

**UNIDO Project**  
**“Development of a Corporate Social  
Responsibility Concept  
in Croatia”**

**Sofia**

**June 12 – 13, 2007**

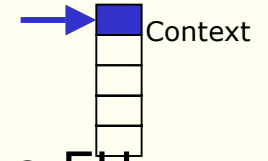
**Ms. Morana Belamarić Šaravanja**  
**Croatian Cleaner Production Centre**

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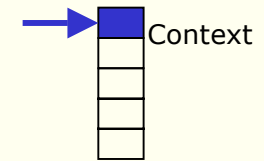


## Context

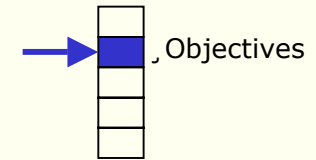


- Croatia – process of stabilisation and accession to the EU



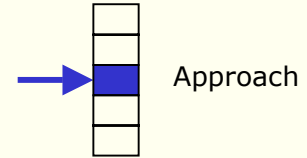


- Urgent need to:
  - Investigate already applied practices
  - Further develop and promote CSR concept in Croatia
  - Assist and guide companies in meeting social and environmental requirements
  - Develop a comprehensive approach
- Agreement on “*Development of Corporate Social Responsibility*” signed by UNIDO and Ministry of Economy, Labor and Entrepreneurship in April 2004.



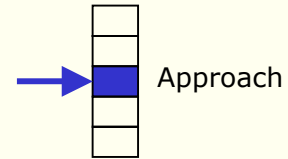
# Objectives

- To generate the evidence that the CSR concept can have a positive impact on businesses
- To build the necessary CSR-related capacity in the country
- To assist in the development of a strong, export-oriented SME sector, able to meet the environmental and social requirements of international customers
- To facilitate the preparation of a Croatian business agenda for CSR in partnership with public and private sector institutions and enterprises.



## Project Approach

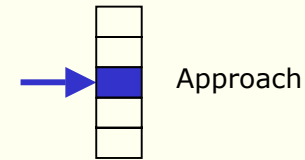
- Building capacity on CSR, its benefits, and its application
- Practical work with SMEs
  - Building up the business case for SMEs
  - Teaching and training
- Policy promotion
  - Building consensus by installing a public-private partnership dialogue
  - Promoting public policies in line with CSR practices



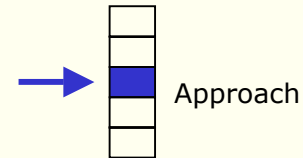
Project activities in three groups:

1. The Assessment Phase
2. The policy and instruments - building phase
3. The CSR cases – building phase

## Assessment phase



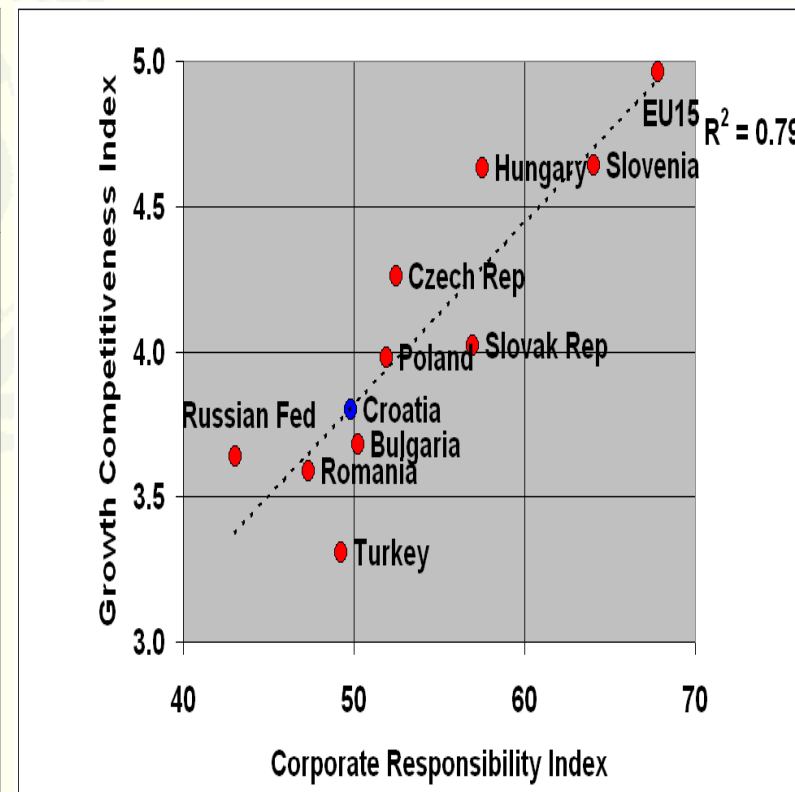
- Few assessments were carried out and some existing used to:
  - Provide an overview of the status in the Country in terms of CSR
  - Identify target areas to focus on
  - Responsible Competitiveness Index (RCI) was recalculated included Croatia and other SEE countries



## Assessment phase

- Croatia ranked 7th out of 10 peer countries in terms of corporate responsibility

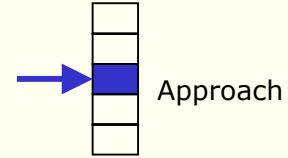
For Croatia, strong points in the RCI study included:	Less strong points identified in the RCI study further included:
<ul style="list-style-type: none"> <li>• Good workplace safety, employment laws and training;</li> <li>• Reasonable engagement with civil society;</li> <li>• Good contributions to public finance through corporate tax.</li> </ul>	<ul style="list-style-type: none"> <li>• Problems with business ethics and corruption;</li> <li>• Difficulties with public policy formulation;</li> <li>• A limited uptake of Environmental Management Systems.</li> </ul>



## Policy and instruments building phase → Approach

- Multi-sector interactive workshop in November 2004 - on how to develop comprehensive policy framework for responsible business
- participation of the main national stakeholders
- Role of the Government:
  - Creating an enabling environment for responsible competitiveness.
  - Promoting CSR good practises and,
  - Using CSR as a mechanism to achieve specific public policy goals.
  - This can be achieved through:
    - mandating (legislation/standards),
    - facilitating (incentives, platforms, etc.)
    - endorsing (approval of private sector initiatives)
    - partnering (multi-sector)

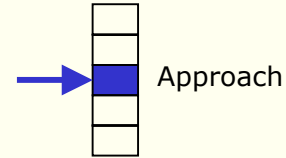
## CSR cases-building phase



- Demonstration examples in selected pilot companies
- 4 selected companies:
  1. KIO KERAMIKA – ceramic tiles producer
  2. LURA d.d., Tvornica Sirela – diary
  3. PPM d.o.o., Čakovec – metal industry
  4. SIPRO d.d., Umag – chemical industry



## CSR cases-building phase



### TBL (Triple Bottom Line) Approach

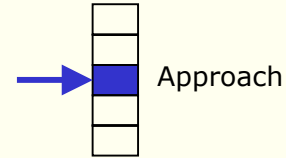
The methodology combines the application of tools in three main areas:

***Productivity:*** organization and management of the workplace

***Social:*** enhancement of labor standards, working conditions, health and safety, freedom of association

***Environment:*** use of resources, waste/emission reduction

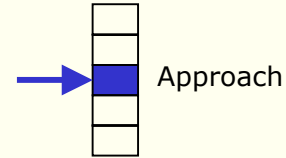
Formation of training material and a learning model



## CSR cases-building phase

- **Project input**
  - Seminar, coaching, materials
- **Situation assessment**
  - Survey, shop floor visits
- **Identification of potential areas of intervention**
  - Establishment of priorities
  - Implementation of concrete measures in all three areas
- **Impact review**
  - Definition of performance indicators
  - Documentation of performance indicators - REAP software

# CSR cases-building phase

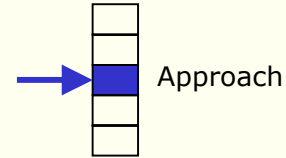


## Performance indicators I

1 Productivity performance indicators												
Indicator	Calculation	Data 01/2004- 12/2004	Data 01/2005- 04/2005	Initial project data (05 2005)			Control data (11 2005)					
				Company level	Dept/ prod. line 1	Dept/ prod. line 2	Dept/ prod. line 3	Company level	Dept/ prod. line 1	Dept/ prod. line 2	Dept/ prod. line 3	

- **Productivity** (customer complaints, rejection)
- **Delivery performance** (delivery performance)
- **Equipment breakdown** (frequency, hours)
- **Production** (output performance)
- **Set up change over** (set up change over time)

# CSR cases-building phase

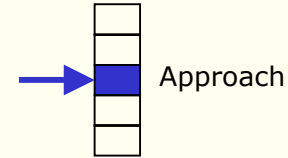


## Performance indicators II

2 Social performance indicators											
Indicator	Calculation	Data	Data	Initial data (05 2005)			Control data (11 2005)				
		01/2004-12/2004	01/2005-04/2005	Company level	Dept/ prod. line 1	Dept/ prod. line 2	Dept/ prod. line 3	Company level	Dept/ prod. line 1	Dept/ prod. line 2	Dept/ prod. line 3

- **Stability** (working days lost, labour turnover)
- **Wages / hours** (minimum salary, over-time)
- **Accidents / sickness** (accident incidence...)
- **Workplace** (level of heat, noise, dust)
- **Satisfaction** (5 questionnaire questions)

# CSR cases-building phase

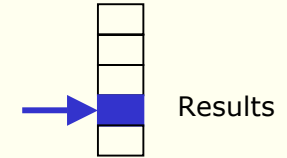


## Performance indicators III

3 Environmental performance indicators												
Indicator	Calculation	Data	Data	Initial data (05 2005)			Control data (11 2005)					
		01/2004-12/2004	01/2005-04/2005	Company level	Dept/ prod. line 1	Dept/ prod. line 2	Dept/ prod. line 3	Company level	Dept/ prod. line 1	Dept/ prod. line 2	Dept/ prod. line 3	

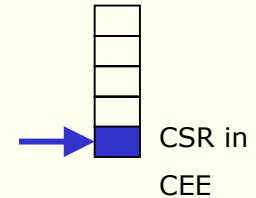
- **Energy use** (electrical efficiency)
- **Water use** (fresh water, re-use)
- **Waste water** (BOD, COD, TSS)
- **Solid waste** (total, hazardous)
- **Air quality** (VOC, odour)

## Results



- Company level
  - Enhanced understanding of CSR/TBL approach
  - Implementation of concrete measures
  - Establishment of supporting processes
- CPC capacity building
  - Expansion of expertise field to productivity and social domains
  - Methodology development
- Policy support for CSR initiatives
  - First steps to definition of CSR support tool
  - Regional dialogue initiated

## CSR in Central and Eastern Europe



- Expanding the CSR programme to other countries in the region
- Regional Forum on CSR in Zagreb (March 2006)
  - Political leaders, business executives and experts from the region
  - To discuss policy and company intervention in the field of CSR
  - Presentation of the Croatian CSR project
  - To explore possibilities for the extension of the CSR concept to other countries
- Recommendation for setting up a Regional CSR Centre as a platform for experiences and information on best practices

**THANK YOU VERY MUCH FOR YOUR  
ATTENTION!**

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