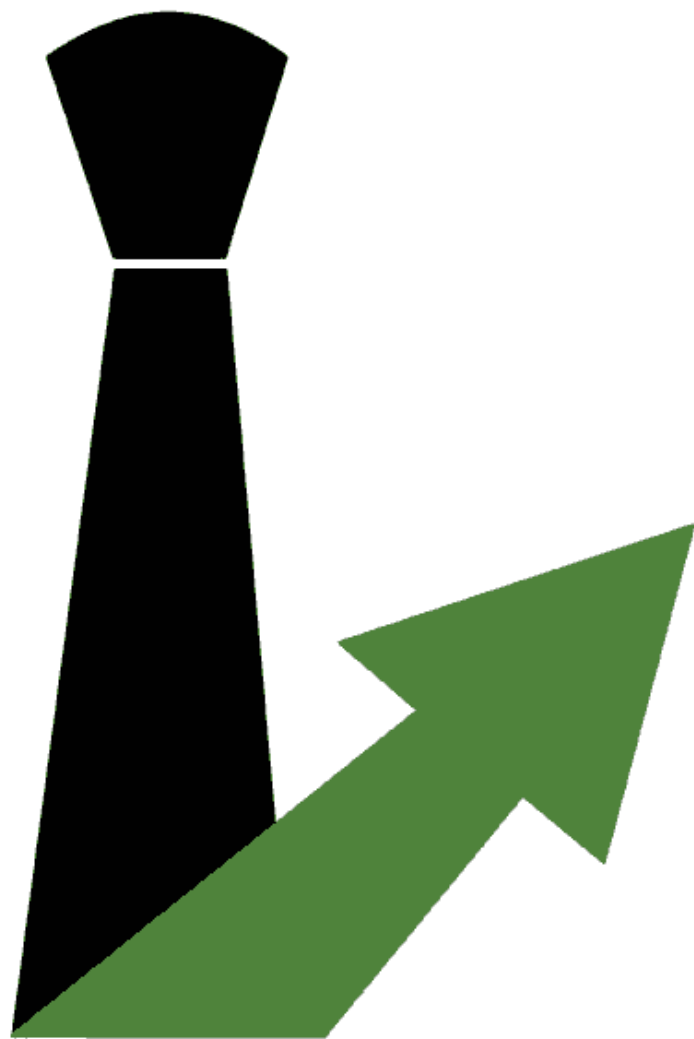
Motivated employees work more productively. There are various techniques, both physical and psychological that you can use to maintain a high level of motivation in your workforce. In today's world, people have differing and continually evolving needs. Because of this the tools you should apply to motivate your staff should be individual, diverse and current.² There are many different practical steps you can take to keep your staff motivated such as organising outside social functions, group participation activities, employee role flexibility, personal development opportunities, workplace contests or keepsake rewards. These tools can be fun and build morale which offers both social and professional benefits to you and your workforce.

A closer look: Serco, United Kingdom



Serco is a company that provides a wide diversity of services, ranging from the management of facilities to the creation of new businesses. Illustrating their outstanding achievements and corporate values they launched an internal award in 2003 known as the "Chairman's Recognition Award". The award winners were rewarded 500 British pounds that would be donated on their behalf to a charity organisation of their choice. The Chairman's award has reached a kind of iconic status within the firm and the winners are invited to take part in the Chairman's Award dinner.

Employees are granted the award on the basis of five categories: i.) Bringing Service to Life, ii.) Safety, iii) People, iv) Community and iv) Environment. The award is intended to reflect the 'Serco culture', which is based on recognising and rewarding the achievements of its employees. By rewarding its employees in this way Serco acknowledges that its success is based on the achievements of the dedicated and passionate people that work in their company.⁵



Motivate employees

Tip1 Identify what you hope to achieve and set goals

Setting incentives within your company is a good way to motivate your employees. You first of all need to identify a particular goal you want to achieve. This does not need to be related directly to any specific job, but could be something like improving the staff kitchen or rearranging the office space to make it more pleasant. Whatever you choose it is necessary to identify the expected results and timelines for the action you are planning. Your employees can be encouraged to work toward specific challenges or you can offer rewards when a particular goal has been reached. Rewards or recognition make people feel appreciated and they will work harder for your company. In the chart below complete 3 goals you can set for staff in your workplace. Alongside each goal, sketch ideas for a reward or incentive scheme.³

Company Goals	Deadline	Rewards | Outcome
1. Suggest a new plan/ layout for the office/shop floor/staff changing room	In 2 months time	The winning suggestion will be implemented and where feasible suggested furniture/ decoration purchased
2. e.g. .....	.....	.....
3. e.g. .....	.....	.....

Tip2 Allocating awards

Often diverse and imaginative rewards are appreciated just as much as financial incentives. Examples of different kinds of rewards for employees could be public acknowledgement, special assignments, allocated time off, increased autonomy, training and education, or social activities. Simply remembering to celebrate employee birthdays or other culturally significant events can also help maintain motivation. You could keep a company calendar in a visible place where employees can mark significant work-related events such as birthdays, public holidays and company social events.⁴



Tip3 Internal promotion

Allow opportunities for people already working in your company to take on new responsibilities or organise a formal learning and development system within your business to provide an opportunity for employees to learn new skills and ensure they do not suffer from boredom in their roles. Approaches you might consider could include, for example, an employee rotation system or the organisation of training sessions that enable greater job diversity.

[illegible]

Be open when changes occur

80% of our success in learning from other people is based upon how well we listen.¹

Involving your employees more fully in the running of your business can be a significant factor in building sustainable prosperity for your company. Employees perform their best when they are given responsibility. When people are invited to participate in decision-making processes new ideas, products and services can emerge that can drive your business forward. At the same time employees that are more involved with the business are more satisfied and are less likely to leave your company to work for your competitors.

A closer look: Euroquimica de Bufu y Planan, S.A., Spain



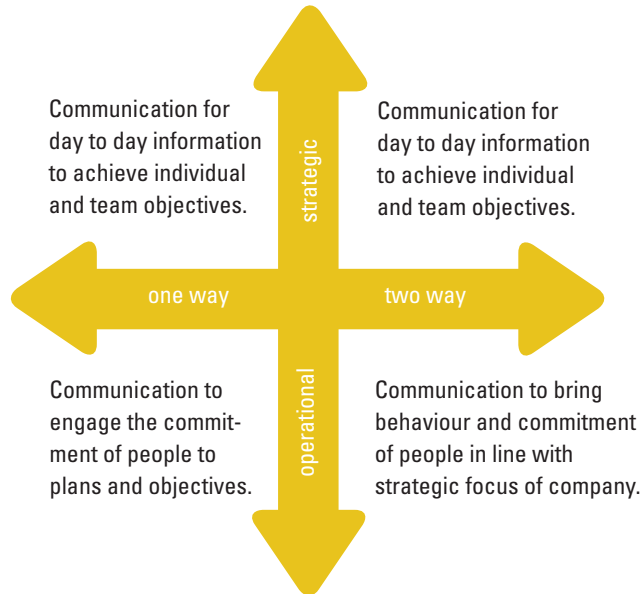
Euroquimica de Bufu y Planan produces architectural and industrial coatings in Dosrius, Catalonia in Spain. By building internal partnerships among staff to achieve business goals the firm prides itself in providing sustainable employment and training opportunities for its staff of some 70 employees. Because of the importance the management places on training and development, Euroquimica has developed a permanent professional training program on coating technology within their firm. Some of the other benefits they provide include loyalty schemes for employees who remain with the firm more than three years as well as participatory decision making approaches to enable staff at all levels to contribute to the management of the company.^{3,4}



**BE OPEN WHEN
CHANGES OCCUR**

Tip 1 Review employee involvement

Think about the communication channels among different staff members of the company. Are there ways in which the roles and responsibilities of the organisation can be improved? Use the diagram below to reflect on the different types of possible internal communications. Which are important to your company and how are they used?²



Tip 2 Hold regular group meetings and create self-management teams

Organise regular meeting times where employees and managers can discuss ideas and suggestions for the operation of your business. This could be a regular time-slot or arranged when an important decision must be made. This builds trust and loyalty among your employees. You could also consider dividing your staff into self-management teams. Each team can focus on one suitable work category, set targets and manage their own work plan. The role of the manager is then to oversee what each team is doing, this saves you work and employees become much more likely to work more conscientiously and autonomously.



Tip3 Provide management training to employees

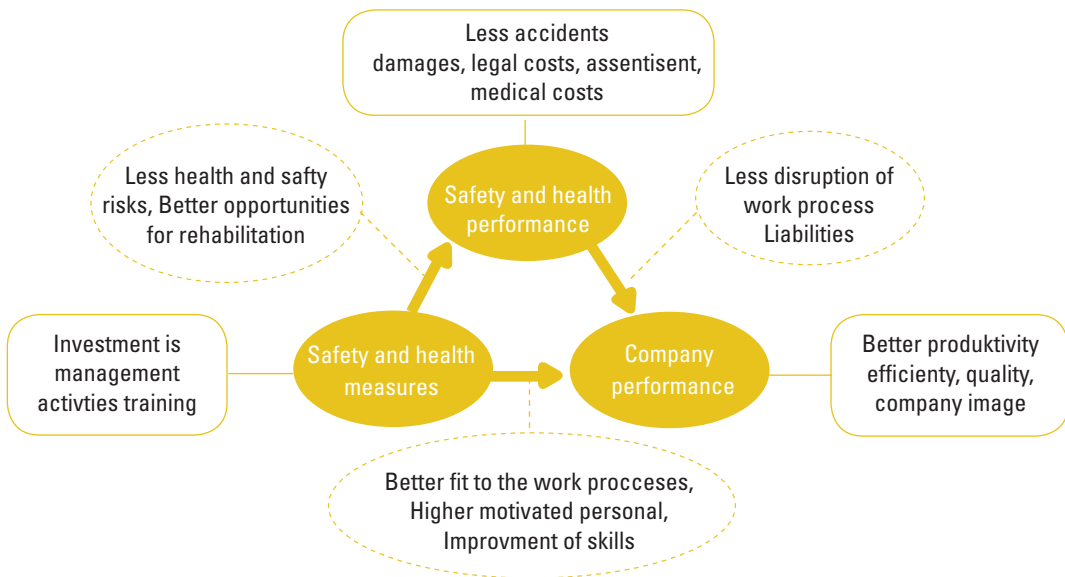
Making a contribution to the management of an organisation is only possible if people can understand issues and share ideas for the same purpose. Providing management training for non-management staff is a way to give your employees the capacity and responsibility for making a contribution to what the business needs to succeed. Promoting staff and giving people more responsibilities is also great for motivating your workforce.

[illegible]

Make it comfortable!

According to the International Labour Organisation some 68-157 million new cases of occupational diseases are caused by exposures in the workplace or unsafe working conditions (International Labour Organisation).¹

Much work today involves spending long hours in the same position such as sitting in front of a computer terminal in an office or carrying out repetitive tasks in an industrial setting. When you are uncomfortable at work, stresses and strains are much more common and can lead to long term health problems. For your business this means more staff absences in the form of sick-leave and ultimately reduced productivity and profit. Taking some simple steps to ensure the comfort and health of your employees can save you a lot of money.² This diagram below illustrates how safety and health issues are related to the performance of your company



A closer look: Dr. Irena Eris Cosmetics Laboratories, Poland



Dr Irena Eris Cosmetics Laboratories produces advanced skin care products distributed in Poland and abroad and also operates a hotel spa, a research centre and a network of ten cosmetics institutes in Poland and one in Moscow. The firm employs some 245 employees. They apply their concept of promoting health and well-being not only from the perspective of their customers but also for their employees. Dr Irena Eris Cosmetics has special care programmes for the women in their workforce. Special floor mats, ergonomic chairs and orthopaedic shoes are used to prevent back problems. The company has also a full-time medical doctor and nurse on staff. Due to the standing position during working hours Irena Eris Cosmetics offers a special paid break in each two hour period. Employees have responded by demonstrating increased motivation, productivity, and have assumed a role in shaping the company's positive image.^{3,4}



Provide Comfort in the workplace

Tip 1 Build a workplace health team

Health is important in the workplace and your employees should be actively involved in reducing risks and promoting health in the workplace. Establish a special team that is responsible for issues of health and occupational safety within your firm. Their job can be to identify potential improvements, address employee complaints, provide training and raise awareness at all levels within the firm.

Tip2 Identify specific barriers to staff comfort in your workplace

Using the table below the health team can identify specific problems relevant for your business and strategies to resolve the identified problems. You can modify and adapt this table to include factors specific for your workplace.

Type of work	Possible problems	Mitigation measures
Office work/Computer work	• Back and neck problems from sitting in the same position. • Eye strain and degradation of eye sight from prolonged periods in front of a computer • Tendency to becoming overweight or obese from sedentary working • Repetitive strain injury (RSI) • •	• Computers placed in a comfy table position. If possible, use ergonomic furniture. • Organised regular breaks away from the computer screen with maximum time quotas to be spent in front of a computer. Remind employees to regularly look away from the computer screen • Exercise subsidies or encouragement from company to walk or participate in physical activity • Arm supported on an ergonomically designed keyboard and mouse • Education about stretching and exercise to prevent office related injuries
Driving	• Back and neck problems from prolonged sitting • Obesity and metabolic related illness caused by lack of their exercise	• Ensure comfortable seats • Allow breaks and encourage suggestexercise
Standing work	• Back, leg, shoulder and foot pain from extensive periods of standing	• Standing desk • Specially designed stools • Regular paid breaks
Bending and lifting (field work, construction, health services, etc.)	• Back and neck problems • Other muscular strains	• Train staff on how to lift loads properly and ensure that all staff comply

Tip 3 Assess potential ergonomic improvements

It may be possible to make a few small ergonomic changes which could greatly improve the comfort of your employees at little extra cost. The best way to identify required changes is by asking employees about their level of comfort at work and any ideas they might have to improve their working conditions. Each employee could complete a table such as that below:

Type of work	Current discomforts	Suggestions for improvement
e.g. standing while working on a production line	Leg strain and sore feet	Use of high stools and short but regular paid breaks

The workplace health team can take action based on the information collected in the table above and organise mitigation strategies such as placing signs in the workplace that encourage safe and healthy work practices. Since sedentary lifestyles can contribute to obesity and metabolic diseases staff could be offered medical screening procedures to regularly monitor key health indicators such as weight/BMI, blood sugar/diabetes or blood cholesterol. The team may also educate employees on the importance of regular exercise and potentially facilitate cash subsidies or other programmes that support access to fitness facilities. If possible, external experts could be invited for short staff development programmes or seminars to present specific health related information to your staff.



Set a clear mission

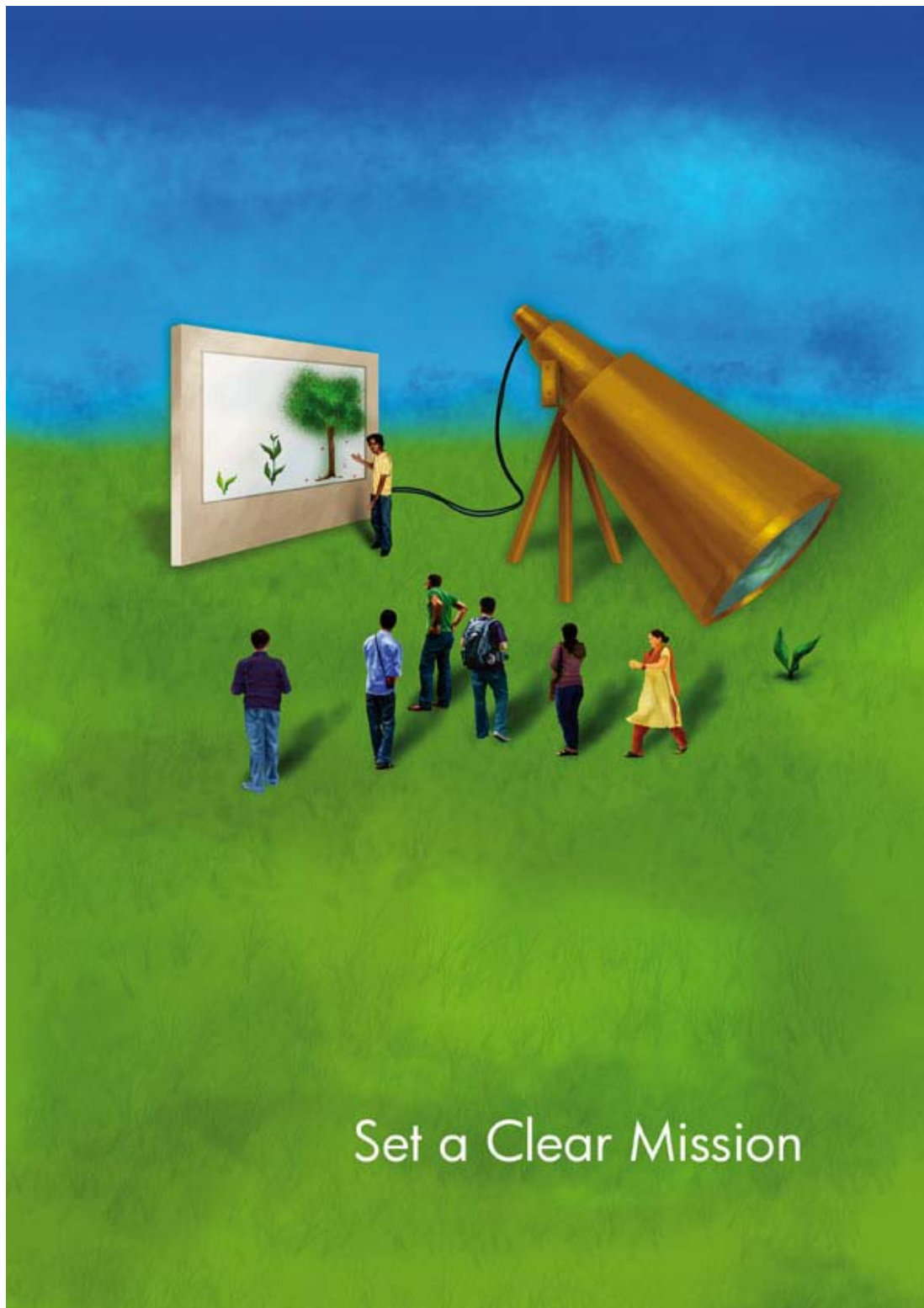
98% of companies showing long-term growth over 5 years have a clear mission statement (Mission Expert and Kinetic Wisdom).¹

If you want the best for your business now and in the future you need a long term vision of what your company will be like years into the future. You should recognise your vision as more than just ambitions or hopes, but as a commitment which you should share with your employees and customers. Define your mission clearly and give your employees clear direction. Companies with a clear mission statement have been proved to be more successful and prosperous.²

A closer look: Sacos del Sur S.A., Peru

Sacos del Sur fabricates containers and industrial packing like sacks, fabrics, plates and polypropylene boxes. The company is located in Lima and Arequipa, Peru, and began operations in 1968. Sacos del Sur recognises that having a clear mission is critical to evaluate whether goals have been accomplished over a specific period of time. which. Below is an extract of the Sacos del Sur mission.^{4,5}

‘Sacos del Sur is a business of permanent growth. We want to become leaders in our country, in the quality of our products, client service and technology... ...we look forward to lead in product quality, client service and technology. We also have a socioeconomic commitment with our shareholders, clients and employees as well as to permanent improvement in the quality of our products’



Set a Clear Mission

Tip 1 Formulate a Mission Statement

Writing down a clear mission statement for your company is one of the most effective ways to communicate your vision to your staff and customers. Think about the following factors: the problems you solve, the products you offer, how you make your money, what makes you unique from other businesses, your target market, your financial goals, social/community goals and your 5 year strategy.³

Which factors contribute to the mission of my business?

- Products or services offered
- Problems solved
- How money is made
- Target market
- Social/community/environmental goals

Tip 2 Use feedback in your mission statement

Once you have a rough idea of what you want to include in your mission statement, ask your customers, employees and suppliers for their feedback. Use their suggestions to formulate a final version.



Tip 3 Distribute and Revise

Place the final version of the mission statement in a place where employees and customers can see it and distribute it using methods such as e-mail. A good mission statement should stand the test of time since it includes the long-term goals of your company. Nevertheless, revise your mission statement when it is no longer appropriate or relevant.



[illegible]

Reduce danger in the workplace

According to the International Labour Organisation some 337 million accidents occur in the workplace every year.¹

Statistics show that small companies with 50 employees or less have a higher rate of workplace accidents than larger enterprises. Moreover, injuries and diseases caused by occupational risks can impose significant financial costs that can cripple many small and medium-sized companies. Accidents in your business can mean paying the extra costs of sick pay, overtime for employees that remain well, temporary replacement labour as well as damages to the plant, equipment, materials or products. As a result of workplace accidents, business can also suffer lost productivity and poor staff morale.² Good safety and health practices can reduce risks in the workplace significantly and save money for your business. By paying attention to workplace safety issues you could even improve your company's overall performance since your employees will feel safer and will be more productive.

A closer look: Manufacturera de Papeles y Cartones del Perú, Peru

Manufacturera de Papeles y Cartones del Perú is a paper and cardboard production firm. A fundamental operating principle of the firm is to minimise safety risks and enhance employee working conditions. This is particularly important because much of the work involves operating loud machinery and handling of hazardous substances and chemicals. Preventing accidents and avoiding employee illness is recognised as fundamental to the successful operation of the business and the company knows that by taking care of its workforce it saves time and money in the long run. Manufacturera de Papeles y Cartones del Perú applies simple strategies such as employee workshops and other interactive workplace communication tools to implement its health and safety principles into practice.⁵



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Tip 1 Assess potential risks

Before you can begin to improve your workplace safety you need to assess the potential work related risks. Carefully examine the procedures and materials you use in the course of your business and decide whether the safety precautions you take are sufficient to prevent harm. Remember the aim is to make sure no one gets hurt or becomes ill first and then to comply with any relevant workplace safety legislation.³

A risk assessment should answer the following questions:

- What are the hazards in the workplace?
- Who is in danger? How serious is the hazard?
- How likely is an accident?
- How can risk be eliminated or reduced?
- Can facilities, work methods, equipment or training be improved?



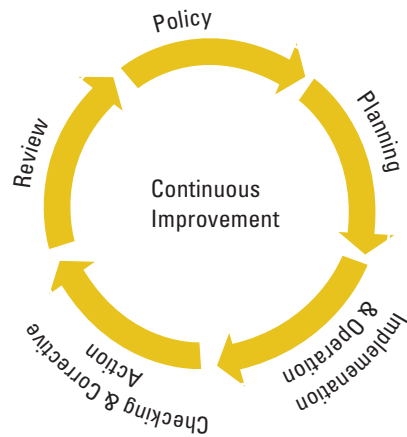
Tip2 Provide safety training

All employees in your business need to understand how to work safely. You should provide job specific training for your employees on how to eliminate or reduce any risks that were identified in your risk assessment, any protective measures as well as emergency procedures. This is important for new and current employees alike and is essential when there are equipment changes or when staff change job tasks or positions in your company.



Tip 3 Continuously monitor workplace safety

Preventing accidents in your company is a continuous process and it is important to monitor your performance. Regularly review any accident reports, feedback from inspectors, safety audits and staff surveys to screen for weaknesses or gaps in your safety management system. Accidents should always be followed up with an investigation that identifies the immediate underlying causes and management failures that enabled the accident event to occur. The diagram bellows illustrates a continuous of safety management process within a typical business.⁴





Tell it like it is

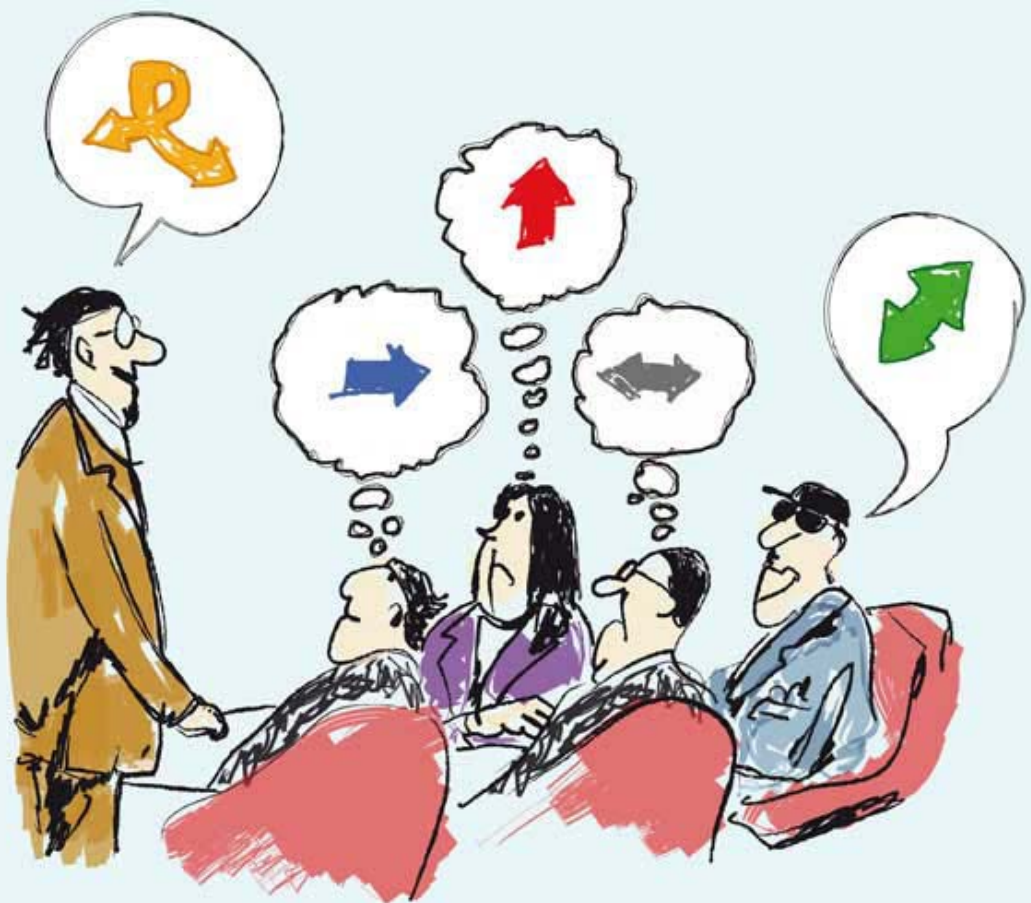
6 out of 10 businesses that work with employee activities have observed a positive effect on their overall financial performance. (Survey of Danish Businesses)¹

Having the most up to date information can be what makes or breaks your business. However, a company is made up of much more than just its owner or manager. Sometimes the most important people in a business are the staff who keep it running. Your employees play a crucial role in your company, and if they are not up to date on what is going on, inside and outside your business, it will be very hard for them to work to their best ability. Whether it is general information about 'the way things are done around here', a new development in the business field, or a critical change that is going on inside your organisation, the best businesses involve and show an interest in their employees because they know that this will enable and inspire them to deliver their best performance.²

A closer look: Vimal Clothing Enterprises cc., South Africa

Located in Durban, South Africa, Vimal Clothing Enterprises has been operating for 26 years as a producer of apparel for global clothing and fashion companies such as Adidas and Puma. In their recent sustainability report, Vimal highlighted the importance of their staff as being key to the success of their business and they outlined some of the employee engagement strategies they have in place to ensure that there is an effective workforce-wide communication system.

The Vimal team is organised into core operational and organisational areas but hierarchies within the organisation are kept to a minimum. This flat organisational structure is supported by their open communication policy that enables staff can share issues with any member of the management team depending on who they feel most comfortable with. Regardless of whether a cutter, designer, assembly machinist or finisher, employees can all use this 'open door' policy to raise issues, ideas opportunities or improvements with members of the management team. Vimal recognises that this level of communication is vital to maintaining and encouraging staff to deliver their highest possible performance.⁴



Favour early correction over later mistake

Tip 1 Evaluate and improve

No doubt, as a successful business you already have effective employee communication methods. However, there is always room for improvement. Analyse your current communications efforts and identify aspects which could be done better. Consider the table below. Are there other communications methods you could consider for your company?²

Yes/no	Date	Type of communication
.....		Information channels: e.g. staff meetings/interviews, staff magazines, emails, intranet or other channels
.....		Appraisal interviews: employee and manager evaluate and prepare a plan for employees' personal and professional development
.....		Satisfaction survey: measuring employees' satisfaction
.....		Social activities: events organised by the employer to prevent dissatisfaction and stress e.g. parties, sporting events, team-building exercises
.....		Orientation procedures for new employees: a thorough process of introduction helps new staff settle in more quickly

Tip 2 Encourage feedback

Good communication starts from within and it is important that you include your employees in internal discussions from the start of their employment period. People can only fulfil their jobs properly if they clearly understand the organisation, their specific role, know their rights and can make their concerns and ideas known to you. Your company needs to give the staff clear guidance and timely updates on issues such as:

Your company needs to give the staff clear guidance

- Employment conditions
- What the job is about
- Information about the organisation and issues that are affecting the future



Tip 3 Communicate effectively

Good communication is about more than just information. As a smart business person you probably work hard to develop your people's skills and competencies. When there is a major change underway, why let this resource go to waste? Consulting with employees on important business issues will provide you with valuable information that will help you make the hard decisions, build support for decisions that need to be made, and help you build trust with your staff. Remember to consider the following:³

Possible impacts of your actions

- Communicate clearly, objectively and in a way that is easy to understand
- Communicate regularly
- Communicate what is relevant and up to date
- Be open to questions and forthright in your responses
- Follow through with changes based on employee suggestions



Listen to your employees

A survey of over 5,428 companies in 40 countries revealed that 43 % of businesses had sustained one or more significant crimes during the previous two year period (International Chamber of Commerce).¹

Economic crimes, such as fraud, can cost your business serious money. Encouraging your employees to voice their opinion can help resolve internal problems before they grow into something problematic for you and your employee. Many people feel more comfortable voicing their concerns anonymously and setting up an internal communication or 'whistleblower' system* to facilitate the expressions of such concerns can be invaluable to your company. Using a whistleblower system often means that serious issues such as fraud can be detected early enough to save not only money but also your reputation. Sometimes other issues in the workplace can also be resolved, such as discrimination or bullying, and taking steps to get early notice of such problems can substantially limit liability and risks you might otherwise face.

*A 'whistleblower' system because it allows employees of a company to voice any concerns they might have about the internal functioning of the business, e.g. risks, abuses or legal infractions.²

A closer look: Meblo Jogi, Slovenia



Meblo Jogi, a Slovenian furniture manufacturer with some 158 employees, is committed to ensuring employee satisfaction, welfare and development through good internal working partnerships. The company meets these commitments through a number of activities, including encouraging labour representatives and individual staff members alike to voice concerns and raise questions or issues openly and in confidence with management. They hold the view that this communications process has led to better working conditions which has in turn increased staff satisfaction and enabled employees to contribute effectively toward increased productivity and innovation.^{3,4}

Listen to employeeyes' voices



Tip 1 Assess your current situation

Has your business ever had to deal with internal complaints in the past? Do you have a record of complaints, or compile reports on internal communications? It is important to acknowledge, screen and record any information provided by your staff. This creates trust and integrity and makes it clear to all employees that your business values and seriously considers staff opinion. If you have never received or documented any internal staff concerns you should ask yourself why. Evaluate any systems you currently have in place to facilitate internal communications. The table below provides as sample for your evaluation.

Communication System	Advantages	Disadvantages
Monthly group meeting involving all employees	Open and transparent, everyone involved	Not anonymous
Suggestions/grievances box for employees	Anonymous	Might not be used on a regular basis



Tip 2 Find a communications system that suits your business

When you are establishing or evaluating your internal communications system remember that employees need to be able to voice their opinion anonymously about internal company issues. Some systems may be more suitable for your business than others depending on the number of employees you have and the organisational structure of your business. Here are a few different types of systems to consider. Outline the specific advantages and disadvantages of each for your business and use these suggestions as inspiration for other communications pathways that may best suit your needs.

Anonymous letter writing	
Telephone hotlines	
Internet sites	

Tip 3 Make sure your system is externally operated

Whatever type of system you decide to establish one suggestion is to have it operated by an external body. Having somebody that is not part of the business or management will reassure your employees of their confidentiality and encourage them to candidly voice their opinion. As an SME you could investigate in your local area if there are any authorities or organisations who might be able to help you.



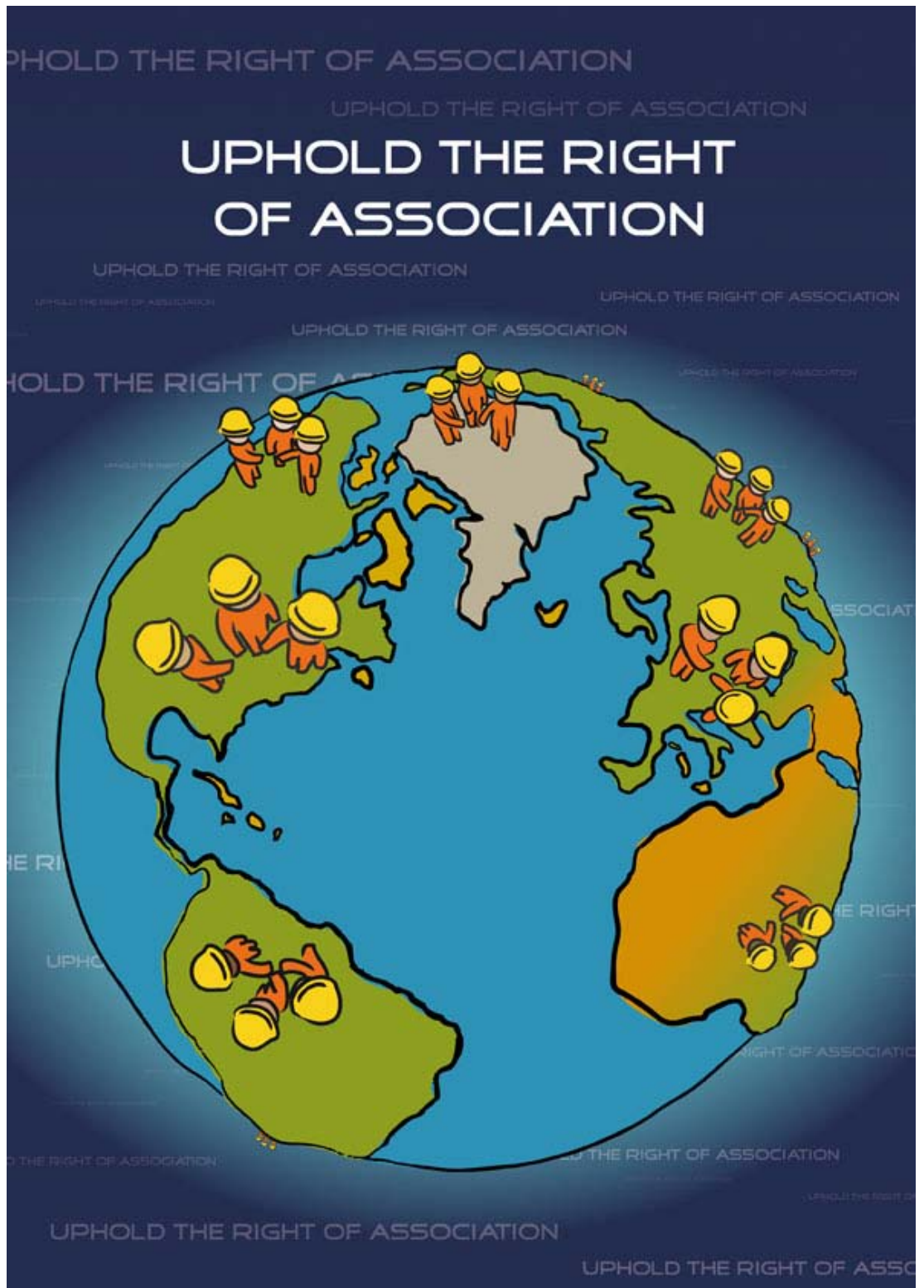
Uphold the right of association

Only 4 in 10 members of the public say they have trust in global corporations (World Business Council for Sustainable Development).¹ Global corporations and SMEs alike need to take action to overcome this lack of trust if they are to remain successful in the 21st century.

Social responsibility is at the top of the agenda for many of today leading global corporations because they know this supports their good reputation which is an increasingly important element in realising sustained profits in today's business climate. Small businesses are having to catch on to this as well. Take a step towards social responsibility and engage your most important stakeholders, your employees. An open employer-employee dialogue allows your employees to exercise their right of association and membership of organisations. This will lead to a committed workforce and a smooth running and successful business.

A closer look: The Cooperative of Sekem Employees (CSE), Egypt

Sekem is an Egyptian cooperative network of companies that jointly work to further economic, social and cultural goals within a sustainable business model, with a particular focus on organic and biodynamic agricultural production. The Cooperative of Sekem Employees (CSE) meet daily and to report out on achievements of member companies the previous day and to plan for the following days. These regular meetings assure that the principles of Sekem are upheld and that the workplace remains a healthy and productive environment.⁴



Tip 1 Evaluate your opportunities

Are you aware of the fraction of your staff that are members of professional organisations, associations or trade unions? Carry out a survey to gain a profile of your employees. You could also include the type of organisations to which your staff belong, for instance sectoral/professional, national, regional.²



Tip 2 Recognise barriers to association

Are there cases where your business operations might prevent your employees from exercising their right to free association? You could think about issues such as:

• Type of operations you engage in

☐

• Geographical area within which your operations occur

☐

• Measures taken by your company to support rights of free association, bargaining and collective bargaining

☐

Tip 3 Plan for improvement

Identify ways to improve opportunities for your employees to benefit from opportunities to join professional or trade associations or unions, and participate in collective bargaining processes. This could be conducted in an employee-employer dialogue through informal meetings or workshops.³ Stakeholder consultation is critical for your company's success and you shouldn't forget your most important stakeholder, your workforce!



Work to live, don' t live to work

A survey conducted in the UK showed that over 10% of full time employees routinely worked 60 or more hours per week (Institute for Employment Research).¹

Paid work is important both for personal fulfilment and the economic survival of households. However, it is only one aspect of our lives. For many people the reality is that work dominates too much time which means that staff cannot meet other commitments to families, friends and communities and in many cases even their own sleep. Work-life conflicts decrease employee motivation and can cause serious stress which can jeopardise performance and even increase absenteeism due to personal sickness or family crises. Promoting a work-life balance with sufficient income makes sense for business because employees are happier and able to use their abilities to the fullest. Other benefits in balancing work with other aspects of life include increased productivity, retention of skilled employees, and reduction of costs due to absenteeism. At the same time, children and the elderly are more likely to be better cared and employee participation in community and voluntary work can increase to the benefit of all of society.²

A closer look: Crepes & Waffles, Colombia

Crepes & Waffles is a successful Colombian gastronomy firm which has been expanding its activities to Ecuador, Panama, México, Spain, and Venezuela. Crepes & Waffles restaurants offer a variety of delicious crepes, waffles, salads and ice-cream at reasonable prices. Crepes & Waffles employs mostly single mothers and takes a keen interest in their well-being. To support their staff, the company provides information on how to improve family lives and take better care of their children by offering seminars and guidelines on subjects such as family planning, effective childcare, recreation and education. Crepes & Waffles also finances (without interest) washing machines for their female workforce to enable them to spend more time with their children. Crepes & Waffles believes that taking these steps to ensure the well being of their staff brings out their best and enables them to work to the best of their ability. As a consequence many employees have come to consider Crepes & Waffles as a second home.⁶



**Keep
work-life
balance**

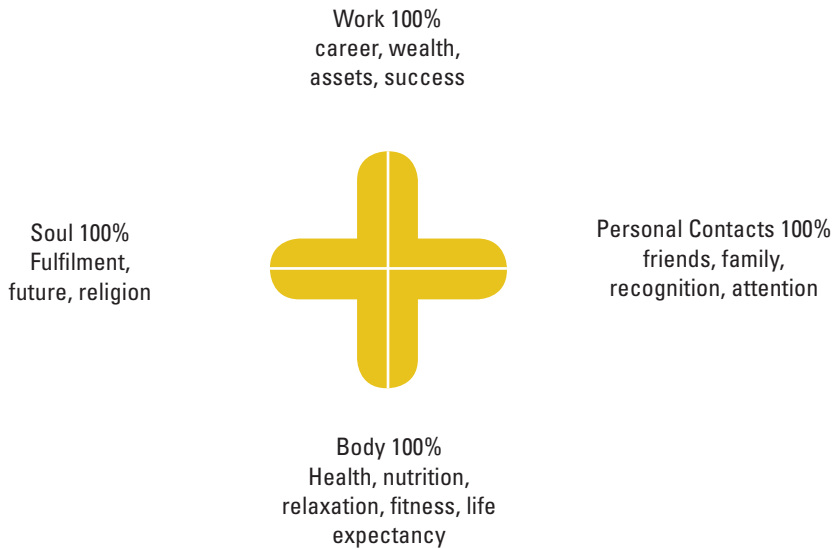
Tip 1 Analyse your working hours

Many countries prescribe maximum working hours and conditions in law. The international labour organisation has also established a standard working week at 40 hours. Nevertheless, many people the world over work much longer hours than this. Use the table below to analyse how much time you spend on different activities. Encourage all employees to complete the table and arrange a meeting to discuss how the results are affecting their private and professional lives.³

Life Zones	Current spending hours/week	Preferred hours/week	Difference	Actions you like to take
Sleep				
Housekeeping				
Work				
Travel to/from work				
Family				
Friends				
Leisure				
Community				
Others				
Total hours/ week				

Tip 2 Know that less work can mean more productivity

Spending hours in the workplace does not necessarily mean that you are working to the best of your ability or productivity. In fact, many managers and employees believe that a healthy business is built upon healthy, balanced staff who also have time for outside hobbies and people. Striking a balance between different elements in life will help motivate and enable your staff to work both smarter and harder when they are at work. This will improve your business success in the long term. Mark the figure below to most accurately represent the time you devote to each aspect in your life. You can also complete a similar diagram, like that below for your staff and use the result as a starting point for a discussion on work-life balance.



Tip 3 Create a family-friendly environment with flexible working hours

Many recent studies have clearly shown that flexible working arrangements benefit employees, their families and employers alike. When people perceive that they have greater flexibility and control over their working hours they are even able to work longer hours before their workload negatively impacts their work/family balance. Flexible working hours help retain skilled staff, which reduces recruitment costs, and enables you to react to changing market conditions more effectively.⁵



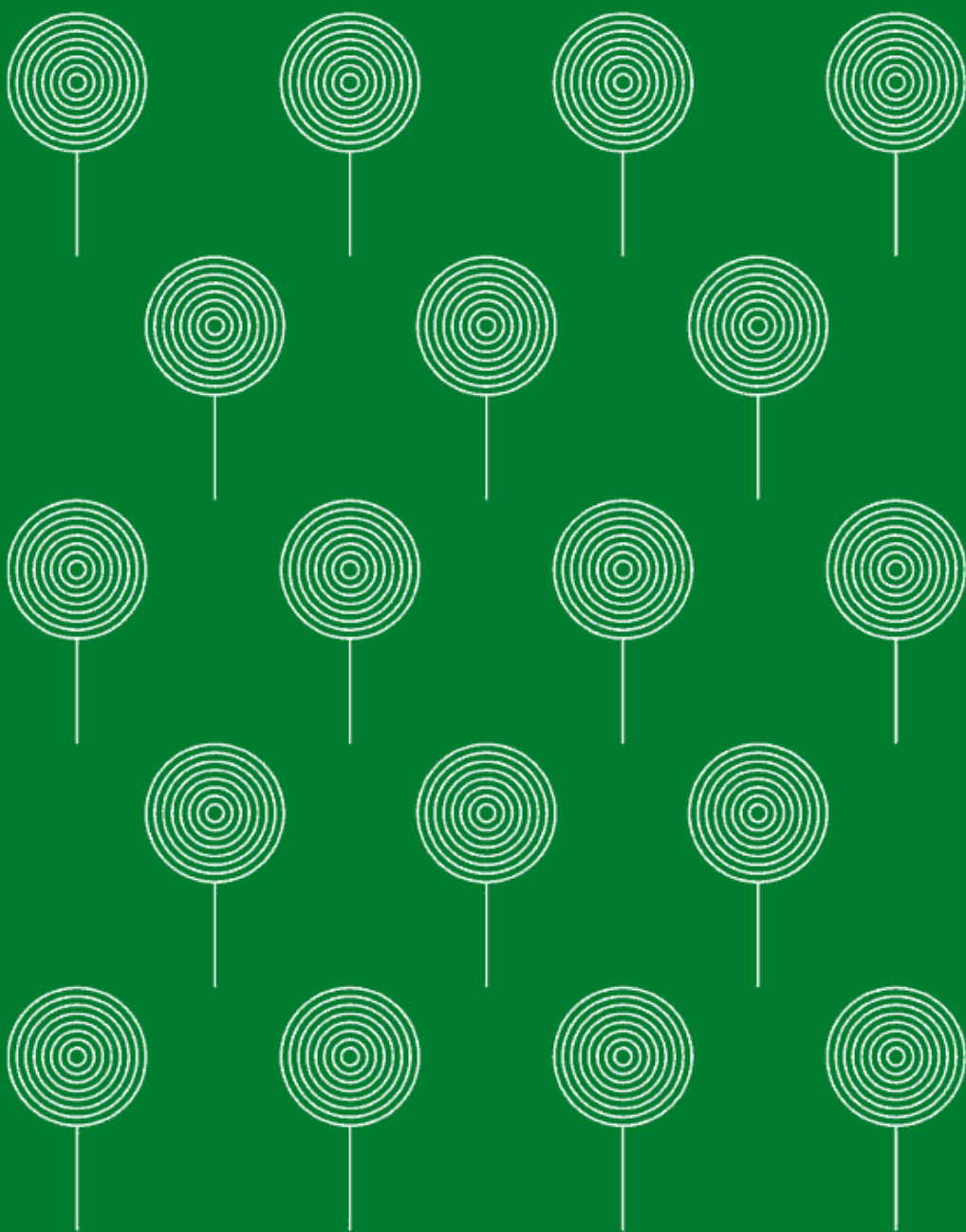
Make governance sustainable

A study published in the London Financial Times found that share prices of well-governed companies can trade for as much as 18% higher than their less well governed counterparts.¹

Companies that practise good decision making (governance) perform better in today's business environment because they are able to assess risks, social and environmental changes and meet requirements of legislation. This helps to maintain customer, shareholder/investor and local community confidence. Sustainable governance means considering your overall strategic decisions, managing the relationship between your managers and stakeholders and using effective performance measures to oversee your company's operations. Clearly defining the roles, rights and responsibilities of your shareholders, board members and managers and making all processes transparent can help you make the right decisions and respond to the expectations of your stakeholders and customers.²

A closer look: Die Möbelmacher, Germany

Die Möbelmacher (English, the 'Furniture Maker') is a German SME that integrates sustainability principles into its daily activities. Since opening operations in 1998 the company has sought to base its operations on the principle of "administering the forest wisely to enable current and future generations to profit alike" in the course of their business producing and manufacturing timber products. They communicate this message to each of their employees through an open and effective governance system. Thanks to an effective internet communication strategy both employees and the public understand the importance the firm places on environmental, economic and social aspects of sustainability.⁵



make governance sustainable

Tip 1 Allocate Responsibilities

Sustainable governance means an effective organisation with clearly defined roles and responsibilities for all elements of your organisation. This will enable your business to operate in a socially and environmentally responsible manner. Further, having a clearly defined structure and processes through which shareholders and employees can provide input or direction to the highest managing body in your firm will help avoid confusion and facilitate effective and strategic decision making.³



Tip 2 Focus on stakeholders

For sustainable governance you will need to identify and prioritise those stakeholders that have a particular relevance for sustainability issues connected to your firm. Such key stakeholders can include:

key stakeholders

- Society-educational and transport infrastructure, social consensus, healthcare
- Nature-natural resources and stability

Prioritise these and other key stakeholders and seek to integrate their input into your decision making process.⁴



Tip 3 Operate transparently

Make sure that your company's operations are carried out openly. This will ensure that all the good work you do for the environment and community will be seen and heard. Communicate the results of major decisions and encourage dialogue between people from all sides of your business. This can be done by any number of mechanisms including internal meetings, newsletters, emails or internal intranet forums.

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Reputation can make or break

Public opinion of business is becoming increasingly negative, with studies indicating that only 4 in 10 people say that they trust globally active firms (World Business Council for Sustainable Development).¹

Social responsibility is at the top of the agenda for many of today leading global corporations because they know this supports their good reputation which is an increasingly important element in realising sustained profits in today's business climate. Small businesses are having to catch on to this as well. Take a step towards social responsibility and engage your most important stakeholders, your employees. An open employer-employee dialogue allows your employees to exercise their right of association and membership of organisations. This will lead to a committed workforce and a smooth running and successful business.²

A closer look: Muumimaailma Oy (Moomin World), Finland



'Moominworld' is a recreational theme park in Naantali, Finland, which operates for approximately 70 days per year during the summer season. The principles of Moominworld are strongly founded on family values, friendship, safety, respect for the environment and a love of adventure. With Moominworld's main customers being children, the park upholds strict regulations on the protection of flora and fauna and strictly forbids antisocial behaviour such as the consumption of alcohol and smoking of cigarettes. Moominworld ensures high standards of waste handling, recycling and facility maintenance and procures as many products as feasible from local suppliers. They regularly carry out customer satisfaction surveys to promote continuous improvement in how they meet the needs of their customers and even go as far as to freely disclose data on financial performance to their stakeholders. This approach has earned Moominworld a very positive reputation and as a consequence they have seen consistent sales growth over time. Through building this reputation and transparently communicating their operational policies Moominworld has become a leading family tourist attraction in Finland, which has earned recognition from the European Commission for responsible entrepreneurship in 'Marketplace/Consumer Satisfaction'.⁴

Reputation can make or brake



Tip1 Start from the inside

Your company's reputation is a reflection of its culture, identity and the attitudes of your employees. Have you thought about the main message you want your company to communicate? The first step is to connect your business goals to each of your employees. When your employees hold positive views about your business and how you operate they will spread the good news. This is a great way to build a good reputation from the inside.³ Some information you may wish to consider when examining your culture could be:

The main message of my company is...

.....

My strategy for communicating this message to employees is...

.....



Tip2 Spread your good news and commitments

Your stakeholders are all the people affected either directly or indirectly by your business. They include your employees, suppliers, customers, shareholders and the community in which you operate. Communicating your corporate identity and message (above) to each of these groups will build your reputation which can be a part of ensuring your company's success. Prepare a short strategy identifying the best way to communicate your corporate message to each of your stakeholders.

Stakeholder	Strategy
e.g. Customer	e.g. Mission statement, messaging & communication conferring corporate identity on product packaging

Tip 3 Reputation is built in small steps

Today customers and shareholders are interested in much more than your profits. Other aspects of your business, such as your environmental and social record or whether your company operates with trust and transparency are becoming increasingly important. Identify one relevant action that you have carried out to promote a positive reputation for your firm. The project could include support you provide for a community event, an employment equity policy you operate within or an environmental standard to which you adhere. Outline a plan to communicate these success stories to your relevant stakeholders.

Action	Date of Action	Communication strategy
E.g. Financially supported a local school computer department	June 2007	Contact local press

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Integrate sustainability into your bottom line

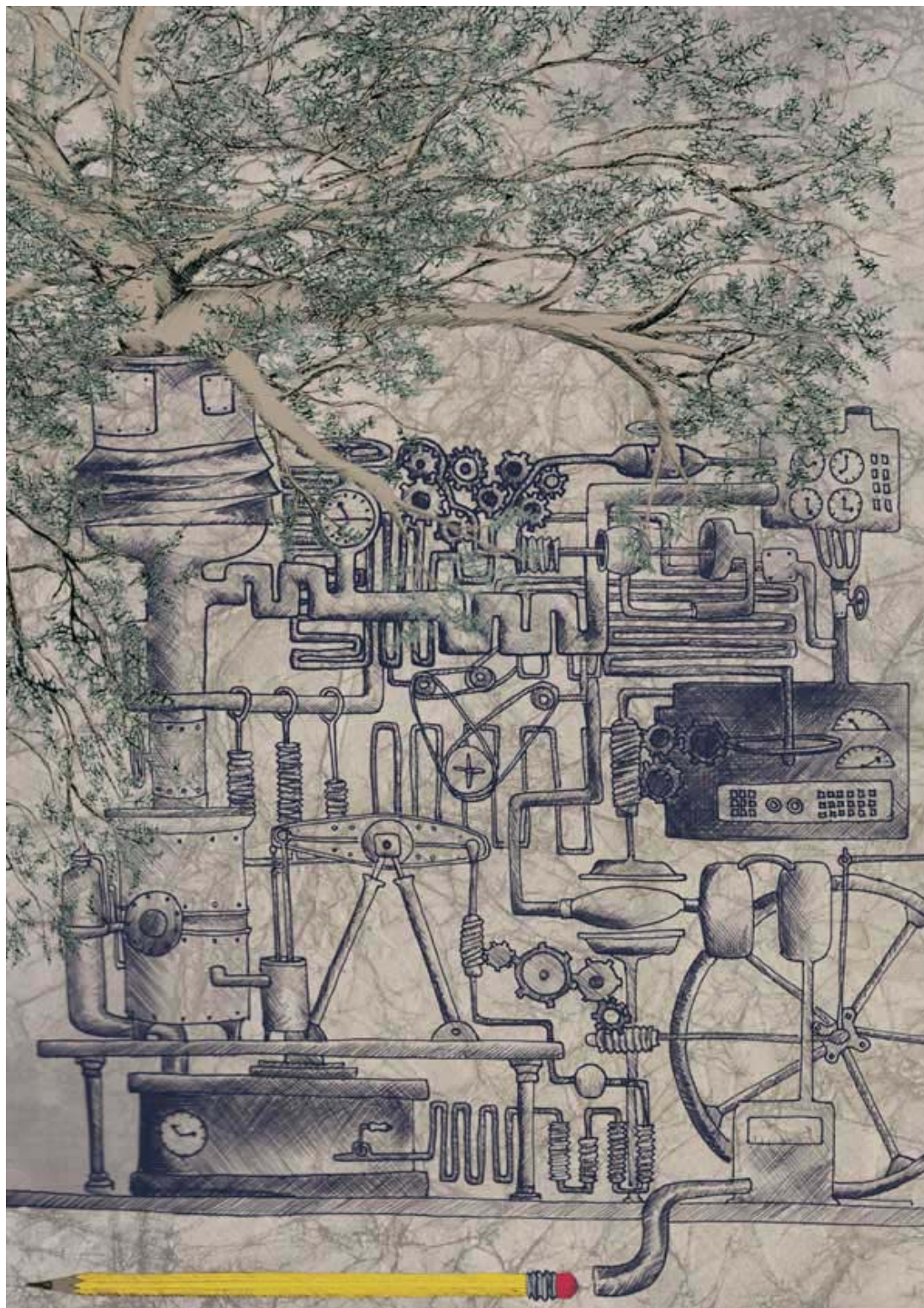
The World Business Council for Sustainable Development forecasts that by 2020 the most successful companies will be those that can address the issues of poverty, climate change, shifting demographics and resource depletion (WBCSD).¹

Many experts agree that socially and environmentally sustainable businesses have and will have a competitive advantage today and through the coming decades of the 21st century. The values of customers, employees, suppliers and investors are shifting from the 'hard' purely profit-making approach to a 'soft' values approach which seek to build integrity, community, trust, respect for employees and sustainability.² This is why successful companies integrate environmental and social issues into their day-to-day business. It is a challenge, especially for small businesses, to maintain focus on all three aspects of people, the planet and profit - the 'triple bottom line'. However, if you want to shape your business to be resilient to change in the marketplace as well as to meet the intensifying demands of both society and government regulators integrating all three sustainability aspects into your business operations offers the best chance of achieving long term success.³

A closer look: Bovince, UK

Bovince is a London based screen process and digital printing company with a staff of 60 that produces posters and other materials for publication on billboards. Bovince strongly believes that commercial success and environmental and social sustainability are all strongly linked. To translate this belief into action they have adopted a comprehensive triple bottom line strategy in their business. Bovince's commitment to sustainability has been recognised through numerous awards, each enhancing their market profile, and they have moved to develop the concept of the 'Bovince Sustainability Tree' which describes nine 'branches' each describing an area in which the firm works.^{5,6}

"All of these things cross over,...environmental and social considerations are an integral part of our business; we don't just latch them on. Once you get that into your head, it works well" Bovince



Carolina Pinochet | Pontificia Universidad Católica de Chile | Santiago de Chile, Chile

Tip 1 Measure people, planet and profit

Most businesses retain financial records, but do you also collect and maintain data on your firm's environmental and social performance? Before you can start integrating all three sustainability aspects of people, the planet and profit into your day-to-day business practice you need to establish a starting point. Gather all relevant data and information concerning your financial, social and environmental performance. Are there any obvious gaps? Are some areas covered more thoroughly than others?



Tip 2 Review your reporting methodology

In practical terms, considering people, the planet and profit means expanding your reporting framework so that it considers not just financial performance but ecological and social performance as well. Using the data collected above review your reporting methodology. Do your usual company reports reflect all three of the triple bottom line aspects equally? Consider how your reporting can be changed to include all of these aspects.



Tip 3 Plan your improvements

You can use the information above to plan an improvement strategy. This could be done by adapting your reporting methodology to give equal importance to the triple bottom line aspects of people, planet and profit. By taking this step your business will be not only be on the way to integrating all three of these aspects into its operation but also to increasing the likelihood of success in the long term. You will realise many benefits including an new opportunities to reach untapped markets and potential to identify new and profitable market niches you may have missed when your company was driven by financial factors alone.⁴



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Invest your profits for a good cause

A study produced by the University of Zurich's Center for Corporate Responsibility and Sustainability and the Centre for European Economic Research in Mannheim, Germany, found that Socially Responsible Investing (investing money in firms with sustainable business practices) offers markedly better returns than investing in firms that focus financial performance alone.¹

If you are a start-up, once your company has begun to turn a profit the next important question will be where to invest your hard earned proceeds. Today it is more important than ever to consider where the money that you invest ends up. You may be unknowingly supporting industries which pollute the environment or backing firms involved in risky activities like human rights abuses. If you are an employee, you may wonder where your pension is invested. Responsible investing means supporting companies that have good track records in environmental and social issues, and studies have shown that this approach is in fact more profitable.²

A closer look: Dividendo Voluntario para la Comunidad (DVD), Venezuela

Dividendo Voluntario para la Comunidad (in English Voluntary Community Dividend) is a 36 year old organisation consisting of more than 400 medium and large sized Venezuelan companies. The aim of the organisation is to share part of their dividends with those who need them. The organisation has undertaken many projects over the years, but one of the most important was a “Rural Schools” programme that it launched in 1982. The program has made it possible to construct over 275 schools for the benefit of some 13,000 poor children. Of particular interest is the potential role Dividendo Voluntario para la Comunidad provides for virtually any Venezuelan SME to contribute toward this initiative, even if it is only in the form of a small financial contribution.⁶



**USE YOUR PROFITS
FOR GOOD**

Tip1 Review your current investments

Where does your company currently invest its profits? How do you decide where you invest? Socially responsible investment can mean different things to different people. However, there are some basic criteria you can use to determine whether your investment is socially responsible.

avoids causing illness, disease and death

☐

avoids destroying the environment

☐

has a good human rights record

☐

Review your current investment strategy and consider how it fits within these criteria. If you are not sure, try to find out. If necessary, plan a strategy to invest in more socially responsible organisations. Such an investment will likely in the end offer you considerable better returns on your investment.³



Tip2 Switch your main bank

In some countries, there are banks which only finance companies and projects that pursue positive social, environmental or cultural goals. These banks are sometimes known as 'ethical banks'. The partnerships and recipients of the investments differ based on the focus of different banks, but organic farming, renewable energy, social housing and fair trade investments often feature prominently. Switching to an ethical bank can offer you many benefits including an improved reputation with virtually no direct cost to you. If there is no ethical bank available in your area, ask your current bank about its investment criteria and request that its ethical investment policy and performance be improved.⁴



Tip 3 Support micro-finance for the poor

In many developing countries micro-finance schemes have been implemented to offer poor people a means of escaping poverty. By providing a small amount of credit with a preferential rate, micro-finance enables enterprising people to set up small businesses and achieve a measure of financial independence. Find out if your bank offers or supports micro-finance schemes. If they don't, find out why they do not. By investing money in a bank that supports micro-finance schemes you will also be playing a role in enabling people that are living in poverty to get a leg up into a business enterprise of their own.⁵



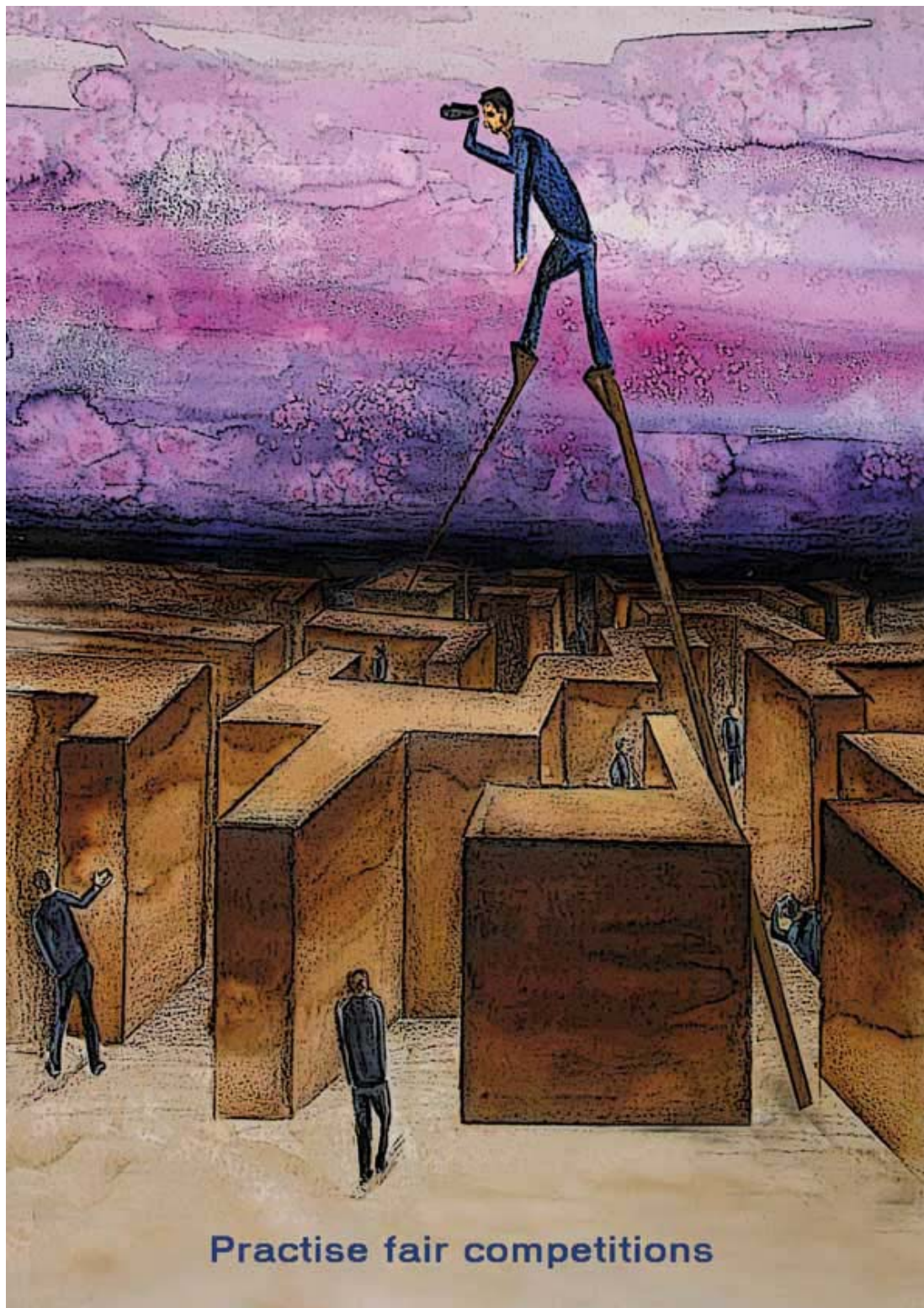
Practise Fair Competition

According to the OECD more than 100 countries now have legislation on fair and healthy competition in the marketplace and are taking action to enforce their legislation.¹

Competition is important for economic growth and it can also affect the environment in which your business operates. Competition means that business is more efficient, productive, innovative and flexible to changes in the marketplace. There are now many laws to protect competition and therefore ensure sustainable growth. If your company is engaging in anti-competitive or monopolistic practices such as price fixing or collaborating within a cartel then you are not only preventing your business from achieving long run success but you could face substantial financial penalties if you are caught and convicted.²

A closer look: FARMEX SA, Peru

FARMEX S.A. is a Peruvian company dedicated to the development and commercialisation of agri-chemical products. The company was founded in 1979 and even though it would meet the technical definition of an SME it is among the leading firms in its sector in Peru. FARMEX S.A. follows a strict internal policy of practising fair competition in the marketplace. They are convinced that by producing high quality products and by communicating verifiable and reliable product related information openly they will succeed over the long run. Their policy is also to strictly avoid taking any step that is intended to unduly hinder the position or capacity to compete in the marketplace for any competitor firm in their sector.^{3,4}



Practise fair competitions

Tip 1 Assess the status

Have there been any legal proceedings against you or your business partners for anti-competitive practices? Record where legal action has been taken against you for anti-competitive practices and document any penalties you may have incurred.



Tip 2 Don't coordinate with competitors when responding to procurement processes

Fair competition means fair prices. Don't negotiate prices with your competitors, this will weaken competition for everyone and can only hurt the economy in the long run.



Tip 3 Promote fair competition

See your 'fair competition' strategy as an opportunity and promote your business to others as a contributor to sustainable competition. This will also improve your reputation as a fair player.



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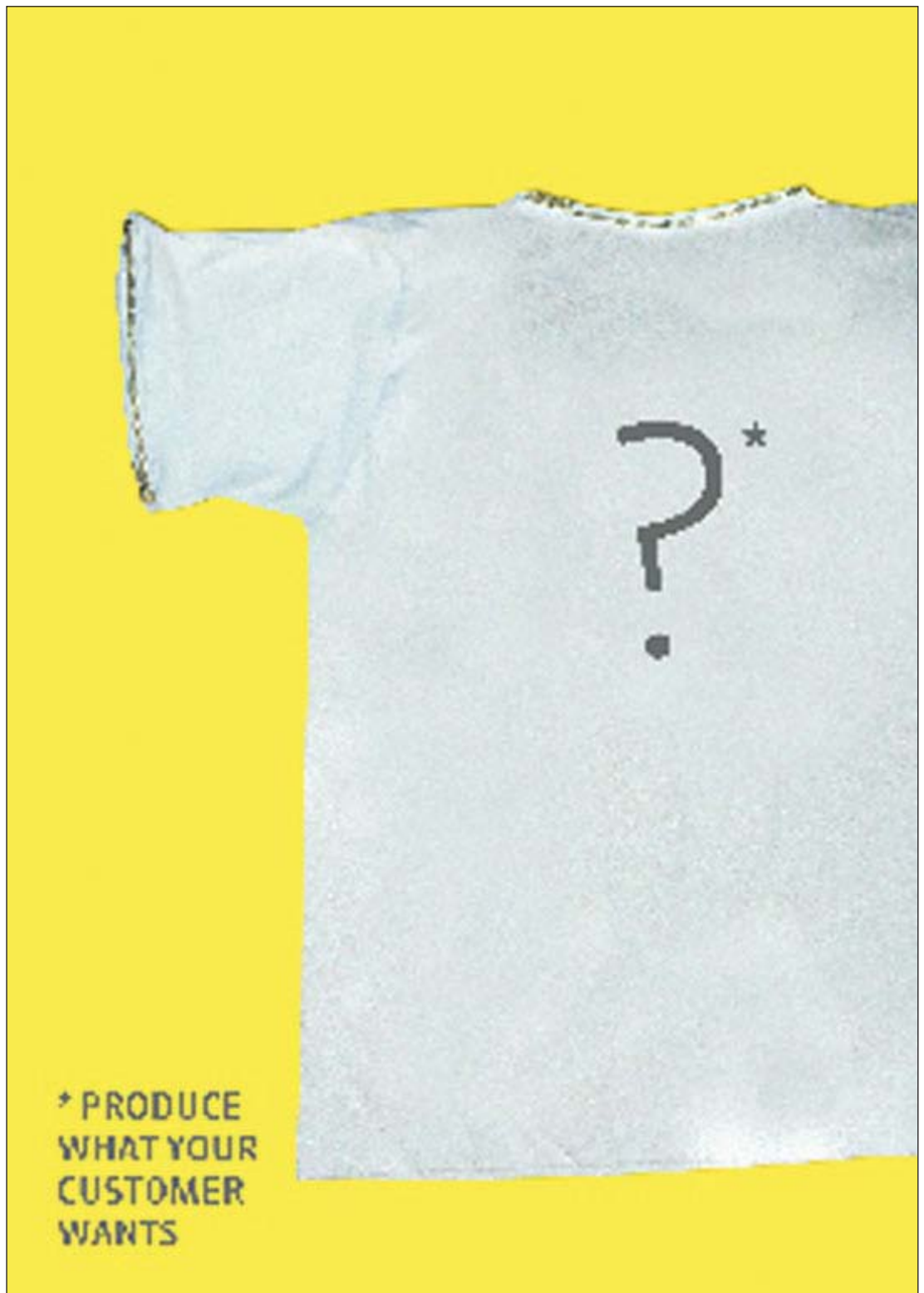
Provide what your customer really wants

In a survey of SMEs, 60 % of respondents claimed that large client firms had enquired directly about safety policies and practice, 43% of respondents had been asked about environmental policies and 17% about social and community issues.¹

Consumer preferences are changing and this means new markets and new opportunities for your business. Global issues, such as climate change, as well as increasing new health risks like allergies, are becoming more important at all stages in supply chains. With widespread media coverage of environmental and sustainability issues your clients are also more aware of where the goods they purchase come from, how they are manufactured and how this can impact them and their stakeholders. If you want to be among the leaders in meeting the challenging demands of your national and multi-national clients, you will need to provide environmentally and socially sustainable products that are inherently safe for your customers, their communities and the environment.²

A closer look: Coronilla, Bolivia

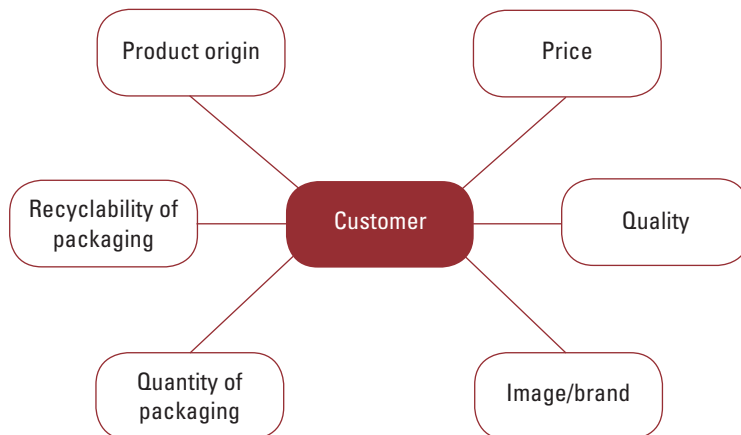
Coronilla was a small family pasta business which was on the verge of bankruptcy until it recognised that it could re-launch itself as a more competitive firm by diversifying its products to including healthy and organic goods and marketing these products in the United States and Europe. Organic food manufacturing has been shown to be a profitable opportunity in Bolivia and it continues to make a contribution toward the development of the Bolivian economy. With its new product lines Coronilla's sales began and today continue to grow. The company has achieved mutual benefits for suppliers and customers by sourcing organic food supplies locally, which supports production of organic produce in often low income regions, while at the same time offering local and international customers healthy and sustainable food products. Based on the success of their new business model, Martha Eugenia, the company manager, has created a business support foundation to advise other firms interested in following Coronilla's lead in working toward sustainable and competitive business models.⁷



* PRODUCE
WHAT YOUR
CUSTOMER
WANTS

Tip 1 See your customer from different perspectives

Many companies are now integrating sustainability policies into their core business practices to ensure suppliers and vendors meet sound minimum environmental and social responsibility standards. This could affect your business. Relative to just a few short years ago, the demands many firms are placing on their suppliers are increasingly challenging. Use the diagram below to outline the main indirect product related interest areas for your customers. Some suggestions are provided below. Where could you focus to improve the loyalty of your customers?³



Tip 2 Manage your supply chain and save money

Based on the information above, decide upon basic steps that your company could take to begin the process of improving the environmental performance of your products. Consider whether there are any products or services with positive environmental attributes you could acquire as part of your business inputs or reflect on alternative products and services you could provide to your customers.⁴ Taking these measures does not necessarily need to be more costly in fact it could even save you money, for example, by encouraging your suppliers to reduce packaging they could reduce their costs and they may be prepared to share these savings with you as their client.⁵



Tip 3 Work with stakeholders on possible improvements

There is increasing pressure in the supply chain to comply with more stringent environmental legislation and if your business sells to larger firms, it is likely that they will begin to demand products or components which will help them meet newer and stricter criteria. Work together with relevant stakeholders, such as your suppliers, to reach an agreement which will allow you to modify your production processes, strengthen your position in the supply chain and improve relations with your suppliers and customers. Investigate possible business partnerships that will help your company introduce new sustainable products and services.⁶

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Listen to what your customers tell you

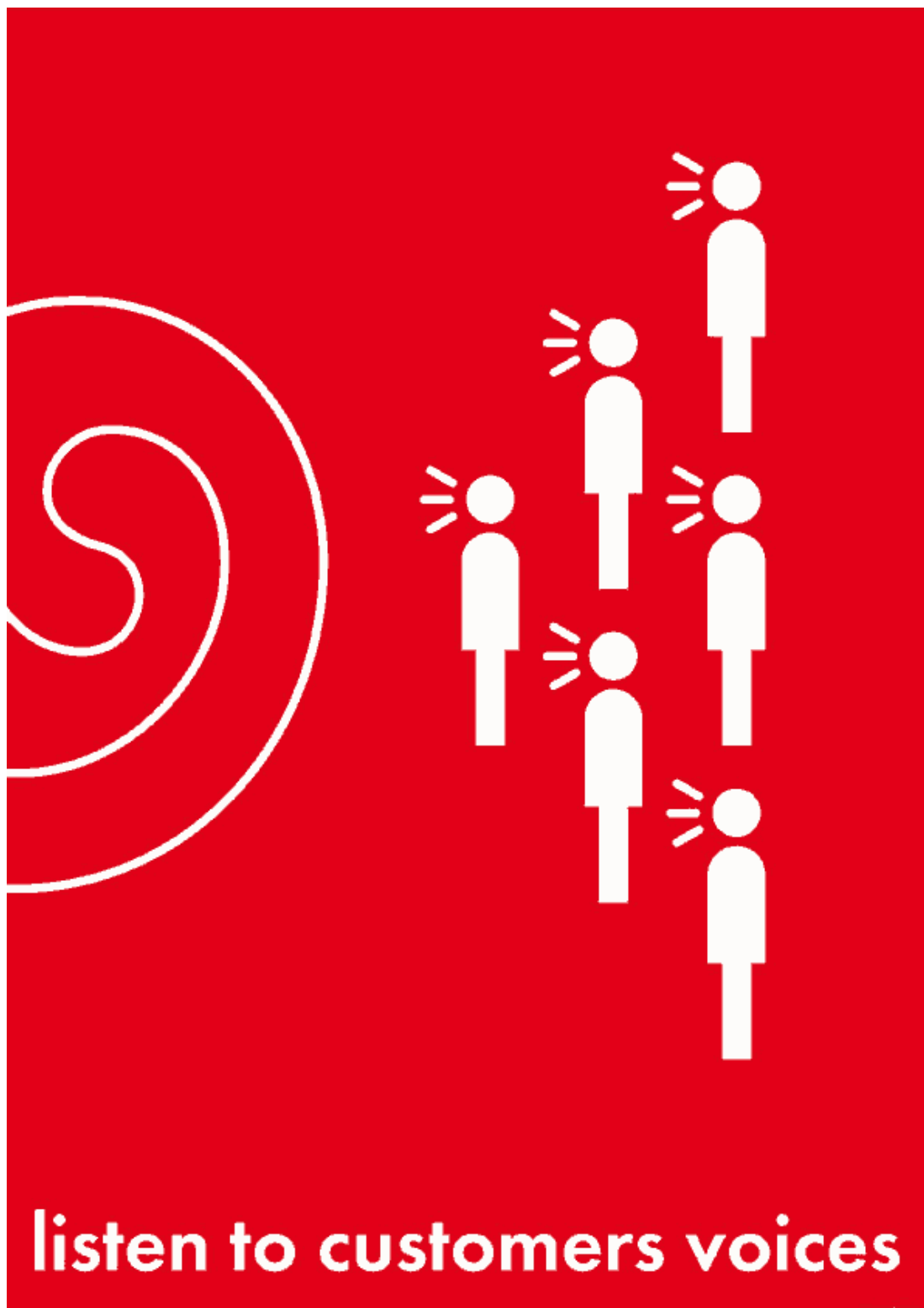
An average consumer that has experienced poor business service will share that negative experience with at least nine other people (Business Bureau UK).¹

The voices of your customer is a powerful marketing tool that can provide essential market research to guide the ongoing development of your business. The opinions of your customers are not static, they can and will change with time depending on issues such as their satisfaction with the product or service you provide or those of your competitors. Having a system in place to systematically gather customer opinion is a vital starting point to identify your successes and problems and necessary improvements in your business. By listening to your customers, you can even gain insights into the behaviour and, critically, consumer opinions regarding your business competitors.

A closer look: Connaught Electronics Ltd. (CEL), Ireland



Connaught Electronics Ltd. is an Irish designer and manufacturer of automotive electronic systems. The company has secured a privileged market position based on the strong relationships they build with their clients, producers of automobiles. By maintaining constant consultation processes with their clients CEL is able to produce unique, high quality and advanced electronic technology for leading automobile manufacturers. For the customer, the relationship that has been built up with CEL as a supplier has fostered a level of trust and that provides confidence in CEL as a provider of critical automotive security components. CEL indicates that it is “committed to designing and developing best quality products at the right price on time as expressed in the company motto “Do it right now for the customer”. This way of working, committed, with trust and focussing on customer-oriented innovation has enabled CEL to grow and build long-standing customer relationships that have yielded significant short and long term positive results for their business.⁴



Tip 1 Choose a suitable mechanism to monitor consumer opinions

There are currently many different ways to measure your customers level of satisfaction with your products or services. Consider the examples below and evaluate which would be the most cost effective for you. Can you think of others?²

Mechanism to solicit	Advantages	Disadvantages
1. Written questionnaire	Concrete results	Low customer response, Time consuming
2. Internet forum	Global reach, anonymous	Relies on customer access to computers
3. Focus group	Potential to hear customer opinions and views first hand	Difficulty in recruiting willing participants



Tip 2 Dealing with the customers' reaction

After deciding on a suitable mechanism to collect the opinions of your customers, plan a strategy to gather this information. You will need to plan:

a preliminary stage of organising the questionnaire, forum or focus group

☐

a period of time for collecting the information

☐

a follow up and evaluation stage

☐

Trade fairly

‘Fair Trade is an innovative, market-based approach to sustainable development. It helps small producers in developing countries gain direct access to international markets and to develop the business capacity necessary to compete in the global marketplace.’
(Transfair USA)¹

There are many different people involved in the successful running of your business. However, have you ever thought about the conditions under which these people work? Do you know whether the farmers or manufacturers are being paid a fair proportion for the work they are doing? Ensuring that the people supplying your business are being paid a fair salary and working under good and acceptable conditions is known as ‘fair trade’. Trading fairly means supporting certain producers to ensure they gain fair benefits such as access to markets, increased sales and income and support for the community in which they work. This may seem like an extra cost for your business in the short-term. However, by ensuring that the people involved throughout your entire supply chain are treated fairly, your business will be taking fewer risks in the long-run. This means your company will be more sustainable in the long run and your positive reputation will be promoted and enhanced. An additional advantage is that there is an increasing market interest in ethical products, particularly in Europe and the United States, and by demonstrating that your business trades fairly you can expand your exports to these critical regions and reach new business opportunities.²

A closer look: Kapai Salads, New Zealand



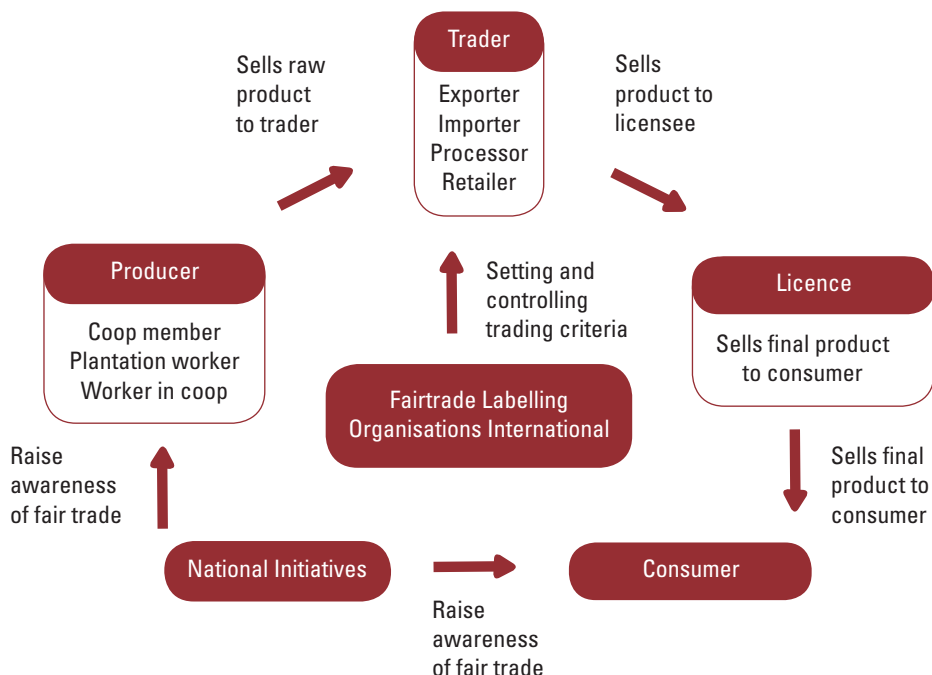
Kapai Salads is a Wellington, New Zealand-based salad bar which opened in 2006 and employs approximately 25 employees. Kapai serves a range of salads, sandwiches and soups, as well as breakfasts, smoothies and teas and coffees. Today Kapai operates three stores in Wellington as well as a high school café in a local secondary school. The philosophy behind Kapai salads is to enjoy good, healthy food while also considering the environment and people producing their salads in their supply chain. Kapai salads support fair trade by making a particular effort to sell only ‘People’s Coffee’, a New Zealand based coffee grinding firm that sources its coffee beans from certified fair trade cooperatives that they have themselves visited and inspected. In addition to its passionate commitment to fair trade, Kapai has also implemented a zero waste strategy and has an aggressive in-store recycling program based on the use of biodegradable potatopak containers. Kapai also supports a number of other initiatives including a local bird wildlife sanctuary.⁵



Lorena De Ferrari | Pontificia Universidad Católica de Chile | Santiago de Chile, Chile

Tip1 Why fair trade is good for your business

Knowing how to trade fairly can be difficult, especially if some of your suppliers or manufacturers are located in different countries. There are some existing international standards that have been developed and certified producers are entitled to identify their products with a protected 'fair trade' label. Consumers are becoming increasingly interested in ethical issues connected to the products they buy and as a consequence fair trade products are becoming growing in popularity, especially in Europe and the United States. For business this can mean that fair trade presents an important new opportunity. The diagram below illustrates how the main people and processes in fair trade are related to each other. Using the diagram as a guide, consider opportunities for your business to become involved in fair trade. Which step in the chain is most appropriate for your company?^{3,4}



Tip2 Take a step in the right direction

Seek out opportunities for your business to become involved in fair trade. Are there local sources, partnerships or cooperatives in regions that you do business? Consider all aspects of the supply chain right up to the products or services that your company produces. If you work with larger companies, they may be able to produce environmental and social records in their supply chain. To ensure ethical sourcing, you could adopt a "code of practice" that sets out minimum labour standards to which the suppliers and sub-contractors with whom you work can be expected to meet.

Tip 3 Market your fairly traded products

Once you have concluded your initial steps toward integrating fair trade either as products or raw material inputs to your business, you can market this fact to your customers. This will boost your reputation as well as raise awareness of fair trade. You could communicate your commitment through:

Newsletters to your customers



Certification labels



Meetings with suppliers, shareholders, the community

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Treat your suppliers fairly

‘Small businesses and entrepreneurs need suppliers the most. There must be a good relationship between the small business and suppliers. Otherwise, the entrepreneur and small business will greatly reduce their chance of achieving success.’ (Gaebler Ventures).¹

A long-term and mutually supportive relationship with your supplier can have many benefits for your business. On this basis it is worthwhile investing time and energy toward building good relationships with your suppliers. When your suppliers understand your needs and believe that they are being treated fairly, they will meet higher standards for you. This can mean that your business is more reliable and cost effective for your clients which will ultimately make you more successful. From your perspective, you can consider the conditions that your suppliers work under. Be sure to offer a fair price for the products or services you obtain from your supply chain and make an effort to pay on time. These small steps show that you are reliable and operate as a fair business. In fact, if you fail to treat your suppliers well you may even endanger your own business by adding to the multitude of risks you face as a business person today.²

A closer look: Bishopston Trading Company, UK

Bishopston Trading Company is a small firm that operates five clothing and textile outlets in South West England. The aim of Bishopston Trading is to provide a fair deal to local tailors and fabric producers located exclusively in the K.V. Kuppam administrative district in Southern India. They aim to build long-term relationships with their Indian suppliers and take steps to ensure they are paid more generously than the average local salary. This has assured that working as a tailor in this region has become a highly respected Profession, which builds loyalty. The relationship between the suppliers and the shops guarantees a reliable supply of a wide variety of colourful Fair Trade certified hand woven fabrics and clothing.⁵



Tip 1 Get to know your supplier

Where possible, meet face-to-face with your suppliers and try to get a feeling as to how their business operates. This will allow you to identify opportunities for your company as well. Make sure that you maintain close contact with the people directly responsible for supplying your business and ask about their plans for the future so you can anticipate if and how their plans affect your company.³



Tip 2 Pay on time

Be sure to be reliable when setting deadlines and making payments. This will not only motivate your supplier to provide good service to you but it will also ensure the security of your supplier and in turn reduce risks to your business. Punctual payment is especially important if your supplier is a small organisation since they may rely heavily on your business.



Tip 3 Help your supplier and they will help you

If you see an opportunity for your supplier, make them aware of it and use your contacts to open more opportunities for them. Your supplier might then also return the favour and help you out by passing along business leads. When you show your supplier that their work is of importance for you they are likely to work harder for you in turn which will increase your chances of success.⁴



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Label information clearly

In 2005 consumers made purchases of €1.1 billion of fair trade labelled products globally (Fairtrade Labelling Organisation International).¹

Today's consumers want to know the story behind the products they buy. Labelling your products or services to clearly show their geographical origins, the material composition and how they are produced allows you to demonstrate to your customers that you recognise and support their environmental and social concerns. These labels are often known as 'eco-labels' and using such labels can offer you a distinct market advantage.² Eco-labels provide for business transparency by providing information to consumers that will help them make an informed purchasing decision. Labels can also inform customers about how to properly use a product and provide information on necessary safety precautions associated with product use or storage. There are many different methods to label products so it is important to choose the system which is most appropriate and effective for your company.³

A closer look: Industria de Muebles Roda, Bolivia



Industria de Muebles Roda (IMR), a Bolivian furniture producer, joined the Forest Stewardship Council (FSC) certification scheme to demonstrate to their customers that their products are made from FSC certified wood. Both IMR, as a furniture producer and well known advocate of sustainable forestry in Latin America, and the FSC have noted the benefits of using the FSC labelling scheme. IMR is growing on average by over 30 per cent per annually with a strong international growth component in the USA, UK, Europe and Mexico. Under FSC certification IMR manages 400,000 hectares of natural tropical forest. FSC certification, which ensures forest management is based on placing primary importance to a forest's most abundant species and not just harvesting commercially recognised species, has enabled a diversification of the wood species used within the firm and this has proven to be a key element in IMR's success.⁶



Tip1 Find the best type of eco-label for your business

There are many different types of eco-labels around and successfully labelling your product to achieve a market advantage means choosing the most suitable and effective label for your products or services. Eco-labels can be concerned with different issues and different life-cycle stages of your product and some labels may even be used in tandem as complementary sources of information. Consider the different types of labels in the table below and assess the advantages and disadvantages for a product or service you offer.⁴

Type of label	Description and Example	Advantages	Disadvantages
Full life cycle	A label to cover the whole life-cycle of the product including raw material extraction, production, distribution, consumption and end of life	.....	.....
Specific to one life cycle stage	Labels for a certain stage in production of a product such as raw material extraction or agricultural production. An example is the seal of the Forest Stewardship Council	.....	.....
Issue specific	Labels for a certain environmental or social issues such as the use of recycled paper or fair trade. An example is the Marine Stewardship Council fisheries certification program	.....	.....
Use-phase efficiency	Labels to allow the consumer to calculate how much energy they will consume whilst using the product such as energy or water efficiency labels	.....	.....

Tip 2 Look for standard and recognised eco-labels

Using the standards and categories above you can now identify a suitable eco-label to integrate into your business. Look for suitable recognised eco-labels using, for example, some of the resources supplied in the links section of this book. Once you have selected an eco-label for an aspect of your production, outline a strategy to have this label applied to your products and services. Include targets and a deadline.

Tip 3 Identify a good and effective label

Once you have decided which type of eco-label is most suitable for your products or services you need to consider what makes a good label and decide which labelling initiative fits your business the best. Below are some criteria for a good eco-label:⁵

A good eco-label must be...

- Meaningful and verifiable: a good label should be certified by an independent organisation who has a meaningful set of standards for environmental protection or social justice
- Consistent and clear: the label must have a consistent standard
- Transparent: information such as the structure and certification standards of the labelling organisation should be clear and transparent
- Independent and protected from conflict of interest: the label you use should come from an organisation without a material interest in the products it certifies
- Open for public comment: the label should have been developed with input from consumers, industry, environmental groups, social groups and other relevant public advocacy groups.



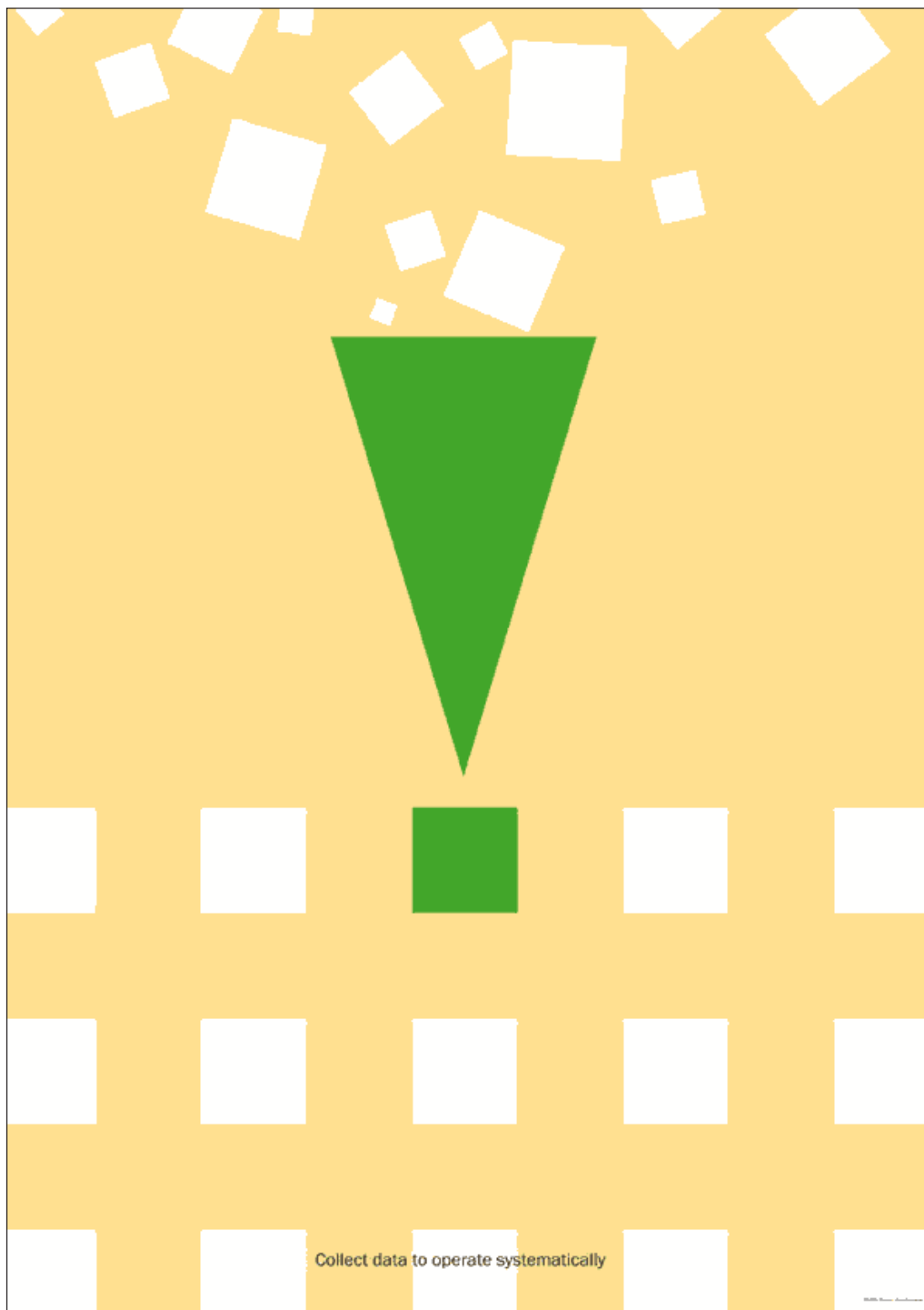
Collect data to operate systematically

In a survey of 250 small businesses 80% held the opinion that data protection was a relevant issue for them (Outlaw.com).¹

Documents and data are crucial for your business. Keeping this information secure and confidential is the key to running a business successfully. Relevant data allow you to carry out tasks like comparing current progress with past results or sharing accurate information with your stakeholders. If the data is lost or misused, or accessed without authorisation, it may be difficult to make informed business decisions and this can place you at a competitive disadvantage. Moreover, without well-organised and safeguarded data you might not be able to keep track of your obligations under any relevant legislation which jeopardises your reputation and sales.²

A closer look: Topkapi Iplik, Turkey

Topkapi is a family owned yarn spinning firm with 560 employees. It has slowly developed over its 34 years of operation to among the most modern mills in Turkey through strategic investments in technology, ideas and innovation. The economic, environmental and social performance of Topkapi is controlled by a comprehensive monitoring and data collection system. Each department within the company collects data and compares the information gathered with performance from the previous months or years. Twice annually each department prepares a special report that compares the yearly reports and, using this information, the aims and targets are established for the coming year. Good data collection and monitoring allows Topkapi to make strategic future plans and deliver competitive, high quality products.^{4,5}



Tip1 Get an overview of your data and keep it to a minimum

What type of data or documents does your business need to retain? Make a list like the one below of the main types of data you store and the strategy you currently have to keep this information secure. Who in your company has access to the records? Another point to consider is that documentation and data should be kept to a minimum. When you have an overview of your documents and data, securely dispose of any information that is not a priority for your business. Keep only current documents and data on hand and archive older material.³

main types of data you store

- Financial information such as accounts, tax
- Ease of building long-term relationships
- e.g.



Tip2 Conduct a risk assessment and identify improvement opportunities

Using the list above, identify the potential hazards in your data storage systems. These could include physical threats such as water damage to information systems, human error, or threats from malicious damage. You can also identify areas for data security improvement. Think about:

Who has access to what information

☐

Who uses the internet, emails, data and for what purpose

☐

Security passwords or restricted access to certain files

☐

If your computer systems are protected with up to date antivirus software

☐

The level of staff training on data and document security

☐

Tip3 Train staff on data security awareness

One of the most immediate and effective steps you can take to improve your data security is to ensure all employees are aware of the steps necessary to protect and secure the company data. Your employees need to know your company's data security principles and procedures and this includes how to assure the secure operation of IT systems. Employees should also be familiar with any relevant legal requirements concerning customer and staff data privacy and there should be a plan in place so necessary tasks can be undertaken normally in the event of a technology failure.

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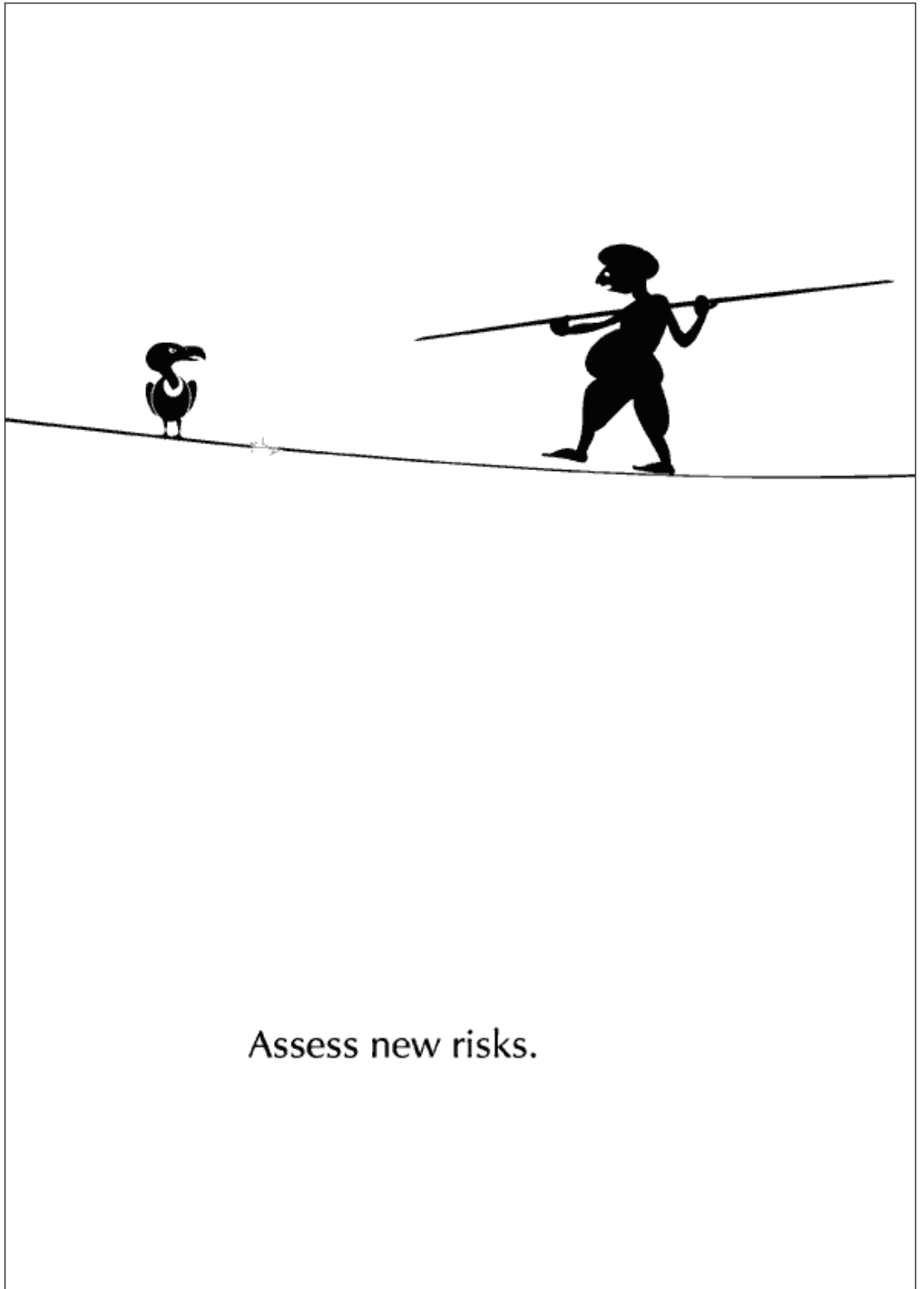
Assess new risks

Almost 80% of the largest companies in the world consider climate change as a commercial risk. However, 82% also see climate change as a commercial opportunity for both existing and new products and services (Climate Change Disclosure Report).¹

Climate change and other global environmental problems entail different types of risk that can also affect your SME. These could be physical, regulatory, legal or reputation related risks. Physical risks could include increased storms, heavy floods or intense rainfall, as well as heat-related illnesses affecting your work force or asset losses for weather-dependent businesses like ski tourism. The rise in regulatory risk can also be observed through, for instance, higher energy-efficiency standards or the implementation of emissions-trading schemes. Large and small companies need to respond to the increasing expectations of consumers, business clients and governments in order to prevent unflattering public exposure and potential regulatory penalties. Businesses that assess and reduce extreme weather related risks by fortifying structures to mitigate the impact of storms and floods are often rewarded with, for example, reduced insurance premiums. Assessing new risks today is a matter of saving money in the future.²

A closer look: Javierre S.L, Spain

The small Spanish construction enterprise “Javierre S. L.” operates within environmental management systems that contain a number of procedures to identify environmental risks, including climate risks, as well as procedures to successfully manage these risks beyond minimum legal requirements. Furthermore, Javierre assesses its suppliers’ degree of compliance with existing social and environmental legislation. For this purpose, the enterprise requests documented legal proofs annually in order to ensure compliance with all legal requirements the face.⁴



Assess new risks.

Tip 1 Identify your risks

Identify the risks your company is facing. How can you categorise them? Look at the list below and see if you can add to it. What implications can they possibly bring about?

Loss of competitive edge

☐

Threats from extreme weather, floods, droughts such as the destruction of property

☐

Loss of key people

☐

More stringent rules and regulations concerning energy efficiency bringing, for instance, costs for replacing equipment or machinery

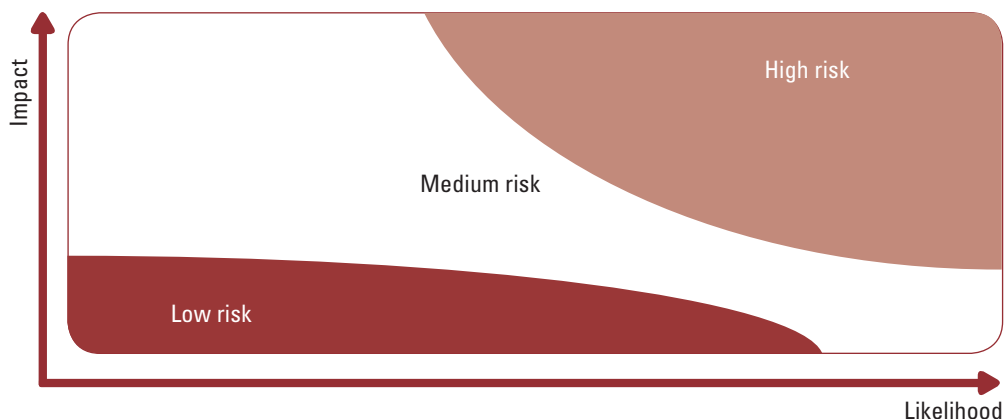
☐

Rising prices of raw materials

☐

Tip 2 Prioritise risks

Use the diagram below to prioritise the risks selected above in terms of low, medium or high risk. Use this prioritisation to develop a risk management strategy. You need to select appropriate management controls and transfer or avoid risks that the business is not willing or competent to manage.³



Tip3 Manage and communicate

You can engage your employees in this matter. Gather ideas how to tackle the risks you face. Can you turn these risks into opportunities? Can you eliminate or avoid the circumstances causing the risk, such as choosing an alternative path or using different product inputs? Is it possible to mitigate or to insure against the risks? Brainstorm innovatively – unconventional risks might need unconventional solutions. Moreover you can use conventional risk management as a guide. Make sure that all staff are aware of the consequences of their actions and the risks they entail. You can raise awareness via workshops or internal newsletters.

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Buy Locally

Over half of consumers believe businesses should be forced to phase out products that contribute to climate change (Consumers International).¹

Have you ever thought about the distances your raw materials travel to reach your company? Are there no less distant suppliers? There are many benefits to sourcing your raw materials locally. For instance, having your suppliers near you means you have greater control over your supply chain and a better chance of solving problems and making improvements to your business. Also, using local suppliers enables you to support a prospering local economy and community since there is a greater chance that the money you spend will be returned to the pockets of local people. Finally, if your supplies do not have large distances to travel their contribution to climate change will be reduced.²

A closer look: Mozal Aluminium (BHP Billiton), Mozambique

Mozal, a BHP Billiton aluminium smelter in Mozambique, works with other companies to build the capacity of local suppliers. By setting up the Mozal Community Development Trust, the company looks for ways to contribute to the local community through the generation of continuous income for local people in order to alleviate poverty.

Since 2002 the company has doubled its spending on local suppliers through focusing its operational areas and allowing their procurement staff to privilege contract rankings to Mozambican suppliers. Mozal also rewards the local suppliers that comply with its standards on health, safety, environment, community and business principles.

Together with other Mozambican companies, the company has analysed its supply chain and identified materials and services that are currently purchased abroad but that could be provided locally. As one example specialised clothing to work with hot metals have begun to be manufactured by a local supplier.⁴



Tip 1 Shorten distances

Draw up a list of suppliers in your local area. Focus on important production inputs and try to identify at least one or two inputs that can be locally supplied. The cost of sourcing your supplies locally may seem greater than your current suppliers however there are many hidden benefits to changing to a local supplier. These can include:

Opportunities for face-to-face contact with supplier

☐

Ease of building long-term relationships

☐

Ease of building long-term relationships

☐

Ease of accessibility

☐

Reduced need for transportation and reduced long distance transport risks

☐

Tip 2 Boost your local economy for long term benefits

Buying your supplies locally will benefit your business because more money will be circulated locally with increased chances that there will be more money in your region, some of which might be spent at your business.³



Tip 3 Build personal relationships locally

Take advantage of having suppliers close by to build collaborative alliances. Get to know your suppliers face-to-face and they will be more willing to help you achieve business success. Your suppliers may know your process requirements better and look for more suitable products or solutions. They may even be able to create competitive advantages or open up new business opportunities for you.



[illegible]







ecosign