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CSR in the supply chain and in business partnership

Nordic companies' perspective

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CSR in the supply chain and in business partnership

Nordic companies' perspective

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Carsten Nilsen,
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Liliana Anam,
Manager of CSRinfo

Nordic companies are fully aware of their impact on the environment and undertake many efforts to minimize it. They constantly strive to implement solutions favouring the idea of sustainability. This approach fosters their innovativeness, strengthens their competitive advantage and allows them to gain a strong position on many markets. Nordic companies outperform their peers on developed markets and score highly in many sustainability and CSR ratings.

The Scandinavian-Polish Chamber of Commerce (SPCC), associating Nordic companies operating in Poland, promotes their activities, development and good practices including the field of corporate responsibility. This publication is one of many projects carried out by SPCC and its purpose is to outline good CSR practices in the supply chain and in business partnerships among Nordic companies operating in Poland. The awareness of the importance of CSR in the supply chain is growing, and therefore the selection of this topic was not accidental. When each link of the supply chains is known, more effective systems can be created, which allows a company to combine sustainability with business results. Nordic companies have developed many innovative practices in this field, which are worthy of consideration and we hope that this guide book will be a source of inspiration for Polish companies striving to raise their competences, develop or establish business relations with Nordic partners.

We would like to thank CSRinfo for their initiative and substantial contribution to the project. We appreciate that we were given the opportunity of joint cooperation on this important issue. We would like to express our sincere gratitude to Fortum and Electrolux for the special support they provided to our initiative. We would also like to thank other SPCC members and cooperating companies for sharing their knowledge and best practices. We also wish to thank our Honorary Patrons for their support of our project.

In 2010, 500 largest companies in Poland (according to „Polityka” weekly’s ranking) were asked to participate in a survey regarding supply chains. Only 9 companies replied¹. Others declined to answer as they “didn’t have a supply chain” or “the topic didn’t concern them”. Meanwhile, the importance of supply chains is growing. A company’s success depends largely on its suppliers and business partners, and the relationships forged with them often touch upon CSR issues. Research shows that 75% European companies declare CSR and sustainability issues to be an integral part of their procurement processes². Also, the number of companies introducing a Code of Conduct to govern relationships with their suppliers is steadily growing.

CSRinfo supports companies and practitioners in the field of CSR and we consistently undertake educational activities in this area. Given the level of awareness regarding the supply chain and its importance, we decided to launch an educational project together with the Scandinavian-Polish Chamber of Commerce, whose members have a particularly extensive experience in cooperation with suppliers and business partners. On the one hand, this publication presents a number of case studies stemming from the experience of Scandinavian companies; on the other hand, its aim is to start a discussion on the role of supply chain management within the context of responsible business and sustainable development in Poland. I would like to thank the Chamber for their support and commitment to the project and its promotion. I want to extend a special thank you to SPCC members, Fortum and Electrolux for supporting the project. Also, a big thank you to all the companies that dedicated their time and decided to share their practices with us. I hope many businesses draw inspiration from these case studies.

¹ The Responsible Business Forum (FOB) 2010, Report “Odpowiedzialny łańcuch dostaw”

² Bruel, Olivier, Olivier Menuet, and Pierre-Francois Thaler, Sustainable Procurement: a Crucial Lever to End the Crisis? HEC Paris, SNCF, and Ecovadis. 2009.

Retrieved from <http://www.hec.edu/News/Homepage/Knowledge-impact/The-HEC-EcoVadis-2009-Barometer-Sustainable-Procurement-a-crucial-lever-to-end-the-crisis>



Mikael Lemström,
President of Fortum Power and Heat Polska

The responsible company which understands the needs of the constantly changing market constructs its strategy on clearly defined and transparent rules, which allow it to develop in a sustainable manner. Given the current requirements relating to the reduction of emissions and of the environmental impact, the necessity of an efficient use of resources and energy security, Fortum founds its actions on three stable pillars – economic, environmental and social responsibility. Being the world's fourth producer of heat energy in the world, with many years of experience in the energy sector, we fulfill our obligations to the environment and local communities while ensuring profits of our shareholders.

Our priority is to guarantee safety in the workplace and the well-being of our employees. Currently, our accident rates are among the lowest in the energy sector. We believe that every accident can be prevented and we take appropriate actions to ensure it. We also care about the employees of our suppliers, whose safety rules and business ethics are the same as those of Fortum. We have successfully implemented the Code of Conduct for Suppliers and have developed efficient supply chain management mechanism - we trust that our suppliers comply with the relevant standards.

Fortum's aim is to generate power that improves the quality of life of present and future generations, in accordance with the vision of the future energy system - Solar Economy. For this reason, we constantly strive to raise the standard of our work while consistently building the image of a responsible, sustainable company.



Adam Cich,
General Manager of Electrolux Eastern Europe North

Our responsible attitude and observance of sustainable development principles are at the core of Electrolux's approach to doing business. Our corporate culture based on common values, an ethical behaviour, ensuring the safety of the workplace and a positive impact on the environment allow us to act in accordance with the ideals that we believe in. Electrolux strives to maintain the highest environmental and social standards wherever it operates. We also expect our employees and suppliers to comply with them. Our values have been determined in such a manner that ethics and integrity, sustainability and safety as well as respect and diversity, shall always remain the core of our corporate identity.

In 2011, for the fifth time in a row, our company was selected among the top 10% companies with the highest Sustainability Dow Jones World Index. Thus, our comprehensive approach to the protection of natural resources, which encompasses efforts aimed at limiting their consumption in the manufacturing process and the creation of more water- and energy-efficient appliances, as well as consumer education in this area, was appreciated yet again. Since 2005, Electrolux has reduced its energy consumption by 25%, and the most eco-friendly Electrolux products represent about 22% of all devices sold on the market. The sale of these products has been growing steadily since their introduction in 2008. In 2010-2012, we became involved in a number of public awareness campaigns designed to educate our consumers and business partners. Our co-operation with the Polish Humanitarian Organisation in the Water Campaign was to draw attention to the conscious consumption of water, and the initiative called „Vac from the Sea” regarded the growing problem of plastic waste and the need for a better management of the processing of recycled materials. Together we have established a competitive, entrepreneurial organization run by a competent team and developing in a sustainable way.



I. Corporate responsibility in the supply chain

Autor: Liliana Anam, Manager CSRinfo, in charge of advising companies in the field of responsible and sustainable business on the basis of a number of standards, such as the ISO26000 norm, the engagement of stakeholders (including suppliers) on the basis of AA1000 and reporting with accordance to the Global Reporting Initiative.

75% of European companies declare that CSR (*Corporate Social Responsibility*) and sustainable development matters are taken into account in their acquisition processes¹. In addition, the number of global companies that apply a code of conduct for suppliers has been growing by 30-50% per year since 2008². Investors' interest in the manner in which companies manage environmental and social risks, that can have a direct impact on the company's reputation and finances, has been increasing³. The supply chain plays an important role in the management of the company's impact on the environment, for instance between 40 and 60% of the carbon footprint of manufacturing companies is generated in the supply chain⁴. In other words, a stable and competitive supply chain increasingly contributes to the success of companies, who have the possibility of buying services and products from suppliers throughout the world, representing diverse business models, cultures and values.

How to take advantage of these possibilities and make the right choice when selecting a supplier? It seems that the financial criteria are not enough for the process of building a stable base of suppliers, subcontractors and business partners. For this reason, companies rely on responsible business tools, as *"building relationships with suppliers on the basis of the principles of social responsibility of businesses can improve the company's image, but also generate considerable savings, create business opportunities, limit operational risks or increase the loyalty of clients, staff and suppliers themselves"*⁵.

ADVANTAGES OF THE RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN

Companies benefit from the introduction of CSR into their management practices regarding the supply chain and cooperation with business partners in a variety of manners:

1. Cost optimization

- Optimization of costs incurred in relation to the consumption of resources and savings generated in this respect.

- Limiting costs, for instance the fees due for the amount of waste or dangerous waste.

2. Risk limitation

- Limiting legal risks through the introduction of appropriate requirements in terms of health and safety at work or environmental protection and, therefore, avoiding the costs of legal proceedings or fines.
- Limiting operational risk, for instance through ensuring the continuity of deliveries and the loyalty of suppliers.

3. Image improvement

- Reputation risk management through the creation of a system of criteria eliminating suppliers who, for instance, infringe on human rights, use forced labour or are susceptible to corruption.
- An improved corporate image through undertaking, together with suppliers, actions aimed at tackling social and environmental problems linked with the company's activity.

4. New products and services

- Involving suppliers into product design processes.
- Sharing innovative solutions among suppliers, distributors and other partners from the sector and undertaking joint efforts aimed at their implementation.

MANAGING RESPONSIBILITY IN THE SUPPLY CHAIN AND IN RELATIONS WITH BUSINESS PARTNERS

Including CSR into supply chain management is a function of systems introduced by the company and the supplier's activities. There are three basic steps in the process of creating a competitive, stable and responsible supply chain.

Fig 1. Steps towards a competitive, stable and responsible supply chain.



Source: CSRinfo

Step 1: Selection of suppliers

Tools: questionnaires for suppliers, special environmental and social policies, codes of conduct for suppliers, contractual clauses, ISO norms, the SA8000 standard and other guidelines.

The selection of a supplier, a subcontractor or a business partner rests on many criteria. In the majority of cases, they are defined in purchasing policies and procedures. Apart from content-related and price, time and quality criteria, CSR introduces new criteria that minimize risks, for instance the criterion of the country of origin in the context of human rights violations, or the environmental criterion. Defining requirements in relation to suppliers should reflect the company's business activity, which means that conditions applied to the company's suppliers should take into account social and environmental risks connected with the company's activity. Many companies have introduced questionnaires and/or codes of conduct for suppliers, which define selection criteria and impose cooperation rules. In addition, there are appropriate supplier verification procedures and rules that govern cooperation with them.

In practice

- Fortum has elaborated a questionnaire for companies wishing to cooperate with it. It comprises a set of questions pertaining to sustainable development and to fundamental standards of responsible business.
- Kinnarps requires that its suppliers provide it with timber holding the certificate of the Forest Stewardship Council.

Step 2. Fair cooperation

Tools: questionnaires, audits, meetings for suppliers, training, educational programmes and materials.

The above mentioned code of conduct regulates the principles of cooperation between suppliers and the company. The document itself cannot, however, guarantee appropriate results. In order to ensure that the system works to the company's benefit, a number of actions supporting the provisions of the code must be undertaken. At least two groups of activities should be taken into consideration. The first

is the cooperation with suppliers and partners in order to ensure that they meet the standards set by the company, which provides suppliers with information materials, organise training and other forms of support. The second consist in monitoring the supplier's actions and implementing corrective actions should any inconsistencies be found. The most popular form is an audit aimed not only at the identification of discrepancies, but also development of improvements.

In practice

- H&M has introduced the Full Audit Program – FAP, that is an audit programme for suppliers, conducted by the auditors employed in H&M production offices in Europe and Asia.
- Husqvarna Group prepares materials and training programmes for suppliers.

Step 3. Joint projects

Tools: joint R&D projects, joint social engagement projects, involvement in existing market initiatives.

Suppliers and business partners understand very well the needs of the company and the challenges faced by it. They are often confronted with the same social, environmental and economic challenges and create together the image of the entire sector. For this reason, an increasing number of companies conduct joint projects that go beyond the provisions of their contracts. These projects relate to new initiatives in the sector, joint social engagement projects or new solutions in terms of products and services. This kind of cooperation strengthens mutual relations, contributes to the company's improved reputation and creates new business opportunities.

In practice

- Electrolux has involved its partners in actions undertaken jointly with the PAH (Polish Humanitarian Action). The project combined several aspects: the impact of the company's products (water consumption), its business partners and a social goal (providing the Sudanese with access to drinking water).
- Cooperation with a business partner has allowed Opodo Corporate Travel Poland to introduce a new service relating to the management of CO₂ emissions.

Guidelines of the ISO 26000 standards pertaining to relations with suppliers

1. Taking into account social and environmental criteria in practices and procedures regarding purchasing, distribution and conclusion of contracts.
2. Encouraging other organisations to take the above criteria into account.
3. Supporting small and medium organisations in the process of CSR implementation, including raising public awareness in relation to social responsibility of businesses, best practices and providing additional support.
4. Raising public awareness in relation to social responsibility of businesses among the cooperating organisations.
5. Promoting fair costs and the advantages of implementing socially responsible practices into the value chain.

ISO 26000 expresses a global consensus on social responsibility of the organization today. The standard is an excellent guide for the understanding and implementation of CSR in a company. It consists of the principles of responsible organizations, fundamental practices and seven core subjects of responsibility. One of them recommends a various issues regarding the relations with suppliers and business partners.

The development of the standard was lead by two ISO organizations from Sweden and Brazil. CSRinfo took part in the development of the standard at the international level and it is the leader of ISO26000 promotion in Poland. More information about the standard is available at www.csrinfo.org. The company also supports organization in training, implementation and communication of the usage of standard.

Principles of socially responsible organization:

1. Accountability
2. Transparency
3. Ethical behaviour
4. Respect for stakeholder interests
5. Respect for the rule of law
6. Respect for international norms of behaviour
7. Respect for human rights

Fundamental practices of responsible organization:

1. Recognizing social responsibility
2. Stakeholder identification and engagement

Core subjects:

1. Organizational governance
2. Human rights
3. Labour practices
4. The environment
5. Fair operating practices
6. Consumer issues
7. Community involvement and development

Operating in a socially responsible manner is no longer an option. It is becoming a requirement of society worldwide. What makes ISO 26000 exceptional among the many already existing social responsibility initiatives is that it distils a truly international consensus on what social responsibility means and what core subjects need to be addressed to implement it. In addition, it is based on broad stakeholder input, including from developing countries, business, government, consumers, labour, nongovernmental organizations and others⁶.

Rob Steele, ISO Secretary-General.

¹ O. Bruel, O. Menueti P.-F. Thaler, Sustainable Procurement: a Crucial Lever to End the Crisis? HEC Paris, SNCF, Ecovadis 2009, <http://www.hec.edu/News/Homepage/Knowledge-impact/The-HEC-EcoVadis-2009-Barometer-Sustainable-Procurement-a-crucial-lever-to-end-the-crisis> (accessed 19.05.2012).

² Governance White Paper: One in Five Large Firms Set Labor Supplier Standards, Risk Metrics Group 2008, <http://www.riskmetrics.com/node/135625> (accessed 19.05.2012).

³ Eurosif Procurement Report, Eurosif and Bank Sarasin 2012, http://www.eurosif.org/images/stories/pdf/Research/Eurosif_procurement_report.pdf (accessed 17.05.2012).

⁴ A. Moffat and others, The Ceres Roadmap for Sustainability, CERES 2010, <http://www.ceres.org/resources/reports/ceres-roadmap-to-sustainability-2010> (accessed 02.05.2012).

⁵ N. Ćwik and the Responsible Business Forum, Wspólna odpowiedzialność. Rola dostaw i zakupów, 2011, http://odpowiedzialnybiznes.pl/public/files/Wspolna_odpowiedzialnosc_FOB_2011.pdf (accessed 12.05.2012).

⁶ <http://www.iso.org/sites/iso26000launch/index.html>, (accessed 15.11.2012)



II. Good practices of Nordic companies

Cooperation with business partners, suppliers and subcontractors is of utmost importance in the process of providing clients with quality products and services. For this reason, programmes aimed at streamlining and optimizing the supply chain and cooperation among partners play a crucial role in any actions undertaken in order to raise the company's competitive power and minimize social, environmental and economic risk.

When it comes to good practices in this field, Nordic companies stand out on the international market. The instruments and mechanisms that are employed in order to improve the supply chain and develop cooperation include:

- defining cooperation principles, which in many cases encompass a set of requirements imposed on suppliers and subcontractors, enabling companies to manage their environmental and social impact,

- monitoring the fulfillment of conditions by suppliers and subcontractors,
- supporting the development and growth of suppliers and subcontractors,
- projects relating to new products and services carried out jointly with suppliers and business partners,
- joint initiatives and social programmes implemented with suppliers and business partners.

Such practices benefit both sides: the company that develops trust-based relationship with suppliers, who provide it with products which meet its high quality standards at competitive prices, and suppliers, who can thus sell their products and strengthen their market position by complying with the requirements set by the company.

We have collected information about 15 business practices. We hope that they should provide a source of inspiration for you.

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	H&M	12
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	IKEA	14
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	Klippan Safety Polska	17
	Netto	18
	ROCKWOOL Group	21
	SAS Group	22
	Velux	23
Projects relating to new products and services carried out jointly with suppliers and business partners	ISS Facility Services	15
	Opodo Corporate Travel Poland	19
Involving trade partners in social engagement projects	Electrolux	10
	Ragn-Sells Polska	20



Fortum – aiming at a responsible supply chain



STRATEGIC APPROACH TO SUSTAINABLE DEVELOPMENT

Commitment to sustainable development is a pillar of Fortum's strategy. Its integral part is an optimal management of economic, social and environmental responsibility in the company's actions. Fortum values - responsibility, creativity, respect and honesty - are the basis of all activities. In line with the vision of a future energy system based on solar economy, the goal is the constant development and growth of the existing business in the area of emission-free hydropower and nuclear energy, as well as energy-efficient, combined production of electricity and heat (co-generation). Therefore, the company's investments combine energy efficiency and emissions reduction. As a result, over 85 percent of energy generated last year by Fortum in the European Union was free of carbon dioxide emissions.

- 2-3** Billions euro is the annual purchase volume of Fortum
- 150** Suppliers go through Fortum's pre-selection process each year
- 130** People are involved in the purchasing process and project managers were trained in the matter of supplier evaluation in Fortum in 2011
- 3** Audits must be carried out in each division of Fortum (except Russia in 2012)

RIGOROUS REQUIREMENTS

In today's world, the supply chain management is becoming increasingly important - not only from the business's point of view. Responsible companies want to be sure that their suppliers comply with the relevant standards. Fortum is one of the companies that constantly improve their way of working in order to ensure that the supply chain is optimal in every way - in terms of both sustainable development and working conditions.

In 2008, Fortum implemented the Code of Conduct for Suppliers, which contains the basic guidelines for sustainable development and

environmental protection obligatory to suppliers from all over the world. Another important step was the 2009 launch of the process of supplier pre-selection. In 2011, according to today's requirements for supply chain management, methods of monitoring suppliers have been updated. Companies wishing to cooperate with Fortum, must fill in a special questionnaire regarding a number of issues, including sustainable development and compliance with basic standards for responsible business.

Every supplier candidate, whose contract value exceeds EUR 100,000 (Nordic suppliers) or EUR 50,000 (other suppliers) must fill in the Fortum supplier questionnaire, which covers a number of issues. Then, a purchasing specialist in Fortum completes response evaluation form, based on the answers provided. Credit Control Department also checks the creditworthiness of the company. A purchasing specialist is then responsible for the final approval of the supplier. At the end, all information is entered into a database and made available to all purchasers.

Sonja Jokinen, Corporate Purchasing Division, Fortum

The supplier questionnaire focuses on the overall assessment of the supplier. Sustainable practices in all areas of business are one of the key aspects to analyse - including working conditions, salaries, equality and the freedom of association.

Marika Korpilaakso, Sustainability Manager, Fortum

SYSTEMATIC VERIFICATION

The majority of Fortum's suppliers are based in Nordic countries, but there are also other companies, from Poland, the Czech Republic, Slovenia, Russia and Brazil. Managing such a vast network of sup-

pliers is a difficult task. This is why the tools, like the Supplier Code of Conduct and pre-selection process, make this process much easier - the rules are clear and can be applied universally. However, the pre-selection process is based on the assumption that the potential supplier shall always provide the company with accurate and truthful information. To make sure that this is so, Fortum carries out audits aimed at verifying compliance with the Supplier Code of Conduct. *"We started to do it this year and have so far conducted eight audits", says Marika Korpilaakso, who participated in all eight audits. "This year, we audited one of our biomass suppliers in Poland. The audit ended with a positive result and showed that Fortum has efficient mechanisms for supply chain management".*

Auditors control the production at the supplier's site, paying attention to the issues of environmental protection and safety. Typically, an audit takes from one and a half to two days. Auditors review the documentation and records to see if, for example, working hour arrangements comply with local laws and regulations. In addition, they also try to perform employee interviews as they have a great significance and serve a number of purposes. Interviews can supplement or invalidate any information obtained during the audit.

According to Marika Korpilaakso and Sonja Jokinen, audits which have been carried out so far have been met with a positive response. However, it will take some time before the new procedures are fully adopted. Fortum representatives predict that this type of audits will become a regular part of their work, just as the Code of Conduct for Suppliers has become.



Photos: Fortum

The Code of Conduct for Suppliers – the most important issues

1. BUSINESS PRINCIPLES

Suppliers should comply with applicable local regulations, ethical principles of fair competition and follow the high standards of business ethics. No forms of extortion or corruption are allowed.

2. HUMAN RIGHTS

Suppliers should support and respect human rights adopted by the international community.

3. LABOR STANDARDS

Suppliers should recognize and respect the right of employees to freedom of association and the provisions of collective agreements. It is unacceptable to use any form of forced labour. Remuneration and working conditions shall be fair, equitable and reasonable, and meet at least the minimum requirements specified under national law or regulations in force in the industry. Working hours and the right to uninterrupted rest each week comply with locally applicable laws. Employees shall be properly informed, trained and equipped to ensure their safety and health at work.

4. ENVIRONMENT

Suppliers should support a precautionary approach to environmental protection and undertake initiatives to promote greater environmental responsibility. It is necessary to comply with all applicable laws and regulations relating to environmental protection. In addition, Fortum encourages its suppliers to initiate their own management systems that meet the requirements in question and to develop and promote environmentally-friendly technologies.

FORTUM is a Finnish energy company - one of the largest producers and distributors of electricity in the Nordic countries. It is also the fourth largest heat producer in the world. In Poland, Fortum is one of the leaders in heat and power industry, employing nearly 1,000 staff, mostly in 7 locations across the country. The CHP in Czeszochowa, which belongs to the company, is one of the most modern of its kind in this part of Europe. Apart from the production of electricity and heat from high-efficiency sources, Fortum is also a distributor of heat energy. The total length of district heating networks that belong to the company in Poland exceeds 700 kilometres.

More information: www.fortum.com



Photo 1

We operate in a fantastically complex environment, yet the fundamentals haven't changed. It's about giving the customer the right product at the right price. It's about understanding the human impulse. And it's about showing respect for the planet and its resources. Electrolux has never lost sight of what it means to be a great company and a good corporate citizen.

Keith McLoughlin, President & CEO Electrolux

SUSTAINABLE DEVELOPMENT

An important element of Electrolux's strategy is the idea of sustainable development and responsible approach to the company's operating environment. It translates into support for local communities and care for the natural environment, combined with educational initiatives which also involve the company's business partners.

"We think in the long term. We're aware that the natural resources can't be exploited faster than they're renewed. It's time to be responsible, now. And this requires a holistic approach across the company. An approach supported by our tradition of caring for the natural environment, which makes it possible to find solutions for the challenges posed by the 21st century," explains Adam Cich, General Manager, Electrolux Eastern Europe North.

In 2011, for the fifth time running Electrolux was listed among the world's top 10% companies covered by the Dow Jones Sustainability World Index, in appreciation of its comprehensive approach to the protection of natural resources, which involves both reducing their consumption in the production process and developing increasingly water and energy efficient appliances. While only 5 years ago, an average dishwasher consumed 22 litres of water per cycle, today the most efficient ones need only 12 litres. Hand washing the same quantity of dishes would require using about 50 litres of water.

Electrolux - involving business partners in social initiatives



Thinking of you
Electrolux

The company's involvement in the issue of drinking water consumption and its commitment to social education and aid programmes has resulted in the implementation of a joint cooperation programme conducted with the Polish Humanitarian Action (PAH). Building a drinkable water well in Sudan is an opportunity to improve the lives of thousands of people living in areas affected by drought, but also to raise our society's awareness of the problem of water shortage throughout the world. When opening the water tap, few people realize how valuable water is a natural resource. It is estimated that by 2025, nearly 3 billion people will have limited access to water and the average amount of available water per person will be reduced by one-third. We need to manage this resource reasonably by reducing its unnecessary consumption. Poland's water resources are in fact relatively poor, with regional water deficits i.a. in Upper Silesia, Kraków, Łódź or Szczecin.

COOPERATION BETWEEN ELECTROLUX AND THE POLISH HUMANITARIAN ACTION AS AN OPPORTUNITY FOR THE INVOLVEMENT OF BUSINESS PARTNERS IN A COMMON SUSTAINABLE DEVELOPMENT INITIATIVE

Since 2009, Electrolux has been contributing part of the income generated through the sale of water-efficient washing machines and dishwashers towards the construction of wells in South Sudan. Funds raised by Electrolux have already helped in the construction of 5 wells in Sudan: Kuer Gol, Zhuony II, Yuai Market, Pulhabil and Gewkol; these wells are used by approximately 5,000 people. The Polish Humanitarian Action is preparing to embark on the drilling of new wells shortly.

Electrolux's programme of cooperation with PAH has also involved the company's business partners – the owners and employees of appliance wholesale and retailer stores. As part of the "Oszczędzając – pomagasz" ("You help by saving") programme, Electrolux has published a number of information materials concerning the programme. Certain

appliances were marked with a special drop-shaped sticker - part of the income generated through their sale was transferred to PAH. The business partners' support proved of key importance, because information about Electrolux's involvement in the Water Campaign had to be visible primarily at sale outlets. Electrolux held a number of meetings and training sessions to present the ideas underlying the programme and supply point-of-sale promotional materials. A large number of sales people spontaneously declared their help and took a proactive approach to informing customers about the campaign.

Participation in the Water Campaign also provided an opportunity for educational activities. A press campaign, an Internet campaign and a special website were used as tools for raising public awareness about water conservation issues. It was important to emphasize the necessity to manage water resources in a rational manner and to suggest simple tips for reducing its consumption. Electrolux is the first appliance manufacturer in Poland to speak out about this problem and to initiate activities that contribute to changing our society's approach to this matter.

The "You help by saving" campaign has brought several results. First of all, supporting PAH contributed to ensuring a constant supply of drinkable water to over 5,000 people in South Sudan. The involvement of business partners in the campaign and obtaining their support for the initiative has not only led to an improved communication about the problem of drinking water consumption, but it has strengthened mutual relations. Furthermore, the cooperation with PAH allowed Electrolux to project the image of a company as a corporate citizen committed to social issues, taking an active approach to the major problems of the contemporary world and looking for future solutions.

The response of our business partners to the initiative supporting the PAH Water Campaign was amazing. Their sales staff spontaneously asked for information materials and helped attach the 'water drop' stickers to appliances. They also made sure that relevant information was available around their shop. Their commitment made it possible to raise additional funds for the construction of wells in Sudan. This cooperation has provided an additional advantage for us. Our business partners appreciated our responsible corporate citizen approach and, in turn, took a more favorable approach to all our appliances.

Adam Cich, General Manager, Electrolux Eastern Europe North

Photo 3



Photo 2

ELECTROLUX is a global leader in household appliances for professional use, selling more than 40 million products to customers in more than 150 markets every year. Electrolux products include refrigerators, dishwashers, washing machines, cookers, air-conditioners and small appliances such as vacuum cleaners representing a number of respected brands like Electrolux, AEG, Eureka and Frigidaire. The company's first Polish store was opened in 1923. Currently, Electrolux has 4 modern production facilities in Poland, Global Shared Service Centre in Kraków, a logistics center and the Finished Goods Warehouse. The Group's investments in Poland total over EUR 130 million, with some 3,600 new jobs created directly in the company and thousands more with over 160 Electrolux subcontractors.

More information: www.electrolux.pl

Photo 1. Since 2009, part of the revenue generated by Electrolux through the sale of washing machines and dishwashers is used for water well construction in Sudan.

Photo 2. The Sudanese travel many kilometers every day to get potable water. The situation of women and children is most difficult, as they are in charge of providing the household with water.

Photo 3. Every day, 6,000 Sudanese use the five water wells whose construction was financed by Electrolux.

Photos: Electrolux

Frohe – we respect our employees and business partners

We strive to put our customers first. Our day to day decisions are therefore based not only on the amount of costs that need to be covered, but also on our long-term vision and the analysis of long-term costs, which can appear if the appropriate actions are not undertaken. This strategy accounts for our focus on building and developing long-term relations with our customers, business partners and suppliers. Another aspect of this approach is the education of employees. Making the right decisions, especially in the times of recession and financial instability, is a challenge related to this approach. Today's managers are focused on quantitative and instant results. For this reason, in order to implement long-term business programmes, the company must recruit employees who understand the value of strong

relations with business partners. A great advantage of this approach is the trust of our business partners. They know that they can rely on Frohe, even when the times are tough.

FROHE specializes in all aspects of the production of plastics. The company is part of the Frohe Group, whose headquarters are located in Sweden. Frohe is a supplier of plastics manufactured for many industries: medical, agricultural, electronic, food processing and automotive.

More information: www.frohe.pl

H&M – responsibility at every stage of the supply chain

SUPPLY CHAIN AS THE CORE OF BUSINESS

H&M products are manufactured in approx. 1,650 factories, owned or subcontracted by one of the company's 750 suppliers. Cooperation with suppliers allows the company to promote good practices among all business partners in the supply chain. Respect for people and the environment is an essential part of H&M's values, and therefore it is ensured in everyday work that takes place all along the supply chain. All our first-tier suppliers sign our Code of Conduct before producing for H&M and we monitor their compliance with it. One supplier may own different factories. In some cases, suppliers may also subcontract other factories to perform certain tasks. However, all factories manufacturing for H&M, both directly contracted or subcontracted, must comply with our Code of Conduct.

H&M AUDIT PROGRAM (FULL AUDIT PROGRAM – FAP)

Apart from the Code of Conduct, suppliers are also subjected to H&M's Full Audit Program (FAP). The Full Audit Programme (FAP) is the main tool we use to monitor our suppliers' compliance with our Code of Conduct. It consists of systematic head audits and follow-up audits which are conducted by over 70 auditors based in our production offices in Europe and Asia. During such visits, our auditors are also interviewing employees to better evaluate working conditions and compliance with our Code of Conduct.

The company strives to ensure that its suppliers take more and more responsibility for providing good working conditions and environmental performance. H&M supports them in a number of ways, including the provision of training and capacity building programmes. The company also helps them develop and improve management systems that will ensure that business is conducted in accordance

with H&M's standards and to help avoid non-compliance on regular basis. This approach helps maintain long-term relationships with our business partners and triggers better collaboration with more educated and dedicated subcontractors, who care about their employees and the environment. The number of customers who are looking for companies that act ethically is also growing.

We believe that even though we do not own any of the factories that manufacture our products, we are a market leader in the fashion industry and thus should feel responsible for the practices that are common within the industry. However, implementing any practices, which require a change in people's attitudes or which are uncommon in a given culture, requires a lot of patience and one must be prepared for initial failures. Our key to success has always been creating a whole system of education and support for factory workers as well as audits for the factories' management teams. We have also defined a very clear procedure should our audits show a lack of compliance with H&M's standards.

Ewa Jarzemska, Sales Market East PR Manager, H&M

H&M is one of the world's biggest clothing companies. It owns a total of 2,700 stores on 48 markets. At H&M, our business concept is to provide the customer with fashion and quality at the best price. Sustainability is at the core of our quality concept and one of our corporate values.

More information: www.hm.com

Husqvarna Group – introduces CSR into the supply chain

Husqvarna Group products are distributed through an international sales network of sales points of the so-called dealing network. They are at the same time points of sale and technical servicing of the company's products. Cooperation with business partners in the distribution network is crucial for the success of the company and is one of the strategic CSR areas. The company has developed and implemented a sales structure based on the system of standards developed by Husqvarna Group.

LEGAL COOPERATION BASES

The scope of the dealers' network and the number of the company's suppliers and business partners require the creation of a cooperation framework and establishing standards that will ensure the company's strong competitive position. The Group has introduced a Code of Conduct updated in 2008. It applies to all suppliers and business partners and outlines principles which form the core of Husqvarna's business concept, such as respect for human rights. The Group Code of Conduct also lists supplier's practices which cannot be accepted by the Group. This document is supplemented by agreements concluded with suppliers and prepared by the Global Purchasing Division. Ensuring high standards of cooperation with the suppliers of the Husqvarna Group constitute the Division's main task.

VERIFICATION OF SUPPLIERS

In terms of cooperation, Husqvarna Group sets high standards for both its business partners and itself. The first step in the process of establishing cooperation is the selection of suppliers, which helps to evaluate the potential of the new suppliers. The company also carries out regular evaluations of its current suppliers, which is done through audits. When analyzing the services provided by a supplier, auditors take into consideration the matters of environmental protection and health and safety.

Audits are the tool of support for suppliers and enable the company to identify the shortcomings of their practices and to improve. On the other hand, they help the company maintain established standards in the supply chain and implement necessary modifications.

EDUCATION REGARDING THE STANDARDS

Husqvarna does not only set the standards, but also cares about their proper understanding and implementation among the suppliers. This is why training sessions regarding the applicable standards

and codes of conduct in a given company play such an important role in supply chain management and cooperation with business partners. The company carries out training for suppliers, including the suppliers from Asia. Husqvarna also provides the suppliers with information materials and makes sure that they are written in an accessible manner.

We need to remember that a systematic and structured dialogue with suppliers based on good practices, is of key importance. The manner in which these relations are built has an impact on how the final product is made, from which materials and on the basis of which principles. Good relationships with external subcontractors also contribute to improving internal processes.

Through observing other international standards, one can improve the process implementing good practices. It is a good manner in which to gain control and, furthermore, acquire the knowledge about other solutions which have already been implemented and of their results.

It is also important to regularly update the implemented processes in the supply chain, adapting to changes on the market and the needs of suppliers.

Cathrine Stjärnekull, Corporate Communications Manager,
Husqvarna Group

HUSQVARNA GROUP is an international manufacturer of outdoor electric appliances for professional garden care, forestry, as well as cutting equipment and diamond tools for the construction industry. The Group employs a total of approximately 15,000 staff in 32 production facilities located in 16 countries. The Group's products are sold via a retail network operating in over 100 countries.

More information: www.husqvarna.com.pl

IWAY Code of Conduct – IKEA 's way of doing business

FROM VISION TO IWAY

The IKEA vision is to “create a better everyday life for many people”. “Many people” means not only our customers. It also relates to our staff, people working at suppliers’ factories, local communities and other stakeholders. The company believes that IKEA business shall have an overall positive impact not only on people, but also the environment and therefore we have implemented a number of good practices that lead us towards our vision.

IKEA operates globally, and therefore the need for transparent and clear standards within the supply chain is of utmost importance. One of the good practices implemented in the IKEA supply chain is IWAY (The IKEA way on Purchasing Products, Materials and Services) which is the company’s Code of Conduct. IWAY defines and describes minimum requirements regarding Environment, Social and Working conditions that all IKEA suppliers should comply with. It includes the most important aspects for a complex global supply chain at retail branch: banning forced labour and child labour; banning discrimination; minimum wage for workers and compensation for overtime work; safe and healthy environment; responsibility for waste, emissions and chemicals, compliance with laws and regulations.

IKEA has not only introduced one of the world’s strictest codes of conducts, but also a very ambitious verification system. Based on fundamental values and principles of human rights, environmental protection, legal compliance, protection of disadvantaged people, the right to adequate compensation and decent working hours, IWAY requires suppliers to comply with requirements, but also encourages them to develop further. IWAY applies to all IKEA suppliers who, in turn, are responsible for ensuring that their sub-suppliers acknowledge, understand and accept the IWAY requirements.

IWAY PRINCIPLES

IWAY is followed up by audits conducted by IKEA and third parties. All IKEA suppliers have agreed to implement IWAY within a period of less than 12 months. Their compliance is verified through approval audits conducted at the end of the implementation period.

Globally, IKEA is on the way “to creating a better everyday life for many people” – such is the main benefit for the retailer. The share of IWAY-approved home furnishing suppliers has been steadily increasing and it reached 67% among all the suppliers in 2011. In the years to come, IKEA aims to reach the level of 100% IWAY-approved suppliers. Introducing IWAY helps to improve the working process and the environmental management in the factories of IKEA’s suppliers. IWAY

audits confirm that more and more companies in our supply chains comply with the requirements, which means that IKEA reduces negative environmental impacts and improves people’s lives. IKEA suppliers also notice the advantages; they are more responsible and competitive for other potential clients.

BENEFITS FROM INTRODUCING IWAY

The focus of the IWAY implementation process is to support and motivate suppliers to take more responsibility in order to ensure that their future development is sustainable and independent of IKEA’s presence. Since IWAY was introduced in 2000 by the IKEA Group, we have seen more than 170,000 examples of improvements in factories - all of them benefit workers or the environment. It has been observed that the number of work accidents, fires, cases of environmental pollution was reduced. This reflects a more stable and efficient production process, higher quality and lower product costs. Both sides benefit from it: the supplier is more competitive and IKEA can sell better products.

Many suppliers have also observed that investment in working conditions and the environment often result in an increased number of orders, an improved productivity and higher profitability, and thereby the company’s better competitiveness. IKEA has impacted the lives of thousands of people in its supply chain in a very positive way.

IWAY was launched in 2000 and since then it has been developed consequently in all of IKEA supply chains. Introducing IWAY onto the production floor was on many occasions met with skepticism of workers and the management, but after a constructive dialog with IKEA Sustainability Developers they understood that IWAY brings measurable benefits. Sharing good experiences, examples and solution as well as keeping a healthy relationship with the supplier are key factors of success in the implementation of an environmental and social system in own supply chain

Katarzyna Dulko-Gaszyna, Sustainability Manager, IKEA Retail

IKEA is a global brand associated primarily with the network of home furnishing stores. IKEA employs 154,000 people in 40 countries. The total value of sales in 338 of its stores, visited in 2012 by 776 million customers, amounted to EUR 27.5 billion. In Poland, IKEA has eight stores.

More information: www.ikea.com

ISS Facility Services – the concept of Green Cleaning

OBJECTIVES OF THE GREEN CLEANING CONCEPT

ISS Global, based in Copenhagen, has established a set of good practices for cleaning services. The aim of the Green Cleaning concept is to maximise the efficiency of machinery, chemicals and human resources while minimizing the impact on the natural environment.

ISS belongs to the International Facilities Management Association (IFMA). One of the projects carried out jointly by them consists in the provision of more environmentally-friendly cleaning services. The company has also published "Global Green Cleaning", which involved cooperation with other partners from the industry, such as DCS Enterprise LP and ISSA. Their involvement will allow to promote Green Cleaning among clients and, consequently, bring a number of financial and environmental benefits.

THE BENEFITS OF GREEN CLEANING

Both the company and its clients benefit from significant savings which result from the reduction of the amount of chemicals, energy and water. By decreasing resource consumption the company reduces the harmful impact on the natural environment.

The Green Cleaning concept is also interesting to building owners, from whom ISS clients rent office space. Many landlords seek to provide tempting lease deals by obtaining LEED or BREEM certification and the Green Cleaning concept is compliant with them.

Thanks to the Green Cleaning concept, ISS is in line with the standards and requirements of international corporations who are ISS Poland's strategic clients.

Many clients remain sceptical to Green Cleaning services due to the higher costs of the environmentally-friendly appliances (such as one-contact mops, mixing and dispensing solutions or water saving machines, which use significantly less water than their cheaper equivalents). Therefore, while implementing the Green Cleaning method, it is very important that the supplier knows the benefits of such practices and can present them to a potential client. It is also recommended to present the client with measurable results achieved by those who have already applied the Green Cleaning technology. These results include an improved state of floors, furniture and other equipment.

Mariusz Roguski, Director of Sales, ISS Facility Services Sp. z o.o.

ISS FACILITY SERVICES is part of the international ISS Group – one of the world's leading facility service companies. The company has been operating in Poland since 1995 and it employs approximately 3,000 staff. ISS's operation in Poland is focused on facility management. The company provides a wide range of cleaning support, property and catering services.

More information: www.pl.issworld.com

Kinnarps – making the supply chain green

OPTIMAL SOLUTIONS TO BENEFIT THE ENVIRONMENT

The goal of Kinnarps's environmental activities is long-term, sustainable development. The business aims to use the smallest possible amounts of resources and have the slightest possible environmental impact by constantly introducing new improvements. It is the joint responsibility and task of the management and all the employees to adhere to this policy. Kinnarps controls its entire business from start to finish, and therefore it is able to assume environmental responsibility at every stage and ensure that best practices are adhered to: from sourcing sustainable raw materials to developing greener production systems, and from reusing and recycling leftover materials in its factories to minimizing the carbon footprint of its deliveries. This complex approach is not only environmentally friendly but also practical and profitable for the company.

Kinnarps places tough demands on its suppliers. It is important for environmental and quality reasons that the company knows where the raw materials used in the production come from. All Kinnarps's timber supplies come from carefully monitored and certified forests and the company's close cooperation with the Forest Stewardship Council has led to the implementation of the Chain of Custody certification as a step towards assuring sustainable forestry. The process is slightly easier in the case of timber than wool, as a sheep obviously cannot be environmentally certified, but Kinnarps's chair upholstery does not contain any undesired chemicals. This is where Kinnarps's tough demands in relation to sheep come into play. For as usual, nature is smarter than chemistry – wool is naturally flame resistant, which is why it is used as much as possible.

HIGH STANDARDS OF COOPERATION AND JOINT DEVELOPMENT

This approach influences mostly the suppliers, but in Kinnarps's view it is beneficial for both the company and its suppliers. Meeting Kinnarps's requirements is sometimes seen by the suppliers as part of the internal quality control process, but the company believes that this approach leads to its suppliers maintaining high quality of products. However, Kinnarps does not only place demands, but also encourages environmental efforts by awarding the „Kinnarps Environment Prize“ to its suppliers. This award is much appreciated.

THE BIGGEST CHALLENGE IS TO BE CONSISTENT

Today, apart from business development activities, many companies devote considerable attention to values that take into account the environment, both social and natural. However, since we do not know what the future holds, one of the biggest challenges consists in remaining consistent in working for the benefit of the environment, regardless of the changing attitudes and trends.

Another important issue that must be addressed is the cooperation with suppliers and partners, both centrally and locally ones. It is really important for us that they adopt the same attitude towards the natural environment as the attitude that permeates our organization.

The great honor of being awarded the title of „Outstanding Green Supplier“ by the Swedish Environmental Management Council means that Kinnarps is the best choice when it comes to purchasing ecological office solutions, and that our products meet all the high quality standards that our clients expect of us today and will surely do so in the future. The title is not only an honor, but also an obligation, therefore Kinnarps faces challenges due to the constant and consistent development of environmentally-friendly products which will also respond to the dynamically changing needs of the clients, as well as set new trends in the field of office work solutions.

Aleksandra Krawsz, Marketing & PR Manager, Kinnarps Poland

KINNARPS is a Swedish family-owned enterprise with 70 years of history. Kinnarps provides interior workspace solutions for offices and public environments. High quality and low environmental impact mark the entire chain – from raw material to finished solutions.

More information: www.kinnarps.com

Klippan Safety Polska – the quality management system in the supply chain

QUALITY MANAGEMENT AS THE BASIS FOR COOPERATION

Apart from price and timely delivery, one of the most important criteria in the process of selecting a new supplier, is a quality management system or the willingness to implement one. Klippan Safety Polska is ISO/TS 16949:2002 and SS-EN ISO 14001-2004 certified. The selection of a supplier who has the same quality management system and, therefore, similar values, is a source of numerous advantages in everyday work:

- A serious approach to customers' requirements. When receiving an order, we are required to meet the customers' needs. All procedures taking place within the company are focused on processing the order and fulfilling obligations.
- Internal and external audits, thanks to their analysis as well as periodic reviews carried out by the management, companies ensure the quality of processed orders and the flow of procedures within the company.
- The use of customers' feedback – both positive and negative data is used to improve our products, services and procedures
- The continuous process of improving the organization by correcting, preventing and perfecting our activities.
- Eliminating internal inconsistencies and customers' complaints thanks to corrective and preventive procedures.

The condition that consists in implementing a management system has been met, even though contractors expressed their concerns, as they felt that the new terms of cooperation requires the generation of additional documents and costs. However, the example of Klippan Safety Polska confirmed the benefits of introducing an integrated quality management control system. ISO standards are based on the

experience of many companies, and therefore they contain many "common sense" practices. When implemented, an ISO norm benefits the company immediately. Therefore, with time, suppliers began to implement quality management systems or expressed their wish to introduce them.

Our contractors were hesitant about introducing standards which would destroy their established, everyday practices that had been used for a long time and were well-known among the staff. The concerns regarding compliance with difficult ISO norms are often unnecessary. ISO standards are based on the experience of many companies, and therefore they contain many "common sense" practices. Time has shown that we are dealing with serious business partners and our positive attitude has wiped out their concerns. The implemented systems are working well in these companies and will continue to do so in the future.

Monika Miroń, Purchasing Specialist,
Klippan Safety Polska Sp. z o.o.

KLIPPAN SAFETY POLSKA part of the Swedish Klippan Safety AB company, is a manufacturing plant producing accessories and components for the safety and comfort for both drivers and passengers. The company runs a factory located in the Stargard Industrial Park.

More information: www.klippan-safety.pl

Netto – Business Social Compliance Initiative (BSCI)

FROM VALUE TO BUSINESS SOCIAL COMPLIANCE INITIATIVE

Ethics and liability in business are one of Netto's core values. We keep this in mind about every day when dealing with our stakeholders: clients, employees, suppliers, subleases of commercial space and local communities. As a consequence, in 2007, we signed and implemented BSCI (Business Social Compliance Initiative) Code of Conduct, in which special emphasis is put on protecting human rights and respecting employees.

Every company which is a signatory of the BSCI is obligated to obey by social and environmental norms outlined therein. They are based on the conventions of International Labour Organization (ILO), on the Universal Declaration of Human Rights adopted by United Nations Organization, the UN Convention of Children's Rights and Elimination of Discrimination against Women, as well as the OECD guidelines for multinational companies and other international contracts.

Signatories must ensure that every company in the supply chain signs a declaration of acceptance of the rules of the Code. One of the declaration's most significant principles is the readiness to assess one's prosocial activities and to submit to audits conducted by Netto. Once in three months, we select five suppliers who are audited by independent experts. Thus, it can be examined who has observed the rules of the BSCI. Our colleagues from Dansk Supermarket are responsible for audit coordination.

Companies which implement the BSCI Code of Conduct meet up at international conferences organised annually to provide a platform for sharing experiences in the implementation of good practices.

During these meetings, special importance is paid to practical aspects of implementing the Code's rules. Participants discuss difficulties and problems that may occur when an organization decides to introduce such important changes. Signatories of the code have access to educational materials available in an electronic form.

THE BENEFITS OF IMPLEMENTING THE BSCI CODE OF CONDUCT IN THE SUPPLY CHAIN

The main advantage of implementing and following ethical principles throughout the supply chain is the possibility of creating long-lasting business partnerships. Mutual trust is fundamental in this process, but it requires that fair rules are followed by all cooperating companies.

This year, Polish suppliers awarded Netto in a special way by presenting the company with the prestigious „Retailer of the Year“ title in the category of discount stores. This is the only contest in Poland, which awards are granted not by the customer, but by suppliers and producers in the FMCG industry. 3,401 participants from 839 companies, who cooperate with retail chains were asked to participate in the survey (mainly owners and managers). They were asked to evaluate trade conditions of cooperation with a given company, and in particular the following aspects of it: cooperation during the business development phase, mutual development planning, strategy elaboration, relationships with other parts of the network, reliability, flexibility of supplies, terms and conditions of payment and prices.

Netto suppliers also take advantage of the company's responsible and ethical approach to cooperation. The support of an international company and a longstanding cooperation with an established European market player enables the suppliers to spread their wings. Netto is a tough negotiator, but always plays fair – this is the company's image among its suppliers. Living up to Netto's expectations gives them a chance to improve their range of products and enter foreign markets which, in many cases, they win over to become real tycoons in their sector.

From the very beginning, our presence on the Polish market was built on healthy and honest grounds. The signing of obligations that took the form of a Code of Conduct was a formality and, at the same time, our first step towards cooperation with Polish suppliers. Thanks to the support that we enjoy in Denmark, we can help our clients solve their problems. BSCI is more than just a declaration, formalities and audits. It is a continuous process of improvement involving all the participants of the supply chain.

Kent Fogh Petersen, General Manager, Netto Poland

NETTO is part of a Danish discount supermarket chain operating in several European countries. The company is owned by Dansk Supermarked A/S, which in turn is owned by A.P. Møller-Mærsk Gruppen and F. Salling Dansk. Netto operates 257 stores in Poland and the company is one of the largest employers in West Pomerania with 3,500 staff.

More information: www.netto.pl

Opodo Corporate Travel Poland – innovative client solutions through business partnerships

ENVIRONMENTAL PROTECTION IN BUSINESS TRAVEL

Opodo's aim is to enable customers to manage the environmental impact of their business travel. In order to do so, the company has been cooperating with a global developer of emission reduction projects and a trader of carbon credits, the Swedish Tricorona. The partnership allows Opodo to show its clients their impact on the natural environment in terms of CO₂ emissions generated through their business trips (flying, travelling by car and train, staying in hotels), as well as the costs of it and different options that allow to reduce this impact. Customers can offset emissions by participating in projects aimed at reducing pollution and suggested by Tricorona. The results of such compensatory measures are presented in the form of a report or directly on each invoice.

ENVIRONMENTAL BENEFITS THROUGH BUSINESS PARTNERSHIPS

Opodo aims to be an environmentally-friendly company, hence its cooperation with Tricorona aimed at encouraging its customers to organize business trips in a more sustainable manner. It can be done, for instance, by flying with airlines that have a new fleet of planes or choosing direct flights, as this limits the amount of CO₂ emissions due to fewer take-offs and landings.

Cooperation with Tricorona enables Opodo to provide its clients with valuable information on CO₂ emissions, as well as suggest specific solutions for business trips. Compensation-based solu-

tions are beneficial for both the company and the environment. The compensation cost for a flight from Warsaw to Stockholm is merely EUR 8.04 per passenger.

Making our customers aware of their carbon footprint wasn't hard. The challenge was to get these companies to compensate. Nevertheless, as an eco-friendly company we believe that this is the right course of action. In Scandinavian countries, the company's carbon footprint is presented in its annual report.

Marcin Ziniewicz, Head of Opodo Corporate Travel Poland

OPODO CORPORATE TRAVEL POLAND is an online travel agency for business clients. Using a set of Self-Booking Tool (flights, hotels, rental cars) and benefiting from lower service fees, customers are able to save up to 40 % on their total business travel expenditures, as compared to costs incurred when relying on services provided by traditional travel agencies. Opodo is part of ODIGEO, Europe's leading group of online travel agencies assisting 12 million travellers annually. Opodo Corporate Travel Poland is a representative of Swedish Travellink AB.

More information: www.opodocorporate.pl

Ragn-Sells Polska – the Nordic Walking ECO Routes

THE NORDIC WALKING ECO ROUTES – THE IDEA OF THE PROJECT

Peculiar as it may seem, Nordic Walking and comprehensive waste management have similar origins, namely the care and concern for people. Therefore, Rang-Sells decided that apart from its core business activity, which is disposal of waste and raw materials, it would also engage in actions closely related to the company's values. This is how the idea of the project was born. The project combines the promotion of active and healthy lifestyle with environmental education and raising of public awareness in this matter.

The Nordic Walking ECO Routes project is aimed at the creation of hiking trails and encompasses elements of environmental education on recycling issues in western Poland. Several governmental organizations, NGOs and its business partners, which have already proven to be socially responsible, have been invited to participate in the project. Rang-Sells wanted to show its proactiveness to the local community as a response to the growing popularity of active and outdoors leisure activities.

The project resulted in the creation of two routes, each with a different degree of difficulty and thematic billboards with maps showing the routes and providing useful information about waste segregation and recycling. Moreover, the project's website was created. Its users are provided with maps outlining marked hiking routes and information about waste recycling. The logos of Rang-Sells's project partners were also included. The project appealed to the local media and was covered by them.

ADVANTAGES OF THE COMPANY'S PRACTICE

The main challenge of the Nordic Walking ECO Routes project was the coordination of cooperation between Rang-Sells, its business partners, NGOs and, in particular, with governmental institutions. However, the involvement of different partners guaranteed the success of the project.

Another difficulty consisted in overcoming the stereotypes of hiking routes and marking them by organizations who were not authorised to do so, as well as combining tourism with environmental education. The main aim was the dissemination of knowledge on waste

segregation and recycling as a starting point for building environmental awareness of the local community. The project was covered by the local media, which resulted in a large amount of recycled materials collected during the ECO Picnic organized to celebrate the launch of the Nordic Walking ECO Routes.

The Nordic Walking ECO Routes project was directly linked to Rang-Sells core business and the company managed to build trust within the local community, which shall prove very useful in the future. The involvement of such partners as SE Bordnetze, Impulse, Holiday Inn, PGE Elektrociepłownia Gorzów and BANK GBS strengthened the co-operation and positively influenced the image of all partners, who showed their concern about the environment and the local community in which these companies operate.

We are the first company in western Poland to undertake a project based on the sense of responsibility for the education of our society in the field of environmental protection - and we were successful. As a company providing comprehensive waste management services, we shall strive to undertake new challenges and implement other CSR projects that will build confidence in the integrity and professionalism of Ragn-Sells.

Wiesław Ciepliński, Chairman of the Board,
Ragn-Sells Polska Sp. z o.o.

RAGN-SELLS POLSKA belongs to the Swedish Rang-Sells corporation, employing 2,800 staff and holding a fleet of over 1,700 specialized vehicles. The company provides comprehensive waste management and recycling solutions that can be adjusted according to the customers' needs.

More information: www.rangsells.pl

ROCKWOOL Group – the Group Sourcing and Procurement Policy as a solution to ensure efficiency of the supply chain and increase the company's overall market competitiveness

CREATING GSP (GROUP SOURCING AND PROCUREMENT)

In response to the growing expectations in relation to procurement role, over 2 years ago the Rockwool Group has established a global unit called the Group Sourcing and Procurement (GSP). It was also one of the steps in process of implementing of new strategy for the entire Group. Its long-term goal is to increase the company's overall competitiveness through global sourcing management.

GSP is an international group of managers, who negotiate terms and conditions with potential suppliers for the benefit of the Group. An organization like GSP is not only a tool for an economically effective business activity on the international level. It is also a platform for multicultural exchange of ideas and experiences. In the framework of GSP, multinational teams are created to deal with specific categories. The scope of their tasks includes not only the purchasing of raw materials, but also energy, spare parts and transport services. The Group maintains a coherent database of vendors, materials and specifications and it exercises over all the prices and the process of concluding agreements and contracts.

In 2011, the Rockwool Group's sourcing and procurement department introduced a supplier evaluation process. This process is supposed to further strengthen the Group's control over the suppliers of key raw materials, especially in relation to ISO and environmental certificates as well as the compliance with the Group's code of conduct for suppliers.

COMBINING THE BENEFITS OF GLOBAL PURCHASING WITH LOCAL NEEDS

The Group's biggest challenge was to ensure that the global approach of the Group's procurement strategies is in line with the needs of local purchase departments operating in different parts of the world to ensure that materials and services meet local requirements and standards. GSP provides guidelines, which are later implemented by local purchase departments. The international category managers select of suppliers, establish contract conditions and prices. Together with local organizations they evaluate and develop products and specifications, lead or participate in different procurement or sourcing projects. They create, implement and control the entire package of procurement strategies.

GSP KAM has the coordinating and supporting function and provides an umbrella for the activities of local companies. GSP KAM presents and explains the global outlook on procurement actions and also collects local feedback to share in the organization.

ADVANTAGES OF A CENTRALIZED PURCHASING SYSTEM

This flexible approach ensures much more than solely the best price. The system has allowed the Rockwool Group to optimize of the supply chain, minimize the level of uncertainty and secure the competitive and stable prices. GSP is building long term partnerships relations with suppliers and is getting the profit on it. Local purchase departments based on production plans activate orders, secure supplies, handle the claims and support success of daily activities. Procurement division in the Rockwool Group is a living organism with its passion for development and hunger of reaching the aims. "We set the bar very high but we surpass our goals anyway."

The Rockwool Group aims to reduce significantly energy consumption and CO₂ emissions. It also intends to build safer constructions which are at the core of our insulation solutions. Therefore, we constantly undertake many efforts to strengthen our relations with suppliers in order to ensure that the delivered products fulfil the highest standards set for the whole Group. Our advice to other companies is to set ambitious goals, re-evaluate your supply chain and purchasing processes and to always keep in mind both global and local perspective.

Tomasz Weber, PR Manager, Rockwool Poland

THE ROCKWOOL GROUP is the world's leading supplier of innovative products and systems based on stone wool, improving the environment and the quality of life for millions of people. The Group's operations have a main presence in Europe and is expanding production, sales and service activities to encompass North and South America and Asia. Together with a broad network of business partners, that the Group's products and systems will be able reach almost every corner of the globe.

More information: www.rockwool.pl

SAS Group – UN Global Compact and the SAS Code of Conduct in all major supplier contracts

CORPORATE PROCUREMENT POLICY - ASSUMPTIONS

The SAS Group corporate procurement policy ensures that the procurement processes include CSR issues. The General Terms of Conditions which are part of the contract include a paragraph outlining specific CSR requirements, reference to the UN Global Compact's 10 principles and the SAS's Code of Conduct - with clearly specified expectations.

Follow up cannot be done on all suppliers (thousands) or all products (about 100.000 only in 1 long haul aircraft) – so SAS has developed a method of selecting suppliers for evaluations. This method includes risk (country, specific products, bottleneck products) or spend (size/volume). The method was developed with good help from the “CSR compass”, which is an online tool that can help companies implement responsible supply chain management. The follow up is possible both electronically (included in all new tenders) and in a form of interview conducted during meetings.

BENEFITS FROM IMPLEMENTING THE SUPPLIERS ASSESSMENT METHOD

We gained better knowledge and understanding of the sustainability performance of our suppliers. Our policies and demands are better understood in order to promote good sustainability practices and compliance. The suppliers need to proof a structured sustainability work, such a proof could be for example a relevant certificate i.e. ISO or EMAS. The relationship with our suppliers has improved through a better and more pro-active dialogue. Thanks to that we are able to create a better “sustainable supplier map”.

GUIDELINES FOR COMPANIES CONSIDERING THE IMPLEMENTATION OF SUCH A PRACTICE

The key issue while taking a systemic approach to the cooperation with suppliers is to develop a method that enables to pick a realistic number of suppliers to work with among thousands of suppliers and consequently stick to that method.

Companies, which are thinking of implementing a similar method should focus on convincing the “contract owners” that this extra effort is a good insurance for them and they should submit the survey.

We are demanding towards our business partners, but we also expect a lot from ourselves. SAS Group's airline companies are the only ones in the world with both ISO 14001 and EMAS environmental certification. SAS aims to create responsible and sustainable air traffic growth while reducing environmental impact.

Wanda Brociek, General Manager,
Scandinavian Airlines System (SAS) Oddział w Polsce

THE SCANDINAVIAN AIRLINES SYSTEM (SAS) was established in 1946 as a consortium of the Danish, Norwegian and Swedish national airlines. The Group has been present in Poland since 1957. SAS operates flights to Scandinavia, Europe, Asia and the US. SAS airlines belong to the Star Alliance group and have the reputation of being Europe's most punctual airline.

More information: www.flysas.com/pl

VELUX – a sustainable supply chain

THE RULES OF THE SUSTAINABLE SUPPLY CHAIN IN VELUX

The VELUX Group promotes responsible business practices among its suppliers. Human rights, environmental standards and fair treatment are of utmost importance for the company. The Group only works with partners who share its commitment to responsible business practices.

All rules and requirements are outlined in the Code of Conduct for Suppliers, which is based on the Universal Declaration of Human Rights and the core labour conventions of the International Labour Organization. All VELUX's direct suppliers are required to sign it. Additionally, in 2011 the company introduced a new clause to all the contracts. According to it, all indirect suppliers must sign the Code as well.

VELUX also monitors compliance with the rules through audits and assessments. The audit programme includes both direct and indirect suppliers. In the case of non-compliance with the provisions of the Code of Conduct, the company takes corrective actions and helps its suppliers improve their performance. The company runs unannounced follow-up audits to check the implementation of the rules in question. In 2011, the company organised 7 audits in Poland, 3 of which were follow-up audits.

The sustainable supply chain in VELUX also includes the use of wood which comes solely from certified sources. It is the company's contribution to sustainable forest management and environmental protection, tackling climate change and protecting the rights of communities living around forests.

ADVANTAGES OF THE SUSTAINABLE SUPPLY CHAIN

Working only with those suppliers who abide by the provisions of the Code of Conduct is essential for maintaining the highest quality of VELUX's products. The most difficult part in the entire process was to persuade the suppliers that it is worth time and effort. Thus

VELUX focused on its tier-one, direct suppliers, as this was the area in which the company was most influential. By the end of 2011, 90% of them had signed the Code of Conduct. Subsequently, the company extended its policy onto indirect suppliers.

The Code of Conduct was also introduced to make the supply chain more efficient. The fair treatment of suppliers helps the company build long-term relationships with them. Those relations are based on trust, honesty and openness. It is also beneficial for the suppliers, who are encouraged to improve their procurement process and business methods.

The introduction of such rules is not easy. It requires determination and great patience, as it is a long-term process. There are two key factors that contribute to the success. Experience is the first one. A company that requires best practices from others should first and foremost implement them itself. The second aspect is continuous assistance. One should always offer support and advice to help suppliers improve their practices

Agnieszka Kamińska, PR Manager, VELUX Polska

VELUX is part of the VELUX Group and has been operating on the Polish market since 1989; its factories and sale outlets and offices employ a total of over 1,550 staff. The VELUX Group, which has manufacturing companies in 11 countries and offices in nearly 40 countries, is one of the strongest global brands in the building materials sector and employs approximately 10,000 staff worldwide. The company offers a wide range of roof windows and sun tunnels, roller shutters, installation products and thermal solar panels.

More information: www.velux.pl

III. Information about the partners of the project



The Scandinavian-Polish Chamber of Commerce (SPCC) is one of the biggest bilateral chambers in Poland; currently, it has more than 350 members. SPCC is an association established by and for business people having links to Scandinavia or interest in this region. The main office is located in Warsaw, and regional representatives are active in Poznań, Tricity, Kraków, Szczecin and Wrocław. SPCC offers its members a wide range of activities, such as networking business mixers, seminars, thematic branch committees, conferences and breakfast meetings with renowned personalities from the world of politics and economy.

Membership in SPCC offers not only networking opportunities with an elite group of high-performing managers of Nordic companies, but is also a way of finding inspiration for everyone who would like to expand their own business.



Fortum – Strategic Partner

Fortum is a Finnish energy company - one of the largest producers and distributors of electricity in the Nordic countries. It is also the fourth largest heat producer in the world. Apart from Finland, Sweden and Norway, our investments are also located in the Baltic countries, Poland and Russia. Fortum's investments combine to improve energy efficiency and reduce emissions. As a result, last year more than 85 percent of energy produced by the company in the European Union was free of carbon dioxide emissions.

In Poland, Fortum is one of the leaders in heat and power industry, employing nearly 1,000 people, mostly in 7 plants located throughout the country. The CHP in Czeszochowa, which belongs to the company, is one of the most modern of its kind in this part of Europe. Apart from the production of electricity and heat from high-efficiency sources, Fortum is also a distributor of heat. The total length of district heating networks held by the company in Poland exceeds 700 kilometers.



CSRinfo – Content Partner

CSRinfo is a company providing specialized educational and consultancy services in the field of Corporate Social Responsibility and sustainable development. In our business, we apply international norms and standards ensuring that our clients' objectives are met. Our know-how has on many occasions been used by the biggest Polish and international companies, institutions and organizations. We are amongst the first and longest-operating companies of this sector on the Polish market. Our consulting activities involve i.a. CSR analysis, comprehensive strategies, operational activities and CSR reports. We organise a number of educational activities and support worthwhile initiatives promoting CSR and sustainable development. Our main contribution to the development of CSR issues is our website for responsible business and sustainable development.



Electrolux - Partner

Electrolux is a global leader in household and appliances for professional use, selling more than 40 million products to customers in more than 150 markets every year. The company focuses on innovative solutions that are thoughtfully designed, based on extensive consumer insight, in order to meet the real needs of consumers and professionals. Electrolux products include refrigerators, dishwashers, washing machines, cookers, air-conditioners and small appliances such as vacuum cleaners, representing a number of respected brands like Electrolux, AEG, Eureka and Frigidaire. In 2011, the value of Electrolux's sales reached SEK 102 billion and the company had 58,000 employees.

Electrolux products are well known and appreciated in Poland. The company's first Polish store opened in 1923 in Warsaw, on Krakowskie Przedmieście Street. Ever since, Electrolux appliances have been a permanent fixture in Polish homes. In 1992, the first sales office was set up in Warsaw. Between 2000 and 2006, Electrolux built 4 modern factories in Poland: the dryer factory in Siewierz, the washing machine factory in Oława, the dishwasher factory in Żarów, and the cooker and oven factory in Świdnica, as well as the Global Shared Service Centre in Kraków, the Logistics Centre in Oława, and the Finished Goods Warehouse in Pruszków. The Group's investments in Poland total over EUR 130 million with some 3,600 new jobs created directly in the company and thousands more with over 160 Electrolux subcontractors.



SPCC PATRONS:

ARPI Bank DnB NORD

Danske Bank

descom

ELTEL networks

GREENCARRIER

Handelsbanken

itella

Nordea

onninen

Radisson BLU
CENTRUM HOTEL WARSAW

SEB

STATOIL

VOLVO
Volvo Trucks