

**GAIN CONFERENCE 2009**  
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## **CORPORATE SOCIAL RESPONSIBILITY**

**Presented by Paul Cooper, Managing Director,  
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# Corporate Social Responsibility Talk

Ladies, gentleman and distinguished guests, it is with great pleasure that I stand here before you today to discuss an area which is very close to my heart.

CSR, contrary to popular opinion, has in fact been around for decades, with many companies demonstrating ethical business practices, a desire to preserve scarce resources, and to put something back into society. Notable examples being The Cooperative, Rowntrees and John Lewis partnership.

Today, however, it is much more openly discussed and promoted and it is a field which now has its own currency.

For many, CSR still has a certain mystique about it, so in my presentation I will try and demystify some of the misconceptions and highlight those areas in which CSR is best placed to make a difference, and as you will see Corporate Social Responsibility could equally stand for common sense really!

I think it's worth starting out by stating what CSR isn't, as people will have some preconceived ideas.

It is not just about:

- Charitable donations
- Environmental activities or
- Sustainable development (development that meets the needs of the present without compromising the ability of future generations to meet their own needs)

It is in fact all of these and more. CSR considers the impact (both positive and negative) of your business on the world and the people who live within it.

Thus, CSR does consider

- The direct impact of your business on its people and the planet
- The impact of your suppliers on people and the planet, ie choosing suppliers carefully and ensuring that they share your commitment to environmental protection and social responsibility
- The impact of your business on customers (particularly vulnerable customers and the elderly)
- The impact of your business on the rest of the world – from your local community through to global pollution etc

There are many and increasing benefits from adopting a CSR approach to your business and many organisations are finding genuine cost benefit analysis in taking such an approach.

I would like to highlight just a few of these for consideration:

- Saving money – through reductions in energy costs, waste costs, water-saving, better and more involved management practices
- Attracting customers – According to a Mori Poll in 2005, potentially a third of people in the UK say that companies' responsibility is very important to them in making their purchasing decision

- Staff recruitment and retention – According to research carried out by BT, 44% of young professionals would avoid working for a company that showed poor social responsibility, whilst one third of respondents said that working for a responsible employer was more important to them than the salary they earned
- A good reputation makes it easier to both attract and retain staff thus reducing the costs and disruption of recruitment and retraining
- Evidence suggests that employees are better motivated and more productive in companies which exhibit good CSR credentials and in this regard
- Eaga are an excellent example of this, as are various other companies who have been recognised in the Sunday Times best 100 companies to work for recipients
- CSR helps to address, and in many cases predict legislative changes for example Climate Change legislation, waste management, health & safety etc
- Future sustainability – the cost of climatic change and resources becoming scarcer reduces the sustainability of business and according to the recent Stern Report, the economic cost of failing to act could approach \$4 trillion by the end of this century
- And finally, it's the right thing to do

do we have the right to have anything at the expense of future generations???

According to Prince Charles we have 100 months in which to save the planet. He may well be right and clearly is deeply concerned at what he sees happening in terms of climate change, social deprivation, disappearing rain forests and so on. A documentary was screened on the Prince last November which gave a really good insight into his life and his work. I was somewhat amazed as to just how much he is doing to try and mobilize commerce and industry to take their responsibilities far more seriously.

Al Gore, in his film 'An Inconvenient Truth' superbly illustrates both the problems and the potential solutions to dealing with climate change. He too, lays much of the responsibility on industry in terms of not grasping the devastating consequences of a 'business as usual' scenario.

In this country, all political parties are unanimous in accepting that human induced climate change is a real threat to the future of mankind, and as such, we can expect to see increasing amounts of legislation designed to punish those companies who are not taking their responsibilities seriously enough.

So, from an industry perspective, is CSR something that GAIN Members should be engaging with?

I strongly believe that it is and I also believe that we already are taking steps to build on this. We fully recognise that we are in the 'environmental business field' We recognise that Eaga as one of our key clients is firmly committed to the CSR agenda and it is not unreasonable for them to want to work with a contractor base which is also committed to the principles and philosophy, and the latest PQQ certainly highlighted many new areas that are linked with their commitment

Organisations involved with GAIN have already committed themselves to raising corporate standards throughout their industry. Only companies who have attained an international qualitative standard can boast full membership of the association

As mentioned in the introduction, we are also working with the Office of Fair Trading to develop a consumer best practice code, and of course, all the clients we work with under the Warm Front scheme are vulnerable clients who need the confidence and reassurance of having work undertaken by high quality and customer focussed businesses

Is there more we could do as an association – yes of course and this will be the subject of further strategic discussions with the membership as a means of both differentiation and adding value

Finally, I would like to share with you some of the activities which my own company has been involved with over the past 14 years, and an indication of how we are now ‘raising the bar’ in aiming to become a leading light in our industry in terms of CSR

Home Insulation Services is now an employee-owned organisation with circa 200 staff. It operates from an HQ in Kirkham, with subsidiary offices and depots in Preston, Tipton – West Midlands, and Bridgwater in Somerset. It provides a full range of insulation and heating services and has ambitions to expand further within the UK marketplace

Fourteen years ago, when I first joined the business on a full-time basis it was purely a privately owned insulation company and virtually all it’s work was undertaken for Eaga under the then Home Energy Efficiency Scheme.

At that time, it was becoming increasingly important to have good relationships with local authorities as a way of promoting the benefits of insulation. However, the general consensus of

local authority staff (and I think in fairness to some extent Eaga itself) was that the industry was tarred with the cowboy operator's brush and it was clear a lot of work would be needed to change attitudes and beliefs as this perception was pretty well entrenched

Having worked in the public sector at fairly senior levels myself, I was well aware of the need to provide reassurance to such bodies and I considered the best way to achieve this was to acquire international accreditations relevant to our activities that would clearly demonstrate a professional approach

In 1996, we commenced what has become known as a 'journey to excellence' and during an eight year period we attained 6 international accreditations covering quality, environmental management, people management, health and safety management, business excellence and advanced gas safety recognition. Our journey continues and this year we will be adding further international awards to our portfolio

I think it's worth noting also, that in terms of environmental management, we achieved ISO 14001 ten years ago this year and have been successfully reassessed against this standard every year since. This year we've also committed to a new initiative called Carbon Action where we will be carbon-footprinting our business and setting standards for further environmental improvement.

Such awards and recognition are certainly a part of CSR but there are many other ways that we are developing our interest in this particular field. These include:

- Delivering energy efficient products due to the very nature of our business

- Encouraging all our staff to have a good knowledge and understanding of environmental issues
- Raising funds for a variety of charitable organisations which have included Save the Children and Donna's Dream House a superb facility in Blackpool which offers free holidays to families with terminally ill children. Not only did we raise funds for this charity, we as a company also donated materials and our staff donated their labour such that we could install insulation in their buildings, making them more comfortable for residents
- Sponsoring a variety of individuals and organisations who need our help, and most recently an under 7 football team in Blackpool and a ladies rounders team in Somerset
- Taking a significant role in the Flowe project which Michael Jack referred to earlier in his speech
- Solely sponsoring a Schools Initiative involving a charitable organisation which promotes both social inclusion and energy efficiency champions in primary schools across Lancashire. To date we have visited over 40 such schools and have had excellent feedback from students, parents and teachers alike
- Delivering CSR presentations to the wider business community across the North West to help raise the profile of ethical business practices and the direct benefit to organisations who do get involved
- Hosting university and school placements on an annual basis to give individuals an opportunity of genuine work and consultancy experience

- Encouraging and supporting members of staff who wish to engage in voluntary or public positions, such as JP, Children's Panel and Special Constabulary
- Working in partnership with our key stakeholders to provide innovation and inspiration where it is required
- Fully participating in trade associations and other support organisations to help raise standards across the industry

Earlier this year we have appointed an external specialist agency in CSR called Media 4 Change. They have worked with many blue chip organisations to help develop and deliver impressive CSR strategies (including Manchester City Football Club).

I am really delighted that they have chosen HiS to be the first SME organisation with whom they will work.

I am convinced that much remains to be done in the CSR field and we are all but scratching the surface of what is truly possible. With their help, I now anticipate accelerated progress towards us becoming a 'beacon' in the application and deployment of policies and strategies and a huge amount of employee participation and pride in all that we do.

CSR also impacts on my private life and last year when I proposed to my fiancée, I chose the foot of a receding glacier in Norway in which to get down on bended knee! You'll all of heard of frozen ice caps but few of you will have heard the term frozen kneecaps!

Ladies, gentlemen and distinguished guests, I started my presentation with CSR and I should like to finish it with CSR where this time CSR stands for

Cooper's Special request!

Whatever business or organisation you represent here today, I am sure you are proud of it and of what you do. Pursuing a structured CSR strategy and mobilising the energy and enthusiasm of your colleagues and peers to do even more is a really wonderful thing.

Every journey starts with a single step and I would ask you all to consider stepping up to the plate to make your organisation even better than it is today and if you do that, I can promise you everyone will benefit!

Thank you all for your undivided attention

Would anyone like to ask the first question?