

CSR and sustainability

CSR at a glance (see pages 22-23) showed us that the concept taken to its logical conclusion is not just about offering good working conditions for employees, but a fundamental approach to business that encompasses a totally responsible approach in every facet of management such that the enterprise operates to the benefit of society and the environment as a whole, as well as its customers and shareholders. This is a complex task for any organisation and, needless to say, the larger it is and the more global its operations, the more complex it becomes.

There are bigger companies, not least in the global footwear industry, but American & Efir, to give one example of an organisation with a keen focus on CSR, is one of the largest producers of industrial sewing threads in the world. It has primary spinning, dyeing and winding facilities in the US, China and India. The final product is then supplied to customers through 76 distribution points in 41 countries spread right across the world.

The company has been in business since 1891 and its senior management has pursued best practice in environmental management and health and safety in its own operations and in those of business partners and suppliers for years. It has done so with some success as witnessed by the number of Environmental Health and Safety (EHS) awards it has garnered.

A&E's CSR and sustainability policy breaks down into a number of separate headings or (appropriately) 'threads' to provide a multifaceted approach to environmental stewardship that includes regular monitoring, analysis and improvement. The company publishes an annual sustainability report covering each of these threads; it is available for anyone to read.

GLOBAL CARBON FOOTPRINT

All large manufacturing organisations are capable of producing a substantial carbon footprint. Like many such companies, A&E recognises this and



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has been working for some time to reduce greenhouse gas emissions, benchmarking the progress made. Fuel burning and power consumption both contribute to greenhouse gas. In the six years to the end of 2011, the company effectively reduced overall emissions of greenhouse gases (GHG) by over 9%.

To ensure consistency of measurement, the Climate Registry's General Reporting Protocol (GRP) is used. There are significant variations in the technology and fuels used to

generate electricity in different parts of the world, so these are identified and a measurement of emissions is taken at each manufacturing plant. This not only provides an accurate overall picture but also pinpoints plants that require further action to be taken. A&E uses this type of information when considering engineering protocols, equipment specifications and emerging technology with the express purpose of upgrading systems and further reducing harmful emissions.

WATER CONSERVATION

Thread manufacture entails extensive use of water particularly at the dyeing stage, so A&E makes every effort to reduce consumption of this valuable resource. Worldwide, it has managed to save more than 2.1 million cubic metres of water in the past six years. This 16.8% improvement in water conservation is a direct result of technological advances such as stand-wash rather than running-wash processing and lower liquor ratio dye machines.

Rainwater harvesting has proved particularly valuable, with rainwater being collected and reused. All four A&E plants in India have such systems and this year has seen them installed in Sri Lanka, Bangladesh and in Europe.

Another system for conserving water is the zero liquid discharge plant now operating at Perundari, India. This uses a biological system to treat water that has been used in the manufacturing process. It is then filtered to remove all suspended material and pre-treated before going through a reverse osmosis process to remove any organic colour. The quality of 93% of this treated water is in fact better than locally purchased city water. The remaining 7% of this water is passed through a series of evaporators as part of an energy-saving process, after which any residual solids are removed and responsibly disposed of.

To give some idea of the amount of water the company is now saving per year, it is equivalent to the volume used by 15.5 million people in India in one day, based on an average of 135 litres each. In Bangladesh, where daily usage is 46 litres, it would be what 46 million people use.

ENERGY CONSERVATION

During the 1970s, the global oil supply was interrupted and the industrialised world faced an energy crisis. A&E quickly realised that what had happened once could well happen again and that it must therefore curb a heavy reliance on energy. It expanded its existing sustainability policy to include an energy-reduction programme which has continued to this day. From 2006 to 2011, electricity consumption fell by 2.1% to continue an ongoing overall downward pattern.

Major projects such as heat-recovery from hot dye house wastewater and high-efficiency lighting have also



Reverse osmosis is a key element in the zero liquid discharge plant at Perundurai in India.

CREDIT: AMERICAN & EFIRD

contributed to ongoing energy savings and over the past six years 85 million kilowatt-hours of electricity have been saved. Put into perspective, this is equivalent to the yearly amount consumed by close to 8,000 US families of four using around 10,656 kilowatt hours per year. In Europe, where the annual family usage rate is lower, this would be sufficient for over 18,000 families.

SUSTAINABLE PACKAGING

Reducing packaging while at the same time continuing to protect product quality and consumer safety is another area covered. The use of recycled materials whenever possible has enabled A&E to conserve natural resources as well as divert waste from landfills and incinerators. It follows the Outdoor Industry Association (OIA) Eco-Index Packaging Guidelines for measurement purposes as the standards set reflect best management practices in product design to minimise environmental impact and promote manufacturing efficiency.

RECYCLING AND WASTE REDUCTION

A&E set itself a target for 2012 of zero waste to landfill in the US. It has not dropped below 90% for the amount of waste it recycles since the turn of the millennium and is now close to the target. Its efforts in this area have yielded a further useful pay-off as they have also helped further reduce the company's carbon footprint by lowering CO₂ emissions.

It also helps its customers achieve their sustainability goals through its recycling programme. For anyone needing assistance in recycling the plastic cones and spools on which the threads are wound, the company has for a long time collected and ground the empties, and ensured the resulting granules are sent to a certified recycling facility for reuse in producing black thread cones and other products.

ECO-DRIVEN PRODUCTS

A&E also makes every effort to reduce the life cycle impact of its products including environmental, health and safety risks by adhering to the strict guidelines on all fibres, dyes, chemicals and lubricants used worldwide in the manufacture of thread. This entails constant monitoring for the latest updates on substances that could potentially damage the environment, have restricted use or are banned. The company then adjusts its procedures to ensure these potentially harmful substances are eliminated from the manufacturing process. The standards followed are as set by the American Apparel and Footwear Association's (AAFA) restricted substance list, which is revised every six months to reflect international updates of chemical and substance restrictions.

In addition, all products are certified under Oeko-Tex, a voluntary product certification programme for restricting chemicals in the products it produces. The Oeko-Tex Institute introduced its Standard 100 early in the 1990s and its label is an assurance to customers that

the material concerned is ecologically safe and harmless to humans. Indeed, many A&E customers have taken this a step further and developed their own restricted substance lists to reflect an even higher level than the aforementioned, globally-approved criteria. In these instances, the company works directly with them to ensure its manufacturing operation complies.

ECO-DRIVEN EDUCATION AND INVOLVEMENT

A&E offers access to emerging industry trends, promotes involvement in industry organisations and supports company and manufacturing-related training. It does this as it believes this leads to well-informed and productive employees who will generate quality products in an efficient and environmentally-sound manner. It also actively shares data and knowledge with supply chain partners, policy makers, industry trade organisations and key stakeholders to pursue its sustainability mission and avoid any potentially negative operational impact on the environment.

It in fact believes so strongly in eco-driven education and involvement that it has committed financial and personnel resources, created strategic partnerships and participated in industry information exchanges to improve technology, advance technical expertise and develop measurement methodology. Furthermore, company personnel have also been encouraged to undertake leadership roles on the AAFA's environmental, product safety and CSR committees.

CSR IN ACTION

As part of its CSR strategy, the company is committed to integrity and high standards of conduct in its business at all of its operations around the world. Business partners must follow the same standards. Programmes, policies and goals reflect an effort to act in an ethical and socially responsible manner that benefits communities, customers and employees.

Standards of conduct are published in a global code of conduct, the current issue of which has been in place since 2007. All A&E facilities worldwide are required to comply with this code and with the company's health and safety policies and procedures too. For



CEO Fred Jackson (second left foreground) is shown sample results from the zero liquid discharge process at Perundurai.

CREDIT: AMERICAN & EFIRD

instance, the global accident target including lost time as well as medical accidents is zero. As a direct result of its efforts, the company has received business ethics awards, two of the most recent being awards for the plants at Ludhiana and Perundurai in India.

Implementing and operating a truly effective CSR and sustainability programme is neither easy nor can it happen overnight. It is this fact that has caused many companies to step back from the brink once they come to realise the degree of commitment needed. That they are shortsighted is amply demonstrated by the ever increasing number that do undertake that commitment and go on to make a success of it both socially and commercially. Having used American & Efird as an example, it is perhaps

appropriate to let A&E's chief executive Fred Jackson, outline the company philosophy.

"As a global leader with operating 31 manufacturing facilities and 76 distribution locations in 41 countries, we know our continued success is dependent upon on the individual decisions we make every day. From fiercely protecting our natural resources to showing care and concern in all our relationships, integrity and ethical conduct are embedded within the very fabric of our organisation. While we have done much, we recognise there is much more to do. We hope you will partner with us on our journey to make this planet a more sustainable world." And, that is what CSR and sustainability are all about. 🌱



Vaccinations were one of many treatments available at a medical camp run at Ludhiana in India as part of A&E's CSR programme.

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