

Enterprise publications



Responsible entrepreneurship

A collection of good practice cases among small and medium-sized enterprises across Europe



EUROPEAN COMMISSION

Responsible entrepreneurship

**A collection of good practice cases among small
and medium-sized enterprises across Europe**



European Commission
DIRECTORATE-GENERAL FOR ENTERPRISE

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Foreword



Responsible entrepreneurship means how to run a business in a way that enhances its positive contribution to society whilst minimising negative impacts on people and the environment. It means the way in which entrepreneurs interact with their stakeholders on a daily basis: customers and business partners in the marketplace, employees in the workplace, the local community and the environment. Responsible entrepreneurs:

- treat customers, business partners and competitors with fairness and honesty;
- care about the health, safety and general well-being of employees and consumers;
- motivate their workforce by offering training and development opportunities;
- act as 'good citizens' in the local community;
- are respectful of natural resources and the environment.

They do all this and more not only by complying with regulation, but often go beyond minimum legislative requirements on a voluntary basis.

Europe's 20 million small and medium-sized enterprises (SMEs) already make a significant social contribution by creating and securing jobs, providing products and services to society and paying taxes. They are also increasingly recognised as a driving force for innovation, entrepreneurial spirit and competitiveness. SMEs are therefore key to achieving the European Union's strategic Lisbon goal for 2010⁽¹⁾, which is based upon the three pillars of sustainable development: economic growth, social cohesion and environmental protection.

This wider context explains the EU's interest in promoting responsible entrepreneurship — or corporate social responsibility (CSR)⁽²⁾ — among business in general and SMEs in particular. Striking a balance between economic, social and environmental objectives can involve trade-offs, but the examples in this brochure show that business success and societal responsibility are not only compatible, but can be mutually reinforcing by opening up new business opportunities. Other business benefits include higher customer satisfaction and loyalty, more motivated staff, improved relations with the local community and public authorities, cost savings and enhanced reputation.

For many SME owner/managers, however, personal values rather than expected business benefits are the main driver for societal engagement, especially when it comes to activities in favour of the local community⁽³⁾. While these activities are often carried out on an ad hoc basis and are unrelated to business strategy, they demonstrate the truly 'voluntary' character of SME engagement whereas in other fields, such as health and safety or the environment, regulation or supply chain pressure play a greater role.

⁽¹⁾ The Lisbon European Council of 23–24 March 2000 set a new strategic goal for the next decade: 'to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion' (Presidency conclusions).

⁽²⁾ Communication from the Commission concerning 'Corporate social responsibility: a business contribution to sustainable development', COM(2002) 347 final of 2.7.2002.

⁽³⁾ 'European SMEs and social and environmental responsibility', Observatory of European SMEs 2002/No 4, European Commission download: http://europa.eu.int/comm/enterprise/enterprise_policy/analysis/observatory.htm.

Responsible entrepreneurship can also contribute to creating a more positive image of entrepreneurs in society and encourage more young people to choose self-employment as an attractive career option. It therefore contributes to the EU's objective of fostering an entrepreneurial spirit in Europe as outlined in its recent Green Paper on the topic ⁽⁴⁾.

This brochure is the result of exploratory work carried out by the Commission's Directorate-General for Enterprise under its Multiannual Programme for Enterprise and Entrepreneurship ⁽⁵⁾ with the help of a group of national experts. It gathers 25 good practice cases from SMEs in 16 European countries with the aim of illustrating the richness and diversity of responsible entrepreneurship practices from Scandinavia to the Mediterranean. Of course, this selection can offer only a tiny glimpse of what thousands of European SMEs, committed to social and environmental causes, are already practising on their own initiative. But often their engagement is less well known than that of large companies since SMEs tend to operate in local markets and rarely communicate their activities in a formal way.

This publication is a first attempt to give recognition and greater visibility to the societal contribution of SMEs on a European scale. The aim is not to be self-complacent but rather to inspire a greater number of SMEs in different regions and countries on their journey of responsible entrepreneurship with a view to continually improving their social and environmental practices.

Public authorities, including the EU, have a role to play in stimulating the cross-fertilisation and exchange of experience and good practices, in building knowledge and providing incentives and support. The European Multi-Stakeholder Forum on CSR ⁽⁶⁾, launched in October 2002, is a focal point for these efforts and has chosen 'Fostering CSR among SMEs' as one of its four priority themes. This brochure contributes to the work of the Forum whose member organisations — representing business, social partners and civil society — will submit a report with their recommendations to the Commission by mid-2004.

Last but not least, this publication is addressed to the intermediary organisations that SMEs go to for advice and support in general business matters. These trusted intermediaries — including chambers of commerce, business federations, banks and accountants — but also larger business partners have the challenging task of reaching out to engage SMEs through awareness raising and the provision of tools, support and advice. The good practice cases in this brochure can be a useful tool for spreading the message of responsible entrepreneurship among SMEs and serve as a building block for a more comprehensive case study collection in the future.



ERKKI LIIKANEN
Commissioner for Enterprise and
the Information Society

⁽⁴⁾ Green Paper 'Entrepreneurship in Europe', COM(2003) 27 final of 21.I.2003.

⁽⁵⁾ Project 2.5/2002 'Responsible entrepreneurship for SMEs': http://europa.eu.int/comm/enterprise/enterprise_policy/mult_entr_programme/doc/map_wp2002_en.pdf

⁽⁶⁾ EU Multi-Stakeholder Forum website: <http://europa.eu.int/comm/enterprise/csr/forum.htm>

Introduction

The 25 good practice cases in this brochure aim to illustrate responsible entrepreneurship among small and medium-sized enterprises (SMEs) ⁽⁷⁾ across Europe.

They are examples of 'good' rather than 'best' practice since the selection was made to illustrate diversity in terms of the different countries, sectors of activity and size classes represented in the brochure. Identifying 'best practice' implies a competitive process or benchmarking exercise that clearly would have gone beyond the scope and remit of this project. Besides, differences in cultural and legal backgrounds in Europe make cross-country comparisons difficult if not impossible. The regulatory framework in each country determines the scope for company action to go beyond legal thresholds. But societal expectations as to what constitutes responsible business behaviour may also vary widely depending on history, culture, the level of socioeconomic development and the respective roles of the State and private sectors in society. What is an innovative responsible entrepreneurship practice in one country may be regarded as 'mere' legal compliance or 'business as usual' in another. Each case therefore has to be judged on its own merits and needs to be set in its particular national, regional or even local context.

What do we mean by 'responsible entrepreneurship'?

The term 'responsible entrepreneurship' ⁽⁸⁾ denotes voluntary business strategies to achieve sustainable development and is fully in line with the EU definition of corporate social responsibility (CSR):

'CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.' ⁽⁹⁾

Corporate social responsibility is a rather complex notion developed for large companies, which is perhaps not the most appropriate term for communicating with and engaging SMEs. It is for this reason that 'responsible entrepreneurship' has been chosen as the theme of the present publication. Responsible entrepreneurship associates the individual entrepreneurial drive and attitude necessary for creating and running a small business with a wider sense of societal responsibilities that often forms part of the personal values of the SME owner/manager. This is the kind of entrepreneurial spirit that the European Union seeks to promote not least with a view to fostering innovation, job creation and competitiveness in Europe ⁽¹⁰⁾.

How were the good practice cases selected?

The examples in this brochure were identified by a group of national experts ⁽¹¹⁾ from EU Member States, Norway and candidate countries according to an agreed methodology. This work was financed and coordinated by the European Commission's Directorate-General for Enterprise under its multiannual programme for enterprise and entrepreneurship ⁽¹²⁾.

⁽⁷⁾ The EU defines an SME as an enterprise with less than 250 employees. Other criteria concerning annual turnover/balance sheet totals also apply. See Commission Recommendation 2003/361/EC of 6.5.2003. http://europa.eu.int/comm/enterprise/enterprise_policy/sme_definition/index_en.htm

⁽⁸⁾ The term 'responsible entrepreneurship' was coined by the UN environmental programme (UNEP) in the context of Agenda 21.

⁽⁹⁾ Communication from the Commission concerning 'Corporate social responsibility: A business contribution to sustainable development', COM(2002) 347 final of 2.7.2002.

⁽¹⁰⁾ Green Paper 'Entrepreneurship in Europe', COM(2003) 27 final of 21.3.2003.

⁽¹¹⁾ See Annex for a list of expert group members who contributed to the elaboration of this brochure.

⁽¹²⁾ See footnote 5 above. The following website provides more information about the project: http://europa.eu.int/comm/enterprise/entrepreneurship/support_measures/responsible_entrepreneurship/index.htm

A. Conceptual framework

The expert group, which met five times between May 2002 and June 2003, elaborated a 'conceptual framework' (see Figure 1) which forms the basis of the chapter headings Marketplace, Workplace, Community and Environment. These are the constituent parts of responsible entrepreneurship and correspond to the economic, social and environmental pillars underlying the concept of sustainable development. The social pillar is divided into its internal (workplace) and external (community) dimensions.

While the boundaries between the issues treated in each chapter are not always clear-cut, the different categories allow for clarity of presentation and serve to exemplify the concrete issues at stake in responsible entrepreneurship. The legislative framework and drivers for SME engagement also vary from one category to the next. Whereas workplace and environment issues are subject to relatively high legal standards in many EU countries, the community category is much less regulated and thus offers more freedom for companies to go beyond their legal obligations. It is therefore perhaps not surprising that ethical motivations seem to be the major driver for SME involvement in community activities, while regulation and supply chain pressure are more important drivers in the environmental field.

It is also important to stress that most of the companies in this publication have responsible entrepreneurship practices in more than one area. This is why it was decided to include a fifth category of '**integrated**' cases that features companies addressing the full range of responsible entrepreneurship issues.

B. Criteria

The case studies were selected on the basis of four criteria.

1. **Business case:** the practice should demonstrate a clear link between business benefits and benefits for society.
2. **Strategic approach:** the practice should be capable of being integrated into a broader business strategy.
3. **Communication:** the practice should be communicated through formal or informal channels with the aim of involving/informing stakeholders.
4. **Dynamic process:** it should be part of a dynamic and continuous process of improvement within an established responsible entrepreneurship practice.

In addition, it was stipulated that the selected SMEs should be conscious of the need to behave responsibly in all business areas and towards all the main stakeholder groups.

1. Business case. The first criterion was considered to be the most important since it encapsulates the idea of **mutual benefit** or '**win-win**' situation for the company on the one hand, and society or stakeholders — including the environment — on the other. Responsible entrepreneurship is, therefore, a way of adding value to both the business and society.

Business benefits may be measurable in terms of higher profits or increased sales, but more often than not they are intangible and difficult to quantify. Nevertheless, for the responsible practice to be sustainable over time there needs to be an element of economic sustainability that allows the company to survive and prosper. The most frequently mentioned business benefits include higher customer satisfaction and loyalty, new business opportunities through innovation or market differentiation, more motivated staff, improved relations with the local community, cost savings and enhanced reputation.

At the same time, in order to be termed 'responsible entrepreneurship', the practice should have genuine benefits for employees, the local community or the environment and not just be a pure marketing tool. Again, societal impacts are often difficult to measure and cover issues such as greater job satisfaction, integration of disadvantaged groups into the labour market, economic regeneration and job creation for the local community or reduced environmental impacts.

Figure 1 — Conceptual framework

Pillars of sustainable development			
	Economic	Social	Environment
	Marketplace	Workplace	Environment
Key stakeholder group(s)	<ul style="list-style-type: none"> ✓ Customers/consumers ✓ Contractors/suppliers and business partners ✓ Investors ✓ Public sector 	<ul style="list-style-type: none"> ✓ Public authorities ✓ NGOs <p>Examples: local employers' organisations, hospitals, schools, civil society organisations</p>	<ul style="list-style-type: none"> ✓ Natural environment. <p>Spokesmen for the environment:</p> <ul style="list-style-type: none"> ✓ NGOs ✓ local community ✓ citizens/consumers ✓ employees ✓ public authorities
Issues	<ul style="list-style-type: none"> ✓ Responsible supply chain management (from sourcing to final payment) ✓ Quality ✓ Innovation ✓ Product safety ✓ Fair pricing ✓ Customer satisfaction and consumer expectations ✓ Ethical advertising 	<ul style="list-style-type: none"> ✓ Social integration (ethnic tolerance, social cohesion) ✓ Healthcare ✓ Education ✓ Quality of life (sports/culture) ✓ Economic regeneration and development/employment ✓ Local infrastructure ✓ Security 	<p>Relevant for products/processes:</p> <ol style="list-style-type: none"> 1. Resource use <ul style="list-style-type: none"> ✓ Materials: depletion of resources ✓ Water use: impact on habitat, drought ✓ Energy: climate change, acidification 2. Waste <ul style="list-style-type: none"> ✓ Landfill: use of land, contamination of soil, groundwater, etc. 3. Pollution <ul style="list-style-type: none"> ✓ Air pollution (climate change, ozone depletion, acidification, smog, health) ✓ Water pollution (eutrophication, alteration of habitats) ✓ Soil contamination (accumulation of pollutants in ecosystem) ✓ Reduction of biological diversity
Instruments	<ul style="list-style-type: none"> ✓ Label (product information) ✓ Customer charter ✓ Marketing (in particular, cause-related marketing) ✓ External communication ✓ Standards (e.g. ISO 9000, SA 8000, social labels) ✓ Quality management systems 	<ul style="list-style-type: none"> ✓ Cash donations ✓ In kind donations ✓ Services provided free of charge ✓ Lending corporate resources ✓ Employee involvement/volunteering ✓ Employer involvement <p>How (ways of involvement):</p> <ul style="list-style-type: none"> ✓ one-off actions ✓ partnerships (public and private) ✓ commercial actions/sponsorships 	<ul style="list-style-type: none"> ✓ Anticipating future regulation ✓ Environmental management systems: formal (EMAS, ISO 14000) and informal ✓ Design for the environment ✓ Life-cycle assessment ✓ Eco-labels: at national and EU level ✓ Environmental product declarations: certified and self-declared ✓ Cleaner production ✓ Research and development ✓ Spatial planning: clusters, networks, districts ✓ Transport plan ✓ Voluntary agreements

2. Strategic approach. What distinguishes responsible entrepreneurship practices from more traditional philanthropic or charity activities is their integration into a broader business strategy. The activities of many SMEs, especially as regards community involvement, are still mostly spontaneous and unrelated to business strategy ⁽¹³⁾. But the more advanced companies have recognised that social activities which are related to the companies' core business stand better chances of long-term success and are more likely to bring business benefits. In contrast to large companies with specialised CSR departments, in a small company it is often the same person(s) having to deal with these issues in addition to the company's day-to-day operations and survival. If the responsible entrepreneurship agenda is perceived as an optional add-on or additional burden by SMEs, it is likely to fall by the wayside when times are not so good. SMEs should, therefore, be encouraged to adopt a more integrated management approach that includes social and environmental issues.

A closer degree of involvement by employees and management in social activities — for instance through volunteering — can enhance staff skills and morale far more than a cheque written out by the owner for a charity once a year. Nevertheless, philanthropic or sponsoring activities can be the starting point for a deeper and more long-term engagement in the future.

3. Communication. The question of whether or not the good practice should be communicated clearly reflects cultural differences. While in some countries it is natural to 'do good and talk about it', in others it is considered bad taste to speak about 'good deeds' in public. It could, of course, be argued that communication is an integral part of the more modern CSR approach based upon transparency and disclosure towards stakeholders. Where responsible entrepreneurship activities are still mostly defined in terms of philanthropy, there also tends to be more reticence about communicating them.

It is, however, clear that in contrast to large companies, which consider communication an essential part of their CSR strategies, most SMEs do not issue reports about their social and environmental practices. Some of the SMEs in this brochure, which have even won awards for their reporting on sustainable development issues, are notable exceptions. Drawing up a social and environmental report can, of course, be a very useful self-diagnostic tool which allows future progress to be measured. Nevertheless, it is questionable whether regular reports by SMEs that often only operate on a local scale would find enough readers to warrant the investment in terms of time and resources that such reporting requires. Other forms of communication, such as labels, or more informal channels may therefore be more appropriate to the needs of both SMEs and their stakeholders.

Similar cultural differences can be observed when it comes to the **public recognition and visibility** of SME engagement in the form of awards: many of the companies featured in this brochure have won prizes for their sustainability performance even though this was not a selection criterion. In some countries, however, awards for social or environmental practices are still not very widespread.

4. Dynamic process. Another key element of responsible entrepreneurship is the dynamic process of continuous improvement. This implies that the company's engagement should not just be an occasional, one-off activity but a more long-term involvement. For SMEs it is not realistic to expect that they could embrace the full responsible entrepreneurship agenda all at once: often one issue is the entry point from which a wider or deeper engagement can develop. The idea of continuous improvement and learning also holds opportunities in terms of developing new markets and products. In fact, an analysis of the companies in this brochure shows that many have a focus on quality and innovation, thus demonstrating that business success and responsible entrepreneurship can be mutually reinforcing. Finally, the learning process should be based upon some kind of measurement or (self-) assessment which allows to determine the success of the practice and to monitor and evaluate progress. However, the development of meaningful indicators is still a challenge even for larger companies.

⁽¹³⁾ 'European SMEs and social and environmental responsibility', Observatory of European SMEs 2002/No 4, European Commission (see footnote 3 above).



Marketplace

Introduction

Marketplace is one of the least understood areas of corporate responsibility, but one of the most important given that it is the area closest to the company's core business. The way companies operate in the market is a crucial indicator of how they have integrated social, ethical and environmental concerns into their mainstream organisational structure and decision-making process. Business activities such as product manufacturing, supply chain management and component sourcing, marketing and advertising, pricing and selling practices, should reflect the company's commitment to responsible entrepreneurship. In the marketplace, companies interact with **three critical external stakeholders**: customers and consumer associations, suppliers and business partners, and investors or shareholders.

The main aspects of **customer engagement** that are considered in this area are:

- Customer retention and satisfaction
- Product safety
- Quality of product/service
- Disclosure of information, labelling and packaging
- Fair pricing
- Marketing and advertising ethics and consumer rights
- After-sale services and consumer education

The selected case studies presented in this chapter highlight a series of examples of successful SME policies and practices in interacting with their customers. For example, **Muumimaa** in Finland manages a family entertainment theme park aimed at families and children's well-being. **Connaught Electronics** in Ireland is a vehicle electronics manufacturing company that has implemented a total satisfaction policy through external quality audits by independent bodies and customers.

Business partners and suppliers are another crucial piece of the marketplace puzzle. In this area, responsible companies assess their impact across the supply chain in various issues:

- Criteria for selecting business partners
- Working and living conditions in developing countries where companies source raw materials and human rights issues
- Support of local suppliers
- Payment of bills on time
- Creating awareness among business partners and competitors

Progast in Slovakia is a good example of a company committed to sharing expertise with its suppliers regarding recent developments in the food processing industry. **Monnalisa** in Italy has achieved SA 8000 certification based on management of human rights issues in the supply chain. **Gulpener Brewery** in the Netherlands is a company that sources ecologically grown ingredients from the local community.

Shareholders and investors are another important stakeholder group as a company's market value is increasingly determined by intangible factors such as image and brand value. Many companies and investors see CSR as a risk management tool to avoid loss of reputation associated with socially or environmentally unsustainable practices. Companies that are transparent about their social and environmental practices and are committed to continuous improvement in these areas therefore stand a better chance of attracting individual and institutional investors, including access to the new market for socially responsible investment (SRI). These developments are, however, much less relevant for the majority of SMEs which are not quoted on the stock market. Nevertheless, well-managed companies with good marketplace practices such as a commitment to quality, innovation and customer service also stand a better chance of obtaining bank finance.

Marketplace practices avail of **different tools** to demonstrate engagement. Some are of an informal nature, and are included in the company's management process, and others are formal certifications by external and independent bodies such as ISO, QS and Social Accountability International standards or labels. The impact of marketplace practices is relatively difficult to measure. Indicators like sales increase, market share and number of complaints received and processed do not accurately reflect the wide range of issues involved. Nevertheless, it is clear that important business benefits are associated with responsible marketplace practices, in particular finding new market opportunities through product differentiation.

The marketplace category is not only limited to the issues outlined above. New issues are emerging, related to growing consumer concerns in areas such as genetically modified food ingredients, privacy and information technology or marketing to children. Supply chain management, on the other hand, is moving towards adopting environmental policies across the whole process and securing basic operating standards. Some of the issues and instruments mentioned under the marketplace category, such as labour standards in the supply chain or environmental standards, could therefore also be considered under the marketplace or environment categories.

SMEs are particularly sensitive to marketplace issues because in most cases small companies are part of an integral supply chain mechanism and/or supply directly to large companies that require compliance with international standards. Small and large companies seek customer appreciation, and it is vital for small companies to be perceived as socially responsible actors by their customers and the adjacent community.

Good practice description

Issues: Quality, innovation, customer satisfaction

Description: For CEL to be able to supply leading companies in the sector the company had to undergo a series of internal and external audits in the areas of quality, environment and general management. CEL is registered under quality certifications such as ISO 9001, QS9000 and ISO 14001. In addition to the external audit, senior managers and technical personnel from customer companies visit and audit CEL regularly.

Through a process of ongoing consultation, CEL's customers are able to obtain quality and a cost-efficient supply of specific technologically advanced devices. Customers have engaged with CEL in a strong relationship of reliability, particularly in sensitive and delicate areas such as vehicle security including GPS tracking and body electronics.

In establishing a policy of committing to quality and innovation, and taking seriously the requirements of its customers, the company has successfully performed and expanded its market. CEL is committed to total quality management (TQM) and one of its core principles is the use of team-based manufacturing to empower employees and work towards the common pursuit of improving processes, products and services. The team-based approach to quality and manufacturing ensures that all employees take ownership of the product, know the product destination and receive feedback from the customers.

Business benefit:

CEL has assured long-standing relationships with customers and thus secured the sustainability of the business and increased business performance. Excellence in quality and continuous technological innovation has been the motor of CEL's successful present and future engagement with customers resulting in customer satisfaction, recognition and an enhanced reputation.

Benefit for society/stakeholders:

CEL 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*. CEL shares its technologies and expertise with customers to help design products that specifically meet customers' needs.

Awards:

- Eco-Design Award 2001, European Commission
- Dignity in the Workplace Award 2001, Irish Health and Safety Authority
- All Island Innovation Award 2002, Fofàs, InterTrade Ireland and Invest NI

Reports/further information:

Case published in: Research project 'Engaging with stakeholders', conducted by Business in the Community — Ireland <http://www.bitc.ie/attachments/engaging.pdf>

Company name	Connaught Electronics Ltd
Activity:	Development/manufacture of automotive electronic components
Core business:	Connaught Electronics Ltd (CEL) specialises in the design, development and manufacture of technologically advanced products for automotive manufacturers and their suppliers. CEL develops and produces automotive electronic components for vehicle security and radio frequency applications for remote access and security purposes.
City/country:	Tuam, County Galway, Ireland
Year of foundation:	1982
Website:	www.cel-europe.com
Employees 2002:	Full-time: 200
Turnover 2002:	EUR 32 million

Good practice description

Issue: Responsible supply chain management

Description: The company's ambition statement is 'Connected to nature'. Sustainability and corporate social responsibility are the prime movers for the brewery. The wish to make a better world is the first reason for the brewery to manage the company this way. Secondly, there is a need for differentiation on a competitive market dominated mostly by larger companies.

The sustainability ambition statement determines the complete supply chain management. All the ingredients for the beer are ecologically grown in the region of the brewery and solar energy is used for the entire production process. The 70 farmers, who formed the cooperative 'Triligran', are not allowed to use pesticides and are rewarded by product prices that are 10 % above the world market price. The brewery tries to reduce pollution at every step of the production process. All bottles are recyclable and packaging is reduced to a minimum.

The company is completely integrated in the local community. The factory is located in the middle of the city centre, which makes healthcare and safety a number one priority. The company is connected to networks of other companies and gives presentations to share their knowledge about sustainability. Gulpener uses the 'balanced score card' management system.

Business benefit:

Benefits are mostly intangible:

- a good reputation
- high consumer satisfaction
- high job satisfaction resulting in very low labour turnover rates

Benefit for society/stakeholders:

- Benefits for the environment
- Good product prices for suppliers
- Good working conditions
- Benefit for consumers (responsible product)

Awards:

- Nomination for Sustainability Prize of the Province of Limburg
- CSR Prize of the Ministry of Agriculture, Nature Management and Fisheries

Company name	Gulpener Bier
Activity:	Brewery
Core business:	Gulpener Bier brewery is a family business established in the Limburg region since 1825.
City/country:	Gulpen, the Netherlands
Year of foundation:	1825
Website:	www.gulpener.nl
Employees 2002:	Full-time: 65 Part-time: 14
Turnover 2002:	EUR 15.5 million

MONNALISA (ITALY)

Good practice description

Issues: Responsible supply chain management, quality

Description:

Monnalisa has always pursued a strategy that emphasises the top quality and prestige of 'Made in Italy' and is ISO 9001 certified. It was awarded a 'Rating I' for its top reliability, solvency and solidity level by a risk rating agency.

It obtained SA 8000 certification in May 2002, an international standard which was drafted in 1997 by Social Accountability International (SAI). This standard is based on international principles regarding human rights, workers rights, protection against the exploitation of underage workers and the observance of health and safety regulations at work. An ethical committee, with two representatives elected by employees, monitors the implementation of the standard and stimulates continuous improvement.

Monnalisa believes that involving suppliers and sub-suppliers in the chain process of adherence to the contents of SA 8000 is becoming an essential requirement and therefore engages contractors through information and training. It has visited suppliers in order to make sure they have understood the company's CSR commitment and its implications for them.

Monnalisa attempts to promote and disseminate the SA 8000 standard through its website and has produced a comic strip containing the code of conduct and fundamental values. This has been distributed to suppliers and is available in Monnalisa's selling outlets in Italy and throughout the world. It is conceived as a children's game with matching colour pencils but also as an instrument to illustrate and reflect upon the SA 8000 standard. Monnalisa's first social report will be published on its website.



© Monnalisa Spa

Business benefit:

- Productivity, efficiency and added value creation
- Stronger partnership with contractors, better mutual understanding
- Improved employee motivation, sharing of values
- Enhanced reputation with external stakeholders: customers, public authorities (licence to operate)

Benefit for society/stakeholders:

- Improved 'ethical production process', safeguard of human and labour rights

Awards:

- Nomination for Premio Sodalitas Social Award 2003, Sodalitas

Reports/further information:

SA 8000 social accountability management system, audit report
http://www.monnalisa-spa.com/rapportosa8000_uk.html

Company name	Monnalisa Spa
Activity:	Design and production of children and teenagers' clothing
Core business:	Monnalisa Spa is the 'core business' of Monnalisa Group, a world leader in the children and teenager clothing sector present on 49 world markets. Its clients are major specialised shops and department stores with personalised corners.
City/country:	Arezzo, Italy
Year of foundation:	1968
Website:	www.monnalisa-spa.com
Employees 2002:	Full-time: 35
Turnover 2002:	EUR 15.65 million

Good practice description

Issue: Customer satisfaction

Description:

Moominworld is a family-oriented theme park based on the principles of family values, friendship, safety, respect for the environment and love of adventure. Initially, there was concern that the specific Moomin philosophy, which many Finns considered part of their cultural heritage, might lose out to commercial business interests. But the creators of the characters felt that the Moomin’s message belonged to all the children of the world and found an untouched island where the fairy tale could become reality. The park was built from the perspective of its main customer group: children. Alcohol and cigarettes are banned and construction practices respect existing fauna and flora. Garbage handling is of major importance also for sanitary reasons, recycling and maintenance. The theme park is only fenced during the approximately 70 days of summer opening.



© 2003 Moomin Characters TM/Bulls & Dennis Livson

Every year, the company needs to recruit a large number of new employees, mainly school pupils and/or university students. Extensive training sessions are therefore organised before and throughout the operational season. Product and customer service education go hand in hand, starting with the Moomin philosophy, actor/character training and professional education covering maintenance, retail, restaurant and other service occupations. Just before the official opening, pre-school and handicapped children from the Naantali area have the opportunity to experience the product and the newly trained employees get their first contact with their core audience.

Moominworld uses mainly local suppliers whose products are known to be of good quality and safe. Customer satisfaction surveys are carried out regularly and a yearly survey by a Finnish market research company (Taloustutkimus Oy) compares Moominworld with other amusement parks and recreational centres thus spurring continuous improvement. Openness in financial reporting to stakeholder groups and Naantali city council forms part of the Moomin way of doing things.

Business benefit:

- Increased sales
- Enhanced reputation

Benefit for society/stakeholders:

Moominworld has become a family tourist attraction and the surrounding Naantali area benefits from visitors, both national and foreign, as well as local employment opportunities. Local visitors can visit the park free of charge outside the summer tourist season when the park opens for approximately 70 days a year.

Company name	Muumimailma Oy		
Activity:	Recreational theme park		
Core business:	Moominworld is a children’s theme park, home to the Moomin characters made popular by Tove Jansson’s children’s books and animated cartoons shown on TV worldwide.		
City/country:	Naantali, Finland		
Year of foundation:	1993		
Website:	www.muumimailma.fi		
Employees 2002:	Full-time: 5	Part-time: 5	Seasonal/temporary: 200
Turnover 2002:	EUR 3.6 million		

PROGAST (SLOVAKIA)

Good practice description

Issue: Responsible supply chain management

Description:

Progast regularly organises seminars for suppliers and customers about new developments in the food processing sector. Prokast's own staff participates in a number of events to update their know-how about new technologies, new ingredients and products, quality standards and management. They then transfer this knowledge to their business partners. Supplier seminars are organised three to four times a year. The cost of these seminars is not eligible for tax deductions and the expenses are therefore entirely assumed by Prokast. The company also occasionally organises joint exhibition stands for their customers and nominates them to competitions in which some of them have won prizes. Prokast's philosophy is that well-informed business partners have a higher capability for innovation and growth.

Progast manages its supply chain through a system of bonuses for on-time deliveries (suppliers) and payments (customers). It only accepts suppliers that hold ISO 9000 certification in order to ensure quality standards.

A commitment to innovation and customer service is also demonstrated by the development of new products especially at the request of customers in addition to its standard offer.

Business benefit:

Progast is increasing its turnover by 5–10 % per year. Management assumes that the most important driver for this growth is the quality of production and customer care. Educated customers are more innovative and therefore capable of increasing sales and turnover.

Benefit for society/stakeholders:

Benefits for suppliers/customers are clear. They have more educated and experienced management/employees and gain higher capability to innovate and increase their production.

Awards:

A-3 rating for economic performance of the Czech branch of the company awarded by Czech rating agency.
Websites: www.progast.sk, www.progast.cz, www.rating.cz

Company name	Progast Ltd
Activity:	Food processing
Core business:	Progast, a company in the food processing industry, produces specialised ingredients for butchers and meat-packing factories.
City/country:	Bratislava, Slovakia
Year of foundation:	1990
Website:	www.progast.sk
Employees 2002:	Full-time: 70 Part-time: 8 Seasonal/temporary: 6
Turnover 2002:	EUR 9.76 million



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2

Workplace

Introduction

Workplace issues are key to the success of any business since it is a company's employees that deliver productivity, customer service and innovative ideas. The workplace chapter deals with company policies and practices towards their main internal stakeholder — **employees** — but other actors, notably **trade unions**, the **local community** and **public authorities** play an important role when it comes to the improvement of working conditions, pay and benefits or job creation. Other workplace issues include:

- equal opportunities and diversity,
- work/life balance,
- job satisfaction,
- health and safety,
- training and staff development,
- labour rights.

While employees depend on their employers for their livelihood, enlightened company owners/managers recognise that a **skilled and motivated workforce** and being an 'employer of choice' are crucial assets in a knowledge-based economy competing for skills and talent. Promoting a good work/life balance through flexible working hours, caring for employees health and well-being by offering in-house exercise facilities and investing in employee training and development are hallmarks of a good workplace, such as **Fresh** in Sweden. Good practices in the areas of health and safety and staff development can also be found in fast growing companies located in candidate countries such as **Dr Irena Eris Cosmetics Laboratories** in Poland.

Due to their small size, SMEs have important advantages when it comes to promoting 'socially responsible' working conditions, for instance by implementing advanced models of **employee consultation** and **participation in the decision-making process**. This is illustrated by several examples, i.e. the cooperative **Moulin Roty** in France, **Needleworx** in Ireland and **Fresh** in Sweden.

But attracting and retaining staff can also be a challenge in remote regions or sectors in decline. SMEs' territorial embeddedness, especially outside urbanised areas, makes for a strong involvement of the company owner/manager and staff in the life of the **local community**. This involvement can, often with the support of **public policies**, lead to the **integration of socially disadvantaged groups** into the labour market as shown by the Danish painting company **Holm Nielsen**.

The cases featured in this brochure are examples of 'good practice' intended to serve as a model and inspiration. Important challenges remain, however, for many SMEs when it comes to implementing health and safety regulations or providing adequate training for their employees. Relations between management and employees tend to be more informal and direct in SMEs and formal trade union representation is generally less widespread than in large companies. There is, therefore, scope to develop new innovative forms of social dialogue, adapted to the particularities of SMEs, in areas of common interest such as training and health and safety.

Differences in national legislation relating to working conditions also make cross-country comparisons difficult: what might be considered a responsible entrepreneurship practice, over and above legal requirements in one country, may be compliance with the law in another. Each case, therefore, has to be seen in its national, regional and even sectoral context.

Disparities in labour laws and wages also carry the risk of large companies outsourcing production away from local SME suppliers to low wage countries, either in eastern Europe or in the developing world. The risk is especially great concerning employment and working conditions further down the supply chain. The absence of union representation, the lack of internal company resources to ensure compliance with legislative obligations and the lack of information among workers about their rights increase the risks of an insufficient application of legal and contractual guarantees. Multinational enterprises are increasingly made responsible for working conditions along their whole supply chain and SMEs themselves can be called upon to play such a role vis-à-vis their own sub-contractors or suppliers as in the case of **Moulin Roty**.

Good practice description

Issues: Health and safety, training and staff development

Description: The mission of the company is based on respect for and partnerships with employees, customers and business partners. High standards in production processes and product quality are maintained as shown by the company's ISO 9000 certification and numerous product excellence awards and patents.

The company adopts a holistic approach to health and beauty, providing not only products but advice and services through its franchised 'cosmetics institutes' and the Hotel SPA. This concern for health and well-being does not only apply to customers but also extends to the company's workforce which is made up mainly of women in the main production plant for cosmetics. The company has decided to undertake special care programmes for these women. Special floor mats and ergonomic chairs were bought as well as orthopaedic shoes and other equipment to prevent back problems. Over two years the company has spent more than EUR 50 000. Now the company also has a full-time medical doctor and a nurse. Because of the standing position during working hours the company has decided to offer a special paid break every two hours.

All employees have access to different training programmes run by the company, reimbursement of the costs of study at universities and business schools, access to a special company loan programme, social involvement projects and others.

Business benefit:

- Employer of choice and most respected employer
- Dedicated staff and increased loyalty
- Employees as ambassadors of company image
- Lower level of employees' fluctuation rate
- Higher productivity

Benefit for society/stakeholders:

- Partnerships with employees
- Better working conditions for employees
- Better healthcare

Awards:

More than 70 business excellence and product awards, for example:

- 1996: Firm of the Year, Polish Business Club
- 2000: Fair Play Award in business competition, Polish Chamber of Commerce
- 2001: European Medal for high quality of body care products that meet European standards, European Integration and the Business Centre Club
- 2003: Trusted Brand, Reader's Digest Review

Company name	Dr Irena Eris
Activity:	Cosmetics Laboratories
Core business:	Dr Irena Eris Cosmetics Laboratories produce over 300 different advanced skin care products distributed in Poland and the world. The company also runs Hotel SPA at Krynica Zdrój, a training and research centre in Warsaw and a network of 10 cosmetics institutes in Poland and one in Moscow.
City/country:	Piaseczno, Poland
Year of foundation:	1983
Website:	http://www.eris.pl
Employees 2002:	Full-time: 245
Turnover 2002:	EUR 20 million

FRESH (SWEDEN)

Good practice description

Issues: Participatory organisation model, workplace diversity, health and safety, training and staff development

Description: Since 1995, when Fresh was near bankruptcy, it has applied a participatory organisation model based on five self-managing teams. Each team focuses on a specific customer category, does its own production planning, recruitment and setting of sales targets. Teams also determine their own working hours in response to customer needs and operate a 'flexible timebank' for overtime. The team has no traditional manager but a coach who acts as an interlocutor to discuss job satisfaction, skills development and other training needs with each team member twice a year.



This radical reorganisation led to the disappearance of the traditional management and worker roles. Middle management disappeared and the role of managing director is rotated every second year. An advisory council made up of employees assumed the role of the local trade union.

Fresh invests EUR 1 200–1 500 annually per employee for different training courses. It has a diversity policy and 10 different nationalities are represented amongst its employees. In accordance with Swedish law, it has a plan for workplace equality and has achieved an equal balance between men and women, old and young, employees with basic and higher education. As part of the company's social responsibility it employs physically handicapped people under a scheme part-financed by the government. This frequently evolves into ordinary employment. Fresh also provides training for job seekers after a period of unemployment.

Health and safety are important aspects for Fresh. In each team there is a workplace safety representative who forms a safety committee together with the management. A healthcare group with its own budget organises in-house massages, physical therapy and provides free fruit, vitamins and daily workout sessions. The company has its own workout gym and a resting room. Stop smoking or weight loss programmes as well as sports activities are encouraged with financial support to employees.

Business benefit:

- High motivation among employees resulting in high productivity
- Reduction of middle management costs
- Customer loyalty through close contact and high quality of the service
- Brand value, good will and profitability through 'Best Workplace Award'

Benefit for society/stakeholders:

- High level of job satisfaction due to participatory decision-making
- Training and development opportunities
- Policies fostering health and well-being
- Regular customer satisfaction surveys/employee attitude surveys

Awards:

- Best Workplace Sweden 2003, Great Place to Work Europe

<http://www.greatplacetowork.com/se/>

Company name	Fresh AB
Activity:	Ventilation products
Core business:	Fresh AB supplies products and components for ventilation to buildings and industry. Fresh AB has become a market leader in ventilation through innovative development manufacturing and marketing of ventilation products in harmony with nature.
City/country:	Gemla, Sweden
Year of foundation:	1969
Website:	www.fresh.se
Employees 2002:	Full-time: 49 Part-time: 5
Turnover 2002:	EUR 10.1 million (SEK 91 million)

Good practice description

Issues: Equal opportunities, workplace diversity

Description:

Malerfirmaet Holm Nielsen A/S was last year nominated by the municipal authorities for a best practice award given for socially responsible business behaviour. The company management has a clear view on corporate responsibilities towards the society in which it operates, and the municipality praises the company for its cooperation in providing job opportunities for people with reduced abilities.

The company is innovative in its approach to social challenges, and adapts working facilities to individual needs and requirements. Six persons are currently employed in ‘sheltered jobs’ in the company while six others have made a transition from supported, protected employment to permanent employment on regular terms.

This is of particular importance on the island of Bornholm in the Baltic Sea, where unemployment figures are close to 20 % of the workforce. This situation makes it very difficult to create an inclusive labour market and the effort of Malerfirmaet Holm Nielsen A/S is for this reason alone of prime importance — not only for the target groups but also as a role model for other companies and employers in the community.

Business benefit:

Through its close cooperation with municipal authorities Malerfirmaet Holm Nielsen A/S has established goodwill not only with the authorities, but also in the community as a whole. While the direct impact on the bottom line has not been measured, there are clear indications that customer relations have improved. Also, the company has seen a significant improvement in staff morale and loyalty.

Benefit for society/stakeholders:

Physically or mentally handicapped people, illiterate or otherwise less privileged job seekers are provided with job opportunities, a meaningful life and regular income.

Awards:

Network Award for Social Responsibility 2002 (NetværksPrisen 2002) awarded by the Danish Network of Business Leaders

www.netvaerksprisen.dk

Company name	Malerfirmaet Holm Nielsen A/S
Activity:	Painting firm
Core business:	Commercial industrial and domestic painter. Holm Nielsen also carry out wall paper decoration, floor sanding and window maintenance.
City/country:	Rønne, Denmark
Year of foundation:	1953
Website:	www.firmaet-hck.dk
Employees 2002:	Full-time: 50
Turnover 2002:	EUR 1.7 million

MOULIN ROTY (FRANCE)

Good practice description

Issues: Job creation/preservation, work/life balance, participatory decision-making

Description:

As a cooperative, Moulin Roty has a strong internal democratic culture and low wage differentials (one to two only). Profits are shared among the 31 cooperative members.

Moulin Roty has demonstrated that growth and commercial success are compatible with cooperative and social values. It has continued its cooperation with local workshops employing young handicapped people even after production was outsourced to Hong Kong and Romania (the workshops are now in charge of packaging the products). In this way, local jobs were safeguarded while creating new ones abroad.

In order to guarantee the application of ethical principles with regard to working conditions and pay among their foreign sub-contractors, the cooperative recruited a trusted intermediary on the spot rather than passing via an import company. While this procedure is perhaps not as rigorous as an external third party audit, it does submit the supply chain management to the internal democratic control of the members of the cooperative.

Business benefit:

- Better customer satisfaction
- Improved staff morale
- Enhanced reputation

Benefit for society/stakeholders:

- Local job preservation in a global market

Reports/further information:

Research report including Moulin Roty as toy company:

www.industrie.gouv.fr/bibliot/h/docu/dossiers/sect/pdf/rapport_digitip.pdf



© Moulin Roty

Company name	Moulin Roty
Activity:	Manufacture of traditional toys and nursery furnishings
Core business:	Moulin Roty, first established as a small cottage industry, specialises in the design, commercialisation and marketing of traditional toys and nursery furnishings. After a period of growth in the 1980s, the cooperative developed the concept 'Toys of yesteryears for today's children' and has since expanded to the UK.
City/country:	Nort-sur-Erdre (near Nantes), France
Year of foundation:	1972
Website:	www.moulinroty.fr
Employees 2002:	Full-time: 22 Part-time: 11 Seasonal/temporary: 4
Turnover 2002:	EUR 10.36 million

Good practice description

Issues: Job satisfaction, training and staff development

Description:

The company operates a very particular hiring and recruitment policy. Members of the local community recommend most of the current staff to management. In some cases, people were hired based on their need to work regardless of their skills and background, and in other cases, people were hired on a part-time basis so as to earn the necessary money to continue collaborating voluntarily with non-profit organisations. This flexible and employee-oriented hiring policy is also reflected in the training pattern.

An individual training scheme assigns a series of steps and skills to each employee to be developed over a specific period of time. The scheme takes into account individual interests and, as a result, some employees have developed more skills in the artistic area, and others in the software development area. There is no comparative evaluation of progress made since the benchmarking caused stress and confusion to the employees who felt they were lagging behind colleagues.

To assess job satisfaction, the company holds monthly staff meetings to listen to how employees feel about their work and the company. In the past, management and employees have discussed payment schemes and employees have often suggested changes that were approved by the management. The meetings have also created, for the employees, a sense of belonging and of participation in the decision-making process.

Business benefit:

These policies have contributed to increased sales and company growth, enabling the company to expand into new markets and products. Higher job satisfaction and improved employee skills clearly benefit both the company and its stakeholder employees

Benefit for society/stakeholders:

- Improved morale
- Additional transferable skills
- Empowerment of the individual

Reports/further information:

Case published in: Research project 'Engaging with stakeholders', conducted by Business in the Community — Ireland

<http://www.bitc.ie/attachments/engaging.pdf>

Company name	Needleworx Direct
Activity:	Embroidery design studio
Core business:	Needleworx Direct is an embroidery design studio that produces software solutions for embroidery companies in Ireland, the UK and the Netherlands. In addition, the company has its own embroidery facilities in Lucan, County Dublin. After four years of operation and with a core staff of eight, the company has been able to demonstrate growth and increased profit, and a long-term and sustainable vision of the business.
City/country:	Lucan, Ireland
Year of foundation:	1998
Website:	http://www.needleworxdirect.com
Employees 2002:	Full-time: 4 Part-time: 4
Turnover 2002:	EUR 160 000

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Community

Introduction

Today no company can afford to ignore the issues concerning its role and behaviour in the community in which it operates. SMEs are particularly sensitive to these issues because in most cases they are operating in local markets. Voluntary engagement for the benefit of the local community — also referred to as ‘community investment’ or ‘corporate citizenship’ — can take a variety of forms. The main **instruments** are providing cash or in-kind donations, dedicating the work time of company owner/managers or employees to social causes free of charge (volunteering) or fostering economic regeneration and social integration. It often means working together with **local community organisations or institutions** such as schools and hospitals, but also with **public authorities** and **non-governmental organisations (NGOs)**, for societal causes.

There are **diverse motivations** for community involvement, including:

- a sense of moral responsibility, often on the part of the SME owner/manager and responding to expectations from society;
- a belief that companies have a long-term interest in fostering a healthy community and better conditions for employment (enlightened self-interest);
- the knowledge that community interventions involving employees, customers and suppliers can have direct benefits, through increased profitability, stronger company image, better employee morale and improved customer loyalty or tapping under-served markets.

Some of the **main aspects** of community involvement are:

- social integration (ethnic tolerance, social cohesion);
- healthcare;
- education;
- quality of life (sports/culture);
- economic regeneration and development/employment;
- local infrastructure;
- security.

The case studies presented in this chapter are examples of successful SME practices in their interaction with the community. **ARGE Consulting** has been instrumental in initiating employee volunteering programmes to increase the management capacity of NGOs, thus strengthening civil society in Turkey. **Happy Computers** from the UK and **Filo Diretto** in Italy are both engaged in developing countries and operate a timebank scheme under which employees can volunteer for charity work. **Happy's** community activities are characterised both by a high degree of involvement and a close link to the company's core business since the company provides IT training and donates computer equipment. **Gundlach GmbH & Co** in Germany makes available cheap flats for refugees from the former Yugoslav republics in order to bring locals and immigrants together to further the integration process. **Plus Uitzendkrachten**, a temping agency in Belgium, is involved in various initiatives to stimulate job creation and self-employment.

These cases show that responsible entrepreneurship in the community is not only about cash and in-kind donations or corporate resources provided free of charge. One has to distinguish between ad hoc 'giving' — a notion close to traditional philanthropy — and community investments, which are strategic, planned and implemented in close cooperation with partner organisations. On the other hand, community involvement should not be confused with commercial sponsorships. The boundaries are, of course, not always clear-cut and sometimes an initial sponsorship activity can evolve into a genuine partnership based on employees' involvement.

What has emerged as critically important is the need to provide a win-win situation in the local sphere. While the impact on local community and tangible business benefits are often hard to measure, responsible entrepreneurship in the community can generate both positive societal benefits for the local community and new prospects for company growth.

ARGE (TURKEY)

Good practice description

Issues: Education, civil society development

Description: ARGE encourages all its employees to spend one paid working day a week on NGO activities in order to improve the quality of life in the community at a local, national and global level. The aim is to increase the management quality and effectiveness of civil society organisations. ARGE's chairman initiated and led the **National Quality Movement** in Turkey in 1998 and new quality award categories for SMEs, the public sector and — for the first time in Europe — NGOs were established. A case study was prepared to clearly demonstrate the application of the EFQM excellence model to NGOs.

ARGE also encourages cross-sector partnerships between different organisations. It has initiated and participated in the first secondee programme with the Turkish Quality Association to encourage individuals with management experience to work at an NGO on a half-/full-time basis. ARGE was also instrumental in setting up the **Corporate Volunteers Association** to promote volunteerism in the private sector. It contributed to this scheme by providing voluntary work in planning, managing and publicising these efforts as well as developing content and methodology for dissemination. Participating companies undertake to evaluate voluntary contributions by their employees in their annual performance reviews.

ARGE works together with various civil society organisations to promote good governance principles in NGO management. It has established a **certificate programme for NGO management** in collaboration with Bosphorus University. The Open Society Foundation provides scholarships to individuals who work at NGOs and wish to attend this programme.

It has also developed and hosted a six-week TV programme with successful NGO leaders to improve understanding of good governance in NGOs with the leading intellectual TV channel, NTV. ARGE has also published a book and started a study and PR programme, in collaboration with TESEV, a leading independent Turkish think-tank, to increase the awareness of corporate social responsibility in the community.

Business benefit:

- ARGE was ranked as one of the top three management consulting firms in Turkey (survey published by a leading business newspaper *Dünya*)
- Promoting volunteerism also helps the motivation and retention of highly qualified personnel in the firm

Benefit for society/stakeholders:

- The Corporate Volunteers Association attracts more professionals to voluntary work, helping build more effective civil society institutions
- Over 1 000 private/public sector institutions and NGOs have improved their management quality benefiting employees and stakeholders
- Examples of participatory democracy have increased

Awards:

- Runner-up Shaping the Future Award 2002, Generation Europe
<http://www.generation-europe.eu.com>

Company name	ARGE Consulting AS
Activity:	Management consulting
Core business:	ARGE is a management consulting firm which provides advisory services in the areas of business strategy, business excellence methodologies, institutional and organisational development, and change management
City/country:	Istanbul, Turkey
Year of foundation:	1991
Website:	www.arge.com
Employees 2002:	Full-time: 15
Turnover 2002:	EUR 1 million

Good practice description

Issues: Healthcare, children

Description: The Filo Diretto Group’s commitment to welfare originates essentially from:

- the awareness of having business **resources** valuable also for the community (human, financial, technological etc. resources)
- the wish to turn these resources into **benefits** for the community.

The creation of a non-profit organisation — Gruppo Filo Diretto per l’impegno sociale ONLUS, FDO — aims at providing **consistency** and **continuity** to this commitment. This charity aims to promote and finance non-profit initiatives and projects benefiting children in need and their families. Activities are targeted at beneficiaries both in Italy (Vimercate Hospital) and in Angola (Bishopric of Bengala). They aim at improving the hospital environment for children in Vimercate and providing support and assistance to deprived children in Angola. The project is implemented in partnership with ABIO, a charity specialised in assistance to children in hospital.

Corporate donations to FDO amount to EUR 50 000 per year since 1999. There is also fundraising with:

- the devolution of 1 % of insurance premiums to FDO for social projects;
- contributions by almost 100 commission agents. They offer a percentage (5 to 10 %) of their commissions to FDO.

In addition, Filo Diretto operates an employee volunteering scheme with a ‘timebank’ — three days per year — for all the employees committed to FDO initiatives. They are organised in groups in order to make best use of their specific competencies (sales, accounting, communication, procurement, etc.).



© Filo Diretto

Business benefit:

- Enhanced motivation of employees: volunteering programme backed by a high proportion (60 %) of total staff
- Reputation with involved customers and community

Benefit for society/stakeholders:

- Tailored redesign and furnishing of 14 bedplaces for children in the Vimercate Hospital
- Remote adoption of 42 children in Angola
- Giving in kind, container load of gifts for Angolan children (tuition tools, clothing, toys, etc.)
- Active and financial support to ABIO activities for children in hospital

Award:

- Finalist in community category of the Sodalitas Social Award, promoted by Sodalitas as part of the European Business Campaign on CSR (Milan, February 2003)
<http://www.csrcampaign.org/conferences/> and
<http://www.sodalitas.it/>

Company name	Gruppo Filo Diretto
Activity:	Insurance services
Core business:	Filo Diretto Group, a fast growing provider of insurance services, is specialised in health services and technical services to cover home and car as well as travel assistance.
City/country:	Agrate Brianza (Milan), Italy
Year of foundation:	1987
Website:	www.filodiretto.it
Employees 2002:	Full-time: 105 Part-time: 12 Seasonal/temporary: 11
Turnover 2002:	EUR 50.36 million

GUNDLACH (GERMANY)

Good practice description

Issues: Social integration, security

Description: Gundlach's commitment to responsible business led to several initiatives aimed at fostering the social integration of immigrants. One example was the provision of cheap flats for refugees from the former Yugoslav republics, which were furnished in cooperation with a local citizen-action group. Integration help was also provided. Another project, reserving a substantial amount of flats in a newly built housing estate for immigrant families, brought together locals and immigrants to further the integration process. The company financed a social worker originating from Russia to help young women from families that emigrated from Russia to find their place in German society. Her main goal is to help young women to escape domestic violence and to become independent.

In 1997, a company employee formed the initiative 'Joint action against crime' together with other members of the registered association 'Stadtteilgespräch Roderbruch e.V.'. The initiative aims to stop violence in the neighbourhood and to encourage residents to get involved in voluntary social work or serve in an honorary capacity. Aware of the societal problems in the neighbourhood and convinced of the usefulness of the concept, the company decided to contribute to this initiative. It renewed an outdoor meeting-point frequented by immigrant youngsters together with them. It also organised a training workshop for senior citizens to learn how to deal with their fears while living in a troubled neighbourhood.

Business benefit:

Improved customer relations, image of the firm and of the entrepreneur in general. Sharpening of own profile in comparison to competitors.

Benefit for society/stakeholders:

- Better understanding among locals in the community
- Reduced violence in the area

Awards:

Various prizes, including:

- Corporate Best Practices Award, UN/New York/Habitat II Conference World Business Forum (1996)
- World Habitat Award of the British Building and Social Housing Foundation for the 'Europahaus-Siedlung' (1997)
- Award of the 'Social Venture Network Europe' for 'Wohnbau Experiment Habitat Internationales Wohnen am Kronsberg' (1999)

Reports/further information:

Gundlach's sustainability report can be ordered on the company website

Company name	Gundlach GmbH & Co Wohnungsunternehmen
Activity:	Construction and real estate
Core business:	The company Gundlach GmbH & Co is active in the fields of project development, construction and real estate. It forms part of the Gundlach Group of companies.
City/country:	Hanover, Germany
Year of foundation:	1952
Website:	http://www.gundlach-bau.de
Employees 2002:	Full-time: 26 Part-time: 14
Turnover 2002:	EUR 20 million

Good practice description

Issues: Social integration, economic development/employment

Description: Happy Computers aims to donate the equivalent of 20 % of profits (in cash, gifts-in-kind and volunteering) to the community. Company management explains this surprising amount with the concept of 'mutual benefit' for the company and the community. One example was the Uganda project. Happy Computers partnered with PADEAP (Pan-African development, education and advocacy programme), an organisation dedicated to assisting disadvantaged and marginalised people across Africa.

Two Happy Computers trainers went to Kampala for a month to work with PADEAP IT Community Training Centre. The overall aim was sustainability: not just to provide training but to leave behind a training centre with increased capability, greater staff skills and confidence and more training resources. To this end, the trainers provided training in both MS Office packages and Train the Trainer courses, and took over 100 training manuals, demos and exercises. Free access was also given to the company's award-winning online learning materials.

This was made possible through Happy Computers timebank scheme which allows any employee to apply for a project bringing 'mutual benefit' for a charity and the company. One hundred days are made available under the scheme (an average of 2.5 per employee), of which 20 days were drawn for this project. This is in addition to Voluntary Day, where employees can volunteer one day a month, fully paid, for a charity of their choice.



Business benefit:

The idea for the scheme was based on an analysis of reasons for staff leaving — at one point over 50 % left to travel. Business benefits include: increased motivation, commitment and personal development of trainers. Over 40 % of trainers have applied to take part as the project expands this year to cover Cambodia, Nigeria and Uganda. No trainers have left to travel in the last two years. There were also benefits in marketing, from the press coverage and winning the 'Chief Executive's Special Commendation Award' at the Institute of IT Training Awards 2003.

Benefit for society/stakeholders:

A post-course evaluation carried out six months later to assess the long-term impact of the project confirmed the following benefits:

- increased capability for the community centre in Kampala;
- more confident and skilled local trainers;
- a wider range of higher quality courses offered;
- resources provided for future use (manuals, timetables, exercises, etc.);
- direct benefits, including jobs for the centre's clients;
- website redesigned by Happy Computers trainer leading to greater publicity;
- model used by PADEAP in their new centre in Nigeria and planned centres in Ghana and The Gambia.

Awards:

Numerous awards for professional and societal achievements, for example:

- Finalist, 2003 BITC Awards for Excellence: Impact on Society Award
- Winner, 2002 Management Today/ Unisys Service Excellence Award: 'business to business' sector

Company name	Happy Computers
Activity:	IT training company
Core business:	Happy Computers is a computer training company which believes that learning should be fun. It was established to combine technical expertise and excellent training skills with an enjoyable learning environment
City/country:	London, UK
Year of foundation:	1990
Website:	www.happy.co.uk
Employees 2002:	Full-time: 30 Part-time: 12
Turnover 2002:	Approximately EUR 2.9 million (GBP 1.8 million)

Reports/further information: http://www2.bitc.org.uk/resources/case_studies/happycomp_cs.html

PLUS UITZENDKRACHTEN (BELGIUM)

Good practice description

Issue: Employment and job creation

Description: In addition to good workplace practices, such as free training, legal and financial advice and hospitalisation insurance for temporary workers, the company's top management and staff have committed themselves to a number of socioeconomic projects with the objective of fostering employment and job creation. The four company owners volunteer a certain percentage of their work time for social projects.

Examples include:

- launch of a major project to support start-ups in the social economy: infrastructure, business advice, follow-up and support for access to finance are provided;
- active involvement in several training initiatives in technical schools to foster job creation, in particular for people not in the classical employment circuit;
- launch of a prize for initiatives creating employment for risk categories (the Plus Prize);
- participation in Trivisi project on stakeholder management;
- involvement and support of many initiatives with the aim of job creation and support of the community through self-employment.

Business benefit:

- Loyalty of temporary staff
- Greater customer loyalty
- Good relations with local authorities and local community

Benefit for society/stakeholders:

- Integration into the labour market of long-term unemployed
- Strengthening of local economic and social fabric (e.g. through setting up business incubators)

Awards:

- Zelfstandige ondernemer van het jaar 2000, Fondation Roi Baudouin, KBC Bank and UNIZO
- Prijs van de solidaire onderneming van het jaar, Hefboom

Reports/further information:

Brochure Stakeholder management: Ook voor uw bedrijf?, Business & Society Belgium, Trivisi, Commonsense www.businessandsociety.be, www.commonsense.be

Company name	Plus Uitzendkrachten
Activity:	Temporary work agency
Core business:	Plus Uitzendkrachten is a temping agency with a difference: the company professes a social mission aimed at making flexible work a valued commodity. In only five years, Plus Uitzendkrachten has opened more than 12 agencies in different parts of Belgium.
City/country:	Antwerp, Belgium
Year of foundation:	1998
Website:	www.plusuitzendkrachten.be
Employees 2002:	Full-time: 40
Turnover 2002:	EUR 18.5 million



4

Environment

Introduction

Recent decades have seen a marked increase in awareness and public concern about the impact of productive activities on the natural environment. The notion of **sustainable development**, to which the EU is fully committed, encapsulates the idea of balancing economic growth and social inclusion with the preservation of a healthy environment for future generations. The idea that environmental degradation should be de-coupled from economic growth was endorsed at the 2002 Earth Summit in Johannesburg and is a cornerstone of the EU's sustainable development strategy⁽¹⁴⁾. De-coupling requires stepping up efforts by both public and private actors towards environmentally sound production and consumption patterns.

Environmental impacts associated with business operations include:

- inefficient and unsustainable use of natural resources such as oil, gas and water;
- emission of greenhouse gases such as CO₂ contributing to climate change;
- emission of pollutants contributing to air and water pollution;
- long-term effects of hazardous chemicals;
- the rapid loss of biodiversity;
- a high level of waste generation and hazardous waste.

⁽¹⁴⁾ At the June 2001 Gothenburg Summit, EU leaders endorsed a strategy for sustainable development based on the Commission Communication 'A sustainable Europe for a better world: a European Union strategy for sustainable development', COM(2001) 264 final of 15.5.2001.

These impacts increasingly result from goods and services rather than production processes. **Instruments** used by businesses to address such environmental impacts are manifold and include amongst others: environmental management systems, both formal (EMAS, ISO 14001) and informal, ecodesign tools, cleaner production techniques and technologies and eco-labels.

A number of **stakeholders** influence a company's environmental policy: owners and employees on the inside and business partners, NGOs, citizens and consumers as well as public authorities on the outside.

The EU manufacturing sector has significantly improved its environmental performance over the last 20 years ⁽¹⁵⁾ in terms of resource use and emission of pollutants (eco-efficiency). **Environmental policy** — including extensive **EU and national legislation** as well as **non-legislative incentives** — has been a major driver in these developments. Businesses have responded by developing new technologies, improving management techniques and investing more in environmental protection.

Nevertheless, important challenges remain not least among SMEs which are often less aware of current and future environmental trends and regulations or the market opportunities available to them. SMEs tend to underestimate their environmental impacts, which may be small on a company-by-company basis but are considerable when looking at the SME sector as a whole. Internal barriers, such as a lack of skills, awareness and (human) resources, further hamper environmental responsibility in SMEs.

While regulation and supply chain pressures seem to be **major drivers** for environmental engagement by SMEs, the five case studies in this chapter illustrate how SME entrepreneurs have gone beyond legislative requirements and reaped concrete benefits for their initiative. They have done this by seizing the market opportunities inherent in offering 'responsible' products or services (**Ecover**, **Pinifer**, **Shields Environmental**), by anticipating future legislation (**Shields**) or by developing innovative processes in response to pressure from public authorities leading to significant cost benefits (**Van Clewe**).

Ecover in Belgium, a producer of ecological washing/cleaning products, and the Finnish SME **Pinifer**, which makes industrial lubricants from pine-oil, are excellent examples of environmentally responsible producers. **Shields Environmental** in the UK is certainly at the forefront of innovative thinking with its 'Fonebak' scheme for the recycling of mobile phones. 'Fonebak' both anticipates forthcoming EU legislation on waste and encourages environmentally sound practices in large business customers. The German family business **Van Clewe** in the textile sector has adopted a cleaner production process by reducing water use and pollution. In addition to the cost benefits, which are relevant for many SMEs, this case also shows the potential for developing innovative technologies in response to environmental demands. Finally, good environmental practices do not only cover production processes and the impact of products throughout their life cycle, but can also extend to education and awareness raising in the local community. **PGKiM Ltd** in Poland promotes environmental education for children and has created a nature park and zoo at its sewage plant, thus securing a long-term licence to operate from the local community.

⁽¹⁵⁾ See Chapter V of the *European competitiveness report 2002*, Commission Staff Working Paper SEC(2002) 528, 21.5.2002. http://europa.eu.int/comm/enterprise/enterprise_policy/competitiveness/index.htm

Good practice description

Issue: Environmentally sound product

Description: Ecover’s environmental policy focuses on the following areas:

- Production takes place in an ‘ecological factory’: ecological, recycled or recoverable materials with a low energy content were used for the construction of the ecological factory in the early 1990s. In the future, new constructions will have to meet the same or comparable criteria.
- ‘Ecological products’: as a pioneer Ecover uses applications and raw materials that minimise the impact of its products on the environment and that secure the ecosystems for future generations. For every application Ecover aims at maximal biodegradability, low (aquatic) toxicity, fast restoration of natural surface tension of water and high skin tolerance. Raw materials come mainly from renewable resources.
- Environmentally sound production processes: an environmental management system (ISO 14001) was set up to shape the company’s environmental policy, to integrate environmental legislation, to pay more attention to environmental concerns during production and to control possible environmental risks. Periodic measurements and audits not only guarantee compliance with the law, but also offer insights into possibilities for improving environmental performance. Currently, Ecover is preparing to obtain EMAS certification.
- Going beyond legislation, Ecover carries out research on the impact of its activities at a local level to limit pressures on the environment.
- Ecover’s suppliers, sub-contractors and customers are encouraged and sometimes obliged to follow these environmental policies. Ecover also advocates the adoption of appropriate environmental legislation in countries where this is not yet the case.

Business benefit:

- Market differentiation due to ecologically responsible product
- New motivation and increased creativity
- No need to buy expertise on ethical conduct from an external service provider since this becomes an inbuilt philosophy
- Wider societal support, including reputation and credibility of the company when stakeholder concept is applied

Benefit for society/stakeholders:

- Environmental benefits: renewable raw materials
- Customer welfare: ‘doing the right thing’

Awards:

- 500 Global Roll of Honour 1993, UNEP
- Corporate Conscience Awards: Environmental Stewardship 1999, Council of Economic Priorities, United States
- Médaille d’Or de l’Environnement 1999, Test Achat

Company name	Ecover
Activity:	Ecological washing and cleaning products
Core business:	Ecover produced its first ecological soap on a small farm in the north of Belgium in 1979. From pioneering beginnings, it has developed into the worldwide market leader in ecological washing and cleansing agents. Its product range is now stocked in over 22 countries and has moved from health-food shops to the shelves of conventional supermarkets.
City/country:	Malle, Belgium
Year of foundation:	1979
Website:	www.ecover.com
Employees 2002:	Full-time: 50
Turnover 2002:	EUR 23.5 million

Reports/further information:

Case published in: *Le futur au quotidien, entreprise et développement durable*, Fondation Roi Baudouin 2002.
 Website: www.kbs-frb.be

Good practice description

Issues: Environmental technology, education, local infrastructure, quality of life

Description: In partnership with local government and the city council PGKiM has organised several educational campaigns for children on the need for recycling (training for teachers, door-to-door campaign, educational pack).

At the sewage treatment plant, privately owned by PGKiM since 1997, they have organised a nature park and a zoological garden. The plant is located outside the city in the forest and has become a frequently visited recreational place. The whole plant is open for visitors, especially schoolchildren who can organise special 'green lessons' there. In the pond near the plant one can find catfish, carp, pike, turtles and otters. Nearby there is a shelter for homeless animals, a special garden for African ostriches and an apiary run by the enterprise's employees.

The whole area is connected to the city by a bicycle road. The main reason for the enterprise to organise such a park is to raise awareness of the benefits that the technology presents to the local community.

Business benefit:

- Improved staff morale
- Better reputation
- Licence to operate from local community
- Better opportunity for growth
- Lower costs of treatment, lower transport costs
- Increased income from selling particular recycled waste

Benefit for society/stakeholders:

- Less waste to landfill
- Cleaner water
- Access to biological fertiliser instead of hazardous chemicals
- Environmental education
- Better conditions for recreation and access to nature for children
- Society for kids and youth 'support', local schools

Awards:

- 2003: First prize in a competition organised by the clean business programme of the Polish Environmental Partnership Foundation in the category of 'Taking care of the natural environment' and 'Taking up activities for the local communities'
- 2003: Innovator of Podkarpackie Region and second prize in a competition for the most innovative company in Podkarpackie Voivodship, IRC south Poland programme with financial support from the EU's fifth framework programme.

Company name	PGKiM Ltd (Municipal Service and Housing Management Company)
Activity:	Water supply and sewage collection, waste collection, district heating, housing, construction and others
Core business:	PGKiM, formerly State-owned and a private company since 1997, deals with local environmental management, especially in the fields of solid waste management including selective collection of waste and the conversion of biowaste into a fertiliser called Biocal. It is also responsible for the supply of drinking water, wastewater treatment, central heating and management of municipal housing real estates. Additionally, PGKiM cultivates plantations of fast-growing willow <i>Salix viminalis</i> to be used for heating purposes and takes care of the city's green areas and parks.
City/country:	Nowa Dęba, Poland
Year of foundation:	1966/97
Website:	www.pgkim.nowadeba.pl
Employees 2002:	Full-time: 104 Seasonal/temporary: 8
Turnover 2002:	EUR 3.1 million

Good practice description

Issue: Environmentally sound products and services

Description: The company respects environmental values in all areas of operation from the choice of raw materials and additives to their utilisation and disposal. Pinifer has a closed production cycle and its products are non-toxic and biodegradable. The company’s main products have been given approval from an independent technical classification institute (TÜV), which verifies that the products are biologically degradable and non-toxic. The company has ISO 14001 and ISO 9001 certification and is in the process of integrating the occupational health and safety assessment system (OHSAS 18001) into its management system. Product development is one of the company’s key activities and aims at the continuous development of new and existing products and the improvement of environmental know-how. Employees are trained in order to raise their awareness about environmental, quality and safety issues.



© Pinifer

Business benefit:

The whole business operation represents a differentiation on the market and most of Pinifer’s turnover is due to its environmental responsibility. Benefits have translated into improved sales and business quality. Activities related to quality, environment and safety create additional value for customers, vendors and other stakeholders such as investors and fund-raisers. The skills and awareness of the staff have improved in the course of implementing the systems, thus also improving the quality and image of the company’s business.

Benefit for society/stakeholders:

Pinifer is committed to continuous development of all operations including economical and ecological products and making them available for customers. Products based on pine oil are non-toxic and safer for customers than their equivalents made from mineral oil and the company informs customers about the environmental effects of its products. Environmental pollution is prevented. Renewable by-product from the forest industry is used as an alternative to non-renewable oil.

Awards:

First prize CSR reporting, SME category (2002) awarded by — amongst others — the Helsinki School of Economics and Business Administration, the Finnish Institute of Chartered Public Accountants and Finnish Business & Society with the support of the Ministry of the Environment. <http://www.businessandsociety.net>

Reports/further information:

Environmental report 2001: www.pinifer.com (www.masaoils.com)

Company name	Oy Pinifer
Activity:	Pine oil based industrial lubricants and services
Core business:	Pinifer — formerly MOF MasaOils Finland — develops, manufactures and markets biodegradable and environmentally friendly industrial lubricants. Target sectors are the mechanical engineering, metal and steel, mechanical forest and (water) construction engineering industries. The main raw material is Finnish pine oil, a by-product of the pulp industry.
City/country:	Raahe, Finland
Year of foundation:	1995
Website:	www.pinifer.com (www.masaoils.com)
Employees 2002:	Full-time: 10 Seasonal/temporary: 5
Turnover 2002:	EUR 650 000

SHIELDS ENVIRONMENTAL (UNITED KINGDOM)

Good practice description

Issues: New environmental technology, environmentally sound service

Description: In line with its focus on environmental protection, Shields has developed an environmental management system (EMS) certificated to ISO 14001 and registered with the European eco-management and audit scheme EMAS.

In 2002 Shields Environmental launched 'Fonebak', the world's first mobile phone recycling scheme with the endorsement of all the country's mobile network providers, major retailers and the government.



© Shields

Building on its recycling, logistics and global remarketing expertise, Shields Environmental offers a service that anticipates the requirements of the EU's directives on 'waste electrical and electronic equipment' (WEEE), requiring mobile phone producers and distributors to take back and recycle handsets and accessories from 2004. The nationwide scheme is already processing over 130 000 phones each month. Phones are rigorously tested to determine whether they will be reused or processed for materials recycling. The aim is to reuse as many phones as possible to minimise environmental impact. Reusable phones are resold into world markets that could not sustain the price of a new phone, often bringing telephone communication to some of the remotest parts of the world. Many network providers are using funds from remarketing to finance environmental and charity programmes. Shields' world recycling programme is providing assistance and guidance to the end destination countries to help them develop their own take-back and recycling schemes, raising environmental awareness around the world.

Business benefit:

- Consolidated business relationships with mobile phone network providers while also creating a significant business in its own right
- Positive impact on staff morale and interest from organisations outside the initial sponsors due to media interest in 'Fonebak'
- Enhanced reputation for Shields Environmental and its large business clients
- Foundation for expansion into a number of other European countries

Benefit for society/stakeholders:

- **Employees:** Shields Environmental has created well-paid jobs with excellent training and development opportunities in a geographical area seeking regeneration
- **Customers** have received a cost-effective solution to demanding future European legislation, while protecting and enhancing their corporate image
- **Global consumers** receive a product at a quality standard and price to suit their own market economics
- **Environment:** potentially hazardous waste is diverted from landfill and the energy-intensive equivalent mining of scarce metals is avoided

Awards:

Business in the Environment Index (BiE): <http://www2.bitc.org.uk>

- Ranked second of 206 companies in the sixth BiE Index (2002)
- Winner Awards for Excellence 2003 — Environmental impact

Reports/further information:

Annual environmental statement on company website: www.shields-e.com – Fonebak scheme: www.fonebak.com

Company name	Shields Environmental plc
Activity:	Support services to the telecommunications sector
Core business:	Shields Environmental has been supporting the telecommunications industry with environmental management solutions and recycling support for over 20 years. It offers financially beneficial, systematic approaches to deal with the safe treatment of all types of network equipment and mobile phones and provides pre-owned network equipment and handsets to clients globally
City/country:	Purfleet, UK
Year of foundation:	1979
Website:	www.shields-e.com
Employees 2002:	Full-time: 110
Turnover 2001:	approximately EUR 42 million (GBP 26.4 million)

Good practice description

Issues: Cleaner production: water use/water pollution

Description: Van Clewe invented a new method to clean its wastewater, a technological innovation which helped the company to drastically reduce its water use and energy consumption.

Growing pressure from the local community board for the company to improve its environmental performance was the driving force for stepping up research activities. The community was not able to provide larger sewage disposal facilities, and therefore implemented relatively high environmental pollution thresholds for industrial wastewater. At that time the company already fulfilled the applicable national standards. The company estimated this conflict to be of crucial importance for future business success.

Van Clewe then invented a new method to recycle the wastewater from its production. It managed to reduce the water volume to 2.5 litres per kilogram of textiles. The sector average currently lies within a margin of 100 up to 300 litres. In addition to that, 70 % of the used water can be recycled and reintroduced into the production process. The new method allows the company to use the hot wastewater (50 up to 75 degrees) to produce energy for further production. The energy demand of the company was thereby significantly reduced. And finally the innovation contributed to speeding up production.

With this innovation the company has set new standards in the field of wastewater clarification and has received a great deal of attention from the government of North Rhine Westphalia as well as competitors in the industry. Van Clewe has now gone far beyond the requirements of the community through an investment that pays off.

Van Clewe is quality certified (ISO 9001) and uses the ‘Öko Tex’ standard, an eco-label which tests textiles and clothing for harmful substances and far exceeds legal standards.

Business benefit:

- The innovation, included in the list of the best available technologies (EU), proved to be a competitive advantage for the company
- Better relationship with representatives from the community and local residents
- Lower production costs
- Less energy costs and waste costs
- Shorter production processes

Benefit for society/stakeholders:

- Lower investments for city-owned sewage plants
- The water is free from harmful substances that normal sewage plants can hardly filter
- Less use of energy
- Responsible and careful use of natural resources
- Model for other companies including competitors that visit the plant to find out more about this technology

Awards:

- Nomination for Federal Environment Prize (*Bundesumweltpreis*) 1997

Company name	Gerhard van Clewe GmbH & Co KG
Activity:	Textile processing industry
Core business:	Gerhard van Clewe, a third-generation family business, provides tailor-made solutions in textile finishing services for business clients from the textile industry
City/country:	Dingden, North Rhine-Westphalia, Germany
Year of foundation:	1954
Website:	www.van-clewe.de
Employees 2002:	Full-time: 196 Part-time: 2
Turnover 2002:	EUR 23.5 million

5



Integrated cases

Introduction

This chapter does not represent a ‘category’ in the sense of the previous four chapters but consists of good practice cases by SMEs that have adopted a **holistic approach** to responsible entrepreneurship. This means that they have responsible practices relating to each of the four categories: marketplace, workplace, community and the environment. Such a holistic approach, sometimes referred to as triple bottom line, more closely reflects the goal of sustainable development and can lead to greater synergies and benefits.

It is, however, worth referring back to what was said in the general introduction regarding the **strategic approach** and the **dynamic process** of responsible entrepreneurship. In many cases, an SME’s involvement in social and environmental issues will start with one concrete issue rather than embracing the full CSR agenda all at once. This may be either a matter that is close to the owner’s heart — for instance, sponsoring a local charity — or that is perceived to be relevant to the company’s survival and growth, e.g. cost savings from better environmental management or market differentiation by developing ‘responsible’ products and services. From this initial entry point, a more comprehensive engagement may develop. Unless these activities are somehow integrated into the overall business strategy and management systems, however, a small company will have difficulties in allocating resources to ‘non-essential’ social activities over the medium and longer term.

The **five integrated cases** in this chapter cover a wide spectrum: the Norwegian fishing industry company **Båtsfjordbruket** illustrates the symbiosis between a remote local community and an SME where the degree of mutual interdependence makes responsible behaviour essential for the survival of both partners. It is also an interesting example of a network of companies cooperating in areas of common concern, such as the training of workers. **DORF-Installateur** from Austria

has developed a participatory employee model which fully develops the capacities and creativity of staff and ensures complete customer satisfaction. **Harineras Villamayor**, a flour producer from northern Spain and member of the UN Global Compact, is an example of an SME combining responsible workplace and environmental practices at the local level with a global vision of community involvement. The Dutch family enterprise **Peeze Coffee** displays a high degree of environmental awareness not only in its coffee processing operations at home but also by caring about the environment and working conditions of coffee growers in developing countries. **Peeze Coffee** was the first coffee roaster to use the Max Havelaar fair trade label which shows its commitment to responsible supply chain management. Last but not least, the Swedish SME **Sånga-Säby** has strong values based on sustainable development, which it wants to share with customers using its conference facilities.

Good practice description

Description:

The fishing industry has a common need for different types of services and products. Several joint enterprises have been established in cooperation between the companies, the local authority and bodies outside the local community. The fishing industry network is securing and maintaining a stable industry in a region where several enterprises had to give up because of the long distance from the markets and a lack of qualified workers. Through this network, the enterprises cooperate in areas from which they derive a common advantage, e.g. joint training of workers.

Båtsfjordbruket AS shows how an SME can use such a network not only to secure and maintain its production but also to create an enterprise where employees participate in decision-making. Development of the local community and the industry are intrinsically linked: 'What is good for Båtsfjord, is good for the industry'.

Responsible entrepreneurship is integrated into the overall company strategy, i.e. to:

- develop and maintain health and safety at the workplace, a good working environment and to take care of the external environment;
- achieve a good economy through the production and sale of high-quality manufactured products based on maritime raw materials;
- focus on flexibility and profitability and thus secure the enterprise's future.

Workplace:

In a labour-intensive industry, the shortage of workers in the district is a challenge for Båtsfjordbruket. It is crucial to offer good working conditions and to create a good reputation to attract and retain workers.

- Filleting is monotonous repetitive work with a risk of muscle skeletal injuries. Over the last five years, the enterprise has made considerable investments aimed at improving working conditions, efficiency and hygiene in the production process. These efforts go beyond statutory requirements; for example, a sauna, a room for resting and a room for cooking warm meals were set up. The company works in a professional way to develop and maintain the internal control system and is guided through their connection to Båtsfjord OHS, the municipal joint occupational health service, in performing the necessary measurements and assessing the working environment.
- In the Working Environment Committee the employees participate through their representatives in planning processes for the enterprise. Special working groups have been established to manage projects important to the workers. In addition, information meetings are arranged to discuss questions and future plans.
- Staff development is a high priority in the enterprise and every request for courses and further education has been assessed positively. Workers from Båtsfjordbruket participate in a university course and in a multi-year crafts certificate for fishery industry workers. Most of this education is arranged in Båtsfjord Educational Centre.

Community:

Båtsfjordbruket AS makes a point of developing a culture promoting solidarity and belonging to the enterprise and local society.

- To meet the need for workers, the enterprise has employed people from foreign countries, such as Sweden, Finland and Russia, as well as Tamils. Focus on integration has been necessary to manage teamwork in spite of differences in background and culture. The company takes responsibility for the integration of the guest workers in their leisure time as well. Important measures have included joint activities such as sports events, a Christmas feast, and a celebration when the sun comes back in March after three months.

- Båtsfjordbruket is seriously concerned with offering youngsters still in school training courses and summer jobs to avoid the tendency of leaving Båtsfjord when they have finished school.

Environment:

Båtsfjordbruket AS is concerned with turning environmental challenges into positive business opportunities.

- The fishing industry companies in Båtsfjord have established a company, Environmental Process AS, with the purpose of making profitable by-products such as fishmeal, protein products and oil from waste materials from the primary production process that used to be thrown into the sea. The result is a successful company employing 12 locals as well as contributing to cleaner waters around the production plants.

Marketplace:

Båtsfjordbruket AS focuses upon the quality assurance and management of its own production plant as well as of its suppliers.

- The company has completed a successful quality campaign, targeting both Norwegian and Russian fishing vessels.

Business benefit:

- Improved recruitment, less turnover
- Improved cooperation within industry on issues the companies lacked resources to solve on their own within own organisation
- Improved training and worker development locally

Benefit for society/stakeholders:

- Development of attractive leisure activities in the community
- Possibilities for education locally
- Less water pollution

Awards:

- The Directorate of Fishing Quality Prize 1994

Company name	Båtsfjordbruket AS
Activity:	Fishing industry
Core business:	Båtsfjordbruket AS is an SME in the fishing industry network of the municipality of Båtsfjord, a remote community of 2 500 people on the northern coast of Finnmark county. Established already in the 18th century, it was set up as a new and modern enterprise in 1981. A number of 'good years' have made possible new buildings for production and freezing for storage, rebuilding of fish receipts and modernising of production processes.
City/country:	Båtsfjord, Norway
Year of foundation:	1981
Website:	http://www.baatsfjordbruket.no
Employees 2002:	Full-time: 64 Seasonal/temporary: 25
Turnover 2002:	EUR 14.3 million

DORF-INSTALLATEUR (AUSTRIA)

Good practice description

Description:

In 1983 DORF-Installateur developed a new organisational structure based on a participatory employee model. The model is centred on 10 independent teams which operate like small enterprises inside the company with a high degree of responsibility and competence while adhering to a common company vision.



Marketplace/workplace:

The team structure enables team leaders to focus exclusively on customer needs since they are supported by the company's competence centre which carries out planning, training, office work, marketing, etc. By placing the interests, needs, desires and human potential of both customers and employees at the centre of its approach, the company has achieved a high level of customer satisfaction and a motivated workforce. It operates a round-the-clock customer service and has introduced performance-related pay.

The company sees itself as providing an enabling environment for employees to develop their creativity, capacities and potential. Its motto is 'Make your employees successful, and you will be too'.

Since 2002, DORF-Installateur cooperates with eight regional craft enterprises in order to optimise customer service on the spot. It has also founded a platform for business partners in order to facilitate learning and information exchange about energy-efficient renovations. The company has been ISO 9000 certified since 1996.

Community:

Every year, DORF-Installateur organises open days for final-grade students from regional schools in order to get to know the profession better.

DORF-Installateur is engaged in various social establishments such as a workshop for disabled people (*Lebenshilfe — Behindertenwerkstätten*), a network for children and a school for physically handicapped children (*Schulheim Mäder*). It has installed bathrooms for disabled people in cooperation with the Institute for Social Services and three other enterprises. It also supports various sports clubs which have an active youth policy.

Environment:

Since 1975 DORF-Installateur has been at the forefront of activities promoting alternative and environmentally friendly heating technologies with the aim of reducing CO₂ emissions in private households. These initiatives include solar and alternative technologies, the development of research projects, the first 'solar house' in Austria, the installation of heat pumps and the introduction of the gas-condensing technology (*Brennwerttechnik*) in Austria. It has also been engaged in 'environmental activism', including the setting up of an association of energy-conscious heating engineers (*Energiebewusster Heizungsbauer*) and a platform for energy contracting in the Land Vorarlberg.

Various awards by the community testify to the company's good practices regarding waste separation, utilisation of rain water, solar technology and the implementation of a comprehensive ecological company model. In 1996, DORF-Installateur was the first crafts enterprise in Vorarlberg to reach ISO 9001 and ISO 14001 certification.

Business benefit:

- Motivated and efficient workforce
- High degree of customer satisfaction due to flexibility and rapid reaction times of mini-teams

- Expansion of operations to include two more sites as a result of taking on 35 employees of an insolvent competitor who could be integrated into the DORF-Installateur model without problems
- Increased turnover

Benefit for society/stakeholders:

- **Workforce:** performance-related pay, common vision, freedom and individual responsibility in decision-making, self-realisation
- **Customers:** integrated and high quality service for sanitary/heating installations, personalised and flexible service
- **Business partners:** openness and honesty in relations with suppliers and business partners
- **Environment:** reduced environmental impact from heating installations and efficient use of non-renewable energy sources, model value for other companies

Awards:

- 1977 State award for energy research Sunhouse Göfis, Austria
- Environment Award 1995 and 1997, Municipality of Götzis
- Best Entrepreneur in Apprenticeships, Vorarlberg regional government
- Prize winner 2000 Women and Family in the Workplace, Vorarlberg regional government
- Third place 2001 Women and Family in the Workplace award, Austria
- Entrepreneur of the Year 2002 in the category 'Trade' of the Crafts and Trade Division of the Austrian federal economic chamber

Reports/further information:

- Vorarlberg regional government:
www.vorarlberg.at
- Vorarlberg regional economic chamber:
www.wko.at/vlbg

Company name	DORF-Installateur
Activity:	Sanitary equipment and heating
Core business:	DORF-Installateur, part of a company network made up of four specialised entities, provides its customers with an integrated service from advice to installation relating to sanitary equipment and heating systems. Particular emphasis is placed on 'wellness' and alternative heating techniques.
City/country:	Götzis and other sites, Vorarlberg, Austria
Year of foundation:	1973
Website:	http://www.dorfinstallateur.at
Employees 2002:	Full-time: 101
Turnover 2002:	EUR 13.8 million

HARINERAS VILLAMAYOR (SPAIN)

Good practice description

Description: The company vision and strategy are based on the fundamental values of sustainable development. Harineras Villamayor is in the process of establishing a CSR plan with the proposed aims:

- to better know the interests and expectations of stakeholders;
- to obtain SA 8000 certification by the end of 2003;
- to set up a transparent information policy and communication plan, including the publication of a sustainability report in line with the Global reporting initiative (GRI) framework.

Marketplace: Harineras Villamayor adheres to the European quality management model EFQM which also incorporates the three pillars of sustainable development and is in the process of implementing the SA 8000 standard. It maintains permanent contacts with farmers supplying the wheat in order to ensure quality. The company guarantees quality and good customer services using new crop techniques, high technology in plant and equipment and modern distribution logistics.

Workplace: The company maintains a direct relationship with all workers, has a stable employment rate of 95 % and ensures participation of worker representatives in company decisions. Trade-union relations are good and there are no labour conflicts. Harineras Villamayor fosters the internal promotion of workers and has a health and safety committee made up of workers and management which plans preventive measures and organises a training programme for workers on health and quality matters.

Community: Harineras Villamayor has been active in a number of initiatives to promote corporate social responsibility. These include its participation in the Governing Council of the Code of Government of the Sustainable Company (2000), membership of the UN Global Compact (2001) and, more recently, the development of a global CSR programme with the help of Fundación Ecología y Desarrollo.

Environment: environmental improvements started with collaboration in the design of an eco-efficiency toolkit as part of the European eco-efficiency initiative promoted by the Spanish Environment Foundation (Fundación Entorno). The company obtained ISO 14001 certification and, from 2002 realised significant improvements in the emission of dust and noise — the main type of emissions in this type of industry — due to the sensitivity of being an industrial centre located within the city of Huesca.

Business benefit:

Given the difficult situation of the sector, the company's good practices have not translated into an increase in profits, but a good reputation on the market and in the community, a satisfied workforce and environmental improvements. Company profits are incorporated in reserves and capital in order to ensure its future survival and security of employment.

Benefit for society/stakeholders:

- Environmental improvements
- Satisfied workforce

Awards:

- Premio a la Excelencia Empresarial 2002, awarded by the

Autonomous Community of Aragón for the implementation of European EFQM model

Company name	Harineras Villamayor SA
Activity:	Production of flour and semolina
Core business:	Harineras Villamayor, located in the northern Spanish province of Huesca, produces flour and semolina from top quality wheat using modern production technology. The company went public in 1978.
City/country:	Huesca, Spain
Year of foundation:	1934
Website:	www.harinerasvillamayor.com
Employees 2002:	Full-time: 68
Turnover 2002:	EUR 30.75 million

Reports/further information:

Annual CSR report can be obtained from the company. Contact: josevillamayor@terra.es

Good practice description

Description:

Peeze Coffee have an integrated management system encompassing quality, labour and environmental considerations.

Marketplace:

Peeze Coffee supplies coffee to quality-conscious catering establishments and companies and was the first coffee roaster with the Max Havelaar fair trade label. This label ensures that small farmers in developing countries receive a fair price for their products and work under correct conditions. Max Havelaar controls the supply chain from the grower to the consumer according to international criteria set by FLO, the Fair Trade Labelling Organisation. Peeze's 'Mex-Eco', an ecological Max Havelaar coffee, has been an enormous success especially in recent years. No fertilisers or chemical pesticides are used and coffee plants are planted between the trees to prevent erosion thus ensuring the long-term sustainability of small farmers. Together with sustainability, quality and innovation are major concerns for Peeze.

Peeze's director/owner has thought up many innovative improvements for the factory's production processes, which the company makes available to the market free of charge.

Workplace:

In the factory, simple manual work is fully computerised from packaging to piling up boxes. As the company director/owner says, 'Why break a man's back when a robot of EUR 50 000 can do this work also'. Recognising the importance of a good work/life balance, overtime is permitted only in exceptional cases and Peeze Coffee owns its own fitness room for use by employees and their families. Equal opportunities are taken for granted at Peeze Coffee and women hold different management positions. The management style is open and informal and the director/owner spends a lot of time on the shop floor in order to be in touch with his workforce and the latest developments. Employees, therefore, have easy access to the company management and can influence the decision-making process. The company's training budget, at 1.6 % of total labour costs, is about double the proportion spent by the average Dutch SME (0.85 %). Twice a year, Peeze Coffee organises an employee survey in order to further improve the situation.

Community:

While Peeze Coffee does not have a policy for community issues, it does try to meet requests from social organisations by providing free coffee or making coffee machines available free of charge. It also organised an informal meeting with the local community in 2002 and takes care that company activities do not negatively impact the neighbourhood, e.g. by using modern, odourless coffee roasters, buying silent machines and making available enough parking space for customers. The company management believes that, in order to achieve sustainability, its focus should lie on the company, employees and the production chain. Only when the potential for improvement in these areas has been exploited to the full, should the company focus shift to community affairs.

Environment:

Environmentally friendly production receives a lot of attention at Peeze Coffee. In fact, the company's entire management strategy is focused on reducing environmental pressures. Peeze Coffee buys coffee beans of top quality that are ecologically cultivated (genetic differentiation) and do not damage the rainforest. The plant is mainly cooled by stored and evaporated rainwater. The excess heat from coffee roasting is reused. An innovative coffee roasting process has reduced water use by 99 %. Natural waste, such as the 'skin' of the beans, is made available for compost. The large packaging materials for coffee machines are environmentally

friendly and are taken back for reuse. In consumer packaging, energy-wasting aluminium has been removed: a special valve saves the fresh coffee aroma. Green power is used and CO₂ is compensated by planting forests.

Business benefit:

- Good reputation
- Satisfied workers
- Better environment

Benefit for society/stakeholders:

- Education
- Awareness
- Better environment

Awards:

- Honourable mention in the category 'Environmental successes', Dutch Ministry of Spatial Planning, Housing and Environment
- Award for Environment 1996, Arnhem local community
- Entrepreneur of the Year award 1997, Gelderland province
- Nomination for the Sectors Innovation Award 2002 (sector organisation and annual exhibition)

Reports/further information:

For annual report contact: r.smit@peeze.nl

Company name	Peeze Coffee
Activity:	Coffee roasting
Core business:	Peeze Coffee is a family enterprise which has specialised in the manufacture of high-quality coffee for 125 years. Peeze Coffee is not sold in supermarkets, but only in companies, restaurants and cafés.
City/country:	Arnhem, the Netherlands
Year of foundation:	1879
Website:	www.peeze.nl
Employees 2002:	Full-time: 39
Turnover 2002:	between EUR 9 and 10 million

Good practice description

Description:

Sånga-Säby communicates its goal of becoming a sustainable company. The company has strong values on being a humane and sustainable workplace and serving the customer, as well as working together and supporting each other. It has developed its own code of conduct and uses environmental management standards (ISO 14000). It works with an external sustainability auditor.



Marketplace:

Sånga-Säby aims to attract customers that share its philosophy and places great emphasis on customer service and satisfaction. Healthy food is one aspect of its ecological profile and overall quality approach: 25 % of the food — including wines — is ecologically labelled and bread is home-baked. Customers receive extensive information about what is served. The connection with Swedish farmers and food products has helped the company develop its ecological profile and Sånga-Säby has continuous meetings with suppliers to express its needs.

Environment:

In addition to ecological food, Sånga-Säby also uses eco-labelled office equipment, wooden furniture and environmentally friendly cleaning products. The company implements a number of measures to reduce emissions linked to transportation: it arranges group transport (minibuses and taxis) for customers arriving from the city and lends out ecologically fuelled cars for test-driving. Mineral water, which travels long distances, is replaced by carbonised lake water.

Energy supplies come from renewable sources such as heat pumps, solar collectors and rapeseed oil for heating. Kitchen waste is used for compost on the farm and other waste is recycled. Sånga-Säby also takes a wider perspective on the environment including ecology and wildlife. In the near future the company will intentionally start a forest fire in order to stimulate insects and plants which only grow after forest fires have cleared the undergrowth.

Workplace:

Sånga-Säby's recruitment policy aims at diversity in the workforce, including age and gender, and hiring employees from different work backgrounds. Employees have weekly meetings enabling them to participate in planning their own work based on the business plan. Monthly information meetings are held with all personnel and salaries are higher than average for the industry. Managers have individual discussions with each employee regarding job satisfaction, skills development, job rotation, further education or training. Mobility between departments is possible and there is an understanding of the need for change. The company offers health control, paid workout classes for employees, massage sessions and qigong during work hours including advice and analysis. Employees are offered flexible work hours in order to help families and the company tries to accommodate the need for work-free holidays like Christmas and Easter. During low season the company cooperates with other hotels and offers employees the possibility to work at, for example, ski resorts.

Community:

Sånga-Säby is an important employer in the rural locality and encourages local employees also for environmental reasons (reduced transport costs). The company offers work opportunities and training for apprentices, but also the unemployed and people recovering from illness. This scheme frequently results in employment. The

company has a communal day-care centre, used also by its own employees, and is an important service provider for employee families, e.g. houses are rented to its employees at cost. Local NGOs and associations are offered free meeting rooms and only pay for their food.

Business benefit:

The environmental profile was a competitive advantage in the early days creating customer loyalty especially among companies who required high environmental standards from their suppliers. Today, when environmental profiling among conference centres is common, Sånga-Säby tries to create long-term partnerships with customers to whom they provide tailor-made services at a fixed annual price and with strong ecological elements.

Benefit for society/stakeholders:

- Customers can choose a supplier with strong ecological and social values
- Creation of employment opportunities in the local area
- Role model

Awards:

Several environmental awards, for example:

- IHRA’s Environment Prize
- Electrolux Eco Kitchen Prize
- Green Globe Recognition Award
- Ecover Gullfiber’s Prize for Sustainable Building

Reports/further information:

- Since 1997 annual sustainability reports including assessments of customer and employee satisfaction are available from www.sanga-saby.se

Company name	Sånga-Säby Kurs och Konferens AB
Activity:	Conference services
Core business:	Sånga-Säby has been running conference services for the past 20 years. Since 2001, it has operated in two locations: the main conference centre on Färingsö, an island on a lake near Stockholm, and its new premises in Stockholm’s city centre. Sånga-Säby is owned by the Swedish Farmers’ Confederation and the company owns farm as well as forest areas.
City/country:	Färingsö and Stockholm, Sweden
Year of foundation:	1982
Website:	www.sanga-saby.se
Employees 2002:	Full-time: 55
Turnover 2002:	EUR 4.5 million

Annex

List of expert group members who contributed to this publication

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European Commission	Claudia Gintersdorfer	Directorate-General for Enterprise

More information on the Enterprise DG

Additional useful information on the work of Commissioner Erkki Liikanen and the Enterprise DG is available through printed publications and on the web.

Commissioner Erkki Liikanen, responsible for enterprise and the information society:

http://europa.eu.int/comm/commissioners/liikanen/index_en.htm

Enterprise DG on the web:

http://europa.eu.int/comm/dgs/enterprise/index_en.htm

CORDIS (Community Research and Development Information Service):

<http://www.cordis.lu>

Enterprise DG work programme:

http://europa.eu.int/comm/dgs/enterprise/work_programme_2002.htm

Enterprise DG's printed publications:

<http://europa.eu.int/comm/enterprise/library/index.htm>

Enterprise publications

Enterprise Europe is a free-of-charge newsletter published quarterly in the 11 Community languages by the Enterprise DG. It covers the whole range of Enterprise DG's work, announcing new initiatives as well as providing practical information.

<http://europa.eu.int/comm/enterprise/library/enterprise-europe/index.htm>

CORDIS focus is published twice a month in English, French, German, Italian and Spanish. It provides a review of the main developments in all aspects of European Union research and innovation activities, covering general policy developments, programme implementation, calls for tenders and results, events, legislative activities, and much more.

<http://www.cordis.lu/focus/en/src/focus.htm>

Innovation & Technology Transfer is published six times a year in English, French, German, Italian and Spanish by the European Commission's innovation programme, which aims to promote innovation at Community level and encourages SME participation under the fifth research framework programme. The emphasis is on timely news relevant to these objectives and in-depth 'case studies' of successful projects.

<http://www.cordis.lu/itt/itt-en/home.html>

Euroabstracts is published six times a year in English by the 'Innovation and SMEs' programme, part of the European Commission's fifth research framework programme. The Innovation and SMEs programme promotes innovation and encourages the participation of small and medium-sized enterprises in the framework programme.

<http://www.cordis.lu/euroabstracts/en/home.html>

European Trend Chart on Innovation newsletter. The Trend Chart project develops practical tools for innovation policy-makers in Europe. It pursues the collection, regular updating and analysis of information on innovation policies at national and Community levels. The newsletter is published quarterly in English, French and German.

Enterprise papers

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Enterprise guides

Helping the transfer of businesses: A 'good practice guide' of measures for supporting the transfer of businesses to new ownership.

2003, 47 pp. (all Community languages), Cat. No: NB-47-02-979-**-C

Helping businesses grow: A 'good practice guide' for business support organisations.

2002, 53 pp. (all Community languages), Cat. No: NB-39-01-934-**-C

Helping businesses overcome financial difficulties: A guide on good practices and principles.

2002, 41 pp. (all Community languages), Cat. No: NB-39-01-926-**-C

Helping businesses start up: A 'good practice guide' for business support organisations.

2000, 36 pp. (all Community languages), Cat. No: CT-25-99-980-**-C

Corporate social responsibility and entrepreneurship

Green Paper 'Entrepreneurship in Europe', COM(2003) 27 final of 21.1.2003.

'European SMEs and social and environmental responsibility', *Observatory of European SMEs* 2002/No 4, European Commission.

Cat. No: NB-14-01-004-EN-C

(http://europa.eu.int/comm/enterprise/enterprise_policy/analysis/observatory.htm)

Communication from the Commission concerning 'Corporate social responsibility: A business contribution to sustainable development', COM(2002) 347 final of 2.7.2002.

Green Paper 'Promoting a European framework for corporate social responsibility', 2001, European Commission.

Cat. No: KE-37-01-590-EN-C

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