

# UNCOVERING HIDDEN KNOW-HOW

The subject of CSR has become a very important topic at our company, which is the world's leading machine manufacturer for the rubber processing industry. However, this came as no surprise, as manufacturers from many industries have been focusing intently on CSR certification for quite some time now. This involves – in the broadest possible sense – efficiency, sustainability, and the documentation of every imaginable procedure in the company, including quality concerns.

By Harburg-Freudenberger

Against that complex background, the responsibility for the CSR project of Harburg-Freudenberger (HF) was assigned to the HF quality manager. The aim of the project was to use a sophisticated questionnaire to acquire truthful answers to questions concerning the four main topics of environment, work practices, fair business relationships, and sustainable procurement, in addition to a few general aspects. As a company, we were simply not prepared for these kinds of questions.

The list of questions was available on a data cloud offered by a service provider, and an account for HF was set up. It soon became clear that HF had already been complying with many of the requirements for several years. How was that possible? Because those procedures had proven themselves to be effective, and because they are efficient and serve to maintain or enhance quality. However, this had not been documented, which was precisely one of the core elements of the audit. There was no point in searching for any records.

The situation was both simple and commonplace: Information that has not been documented cannot be found. Even the

detailed knowledge of experienced employees revealed no hidden information.

Meticulous preparation and thorough procedures were the order of the day. To understand what that really means, it is helpful to glance through the shelf of overstuffed ring binders in the quality manager's office. They contain background



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information, standards, and regulations, as well as explanations for hundreds of acronyms and abbreviations encountered in connection with the certification requests. Working in highly exacting detail, the employees started from the basics to develop the required skills and knowledge.

One positive effect is that audits like this one play a significant role in enabling companies such as HF to assume overall corporate responsibility. Corporate social responsibility is the term used in professional circles. It encompasses trading on the market, ecological aspects, employee relations (workplace), and interactions with relevant stakeholders and interest groups.

Transposed to the list of questions compiled by the service provider, these thematic elements are categorized under environment, work practices, fair business practices, and sustainable procurement. Questionnaires like this one are primarily used by automotive groups and their suppliers to scrutinize service providers and companies involved in the value creation chain in order to ensure consistent compliance in the four thematic areas. The required depth in terms of content goes well beyond quality assurance. HF had to indicate whether it pursues an active policy relating to work practices and human rights, for example, and whether it has implemented measures to prevent discrimination, child labor, and forced labor. These measures are documented in, among other places, the sustainabil-

ity report and a code of conduct, which regulates the areas of ethics and integrity.

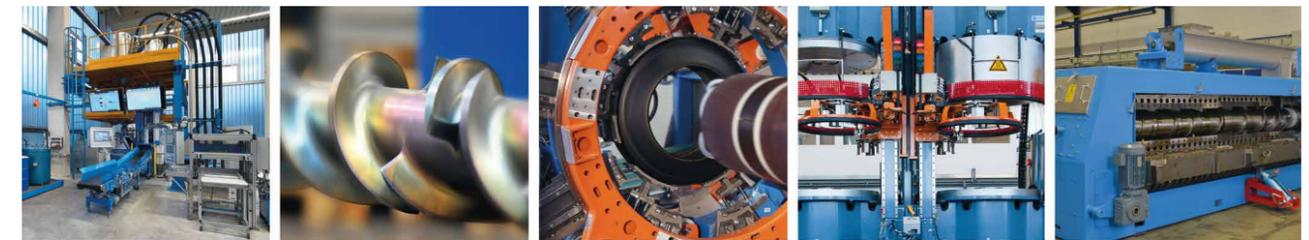
In the meantime, many other things have also been established for the record and are now subject to continuous documentation. This applies to the area of health management, for example, and to the social commitment of HF. The volume of information required surprised even veteran HF employees. As a result, it was soon clear that a crack team was needed to perform this complex task. A team of

regarding the consumption of fossil fuel-based energies. We knew how much heating oil, electricity, and gas we consume, of course. However, as is so often the case, the devil was in the details. No one knew exactly which users were consuming how much of that energy. That has changed. As a result of the customer audit, HF is now able to list energy consumption by user.

Certification according to ISO 50001 documents the changes in the company. The energy management system records and

engage in active environmental protection, the conservation of resources, and continuous improvement processes using the “plan – do – check – act” method.

Things that some might presume to be self-evident are also regulated. The code of conduct takes a clear position regarding fair business practices. Corruption, fraud, money laundering, and other anticompetitive practices are unequivocally rejected. It requires employees to protect the privacy of individuals, as well as the



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six employees took on the job. Together they brought the project to a successful conclusion. According to comparative data from the service provider, our results placed us in the top ranks among the other suppliers in all categories, and we led the pack in the environment category.

All that effort has paid off and we have become a more effective company. The service provider's seemingly unquenchable thirst for information often stretched the team to its limits. In the environment category, for example, more detailed data about CO<sub>2</sub> emissions at the HF Group's Freudenberger site was available, but not in the required form. The same was true

evaluates the energy-related processes. That helps the company track down the savings potential, which then leads to concrete measures for reducing energy consumption. The new requirements are now implemented so consistently that even the consumption of individual radiators will be recorded in the future. In combination with the sustainable reinforcement of our employees' energy awareness, the energy management system has become a key component of our effort to improve competitiveness. Parallel to this, HF has enhanced its corporate sustainability through the implementation of its environmental management system according to ISO 14001. It obliges the company to

data of consumers and customers. Room for interpretation? None.

The cumulative experience with CSR – and especially the far-reaching effects of customer certification – continue to have an impact. Already during the 2015 financial year, HF decided to issue an informal request and encourage its suppliers to undertake CSR activities of their own. This was to determine which activities have already been implemented in the respective companies, and where they have outperformed minimum statutory requirements. Our aim is to establish uniform standards along the entire value creation chain. ■