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European Monitoring Centre on Change

Belgium: Ecover

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About	
Case study name: The greening of industries in the EU	
The greening of industries in the EU	
Country: Belgium	
Organisation Size: 100-499	
Sectors: Chemicals	

Ecover is a Belgian chemical company that manufactures ecological cleaning products for both domestic and professional use and sells them all over the world. It is a very distinctive case of a greening company because all the company's products are produced in a factory that is organised and managed so that concerns for the environment are paramount, from the building where it operates to the content of the product, and including management practices.

Introduction

Ecover is one of the 336 companies in Belgium in the 'Production and trade of cleaning products' sector, which is part of the chemical industry. More specifically, it is one of the 23 companies listed in the NACEBEL 20411 involved in 'production of soaps and detergents'. Ecover was established in 1980 by Frans Bogaerts in Meerle (Flanders, Belgium). Today, the company has 152 employees in Belgium. In 2009, the consolidated turnover was €64,917,000.

Although competition in the cleaning products sector is very intense, Ecover continuously develops home-cleaning products, toiletries and home fragrances. In Belgium, all of these products are produced in a factory that is organised and managed around concern for the environment, from the building where it operates to the ingredients of the products to the management practices followed.

This case is particularly interesting for three main reasons:

- the company has developed progressively over many years, with new products and a growing workforce, to become the world leader in green cleaning products;
- the company is accredited ISO 14001 and has received many awards for its products (24 awards between 1989 and 2010);
- compared to other companies that claim to have green practices, Ecover's unique character in the full integration of all management practices in a coherent approach succeeds in meeting the different stakeholders' needs as far as possible.

Drivers and motivations

Climate change issues are a core concern for Ecover. This is why the company develops green products, attempting to have the lightest possible impact on the environment and trying to promote sustainable development. The company has implemented a large range of concrete green practices.

- $_{\mbox{\scriptsize e}}$ Ecover develops, produces and sells green cleaning products.
- In Belgium, Ecover built the world's first 'ecological factory', described as follows in the company literature:

With a surface area of around 8,000 m², it houses sophisticated equipment and handles large volumes for a production capacity of 15,000 tonnes per year. The factory has many sustainable elements, including a 'green roof' and green electricity. The 6,000 m² green roof is formed of thick sedum, or 'Thunder Beard', as it is known, which gives effective insulation all year round. The walls are constructed using a special type of brick

which is made from a mixture of clay, wood pulp and pit coal dust.'

(Ecover, 2011)

- The management has established a full green production process that goes beyond the confines of the company to include stakeholders; suppliers, for instance, have to use green practices too in order to provide sustainable raw materials and to reduce their negative impact on the environment as much as they can.
- This is supported by regular control processes: Ecover carries out frequent checks on each of its suppliers.
- Ecover also adopts a responsible and holistic approach to selling and distribution. The company has invested in communication and marketing with the slogan 'Communicate, don't irritate'.

In a sense, the 'most important' green practice is the integrated management process that covers all dimensions of the company. This approach is not related to a 'green change' but, rather, is what led to the creation of the company in 1980 and to its organisation and its activities since then. As such, the company has been a pioneer in integrating efforts to mitigate climate change in its practices. The drivers to Ecover's philosophy are societal motivations: environmental, social and economic sustainability.

Among the numerous awards that the company has won since its founding in 1980, several prizes reward the social dimension of the firm. For instance, the Prix d'Action Citoyenne (award for corporate citizenship) awarded in 2007 in France underlines that Ecover's human resource management promotes gender equality, diversity, recruitment based on both skills and values, and an ambitious training and development policy, notably in the field of foreign languages. Earlier, in 1999, the company received the Corporate Conscience Award in the United States. The plants in Belgium and in France are accredited ISO 14001.

Green business practices

In approaching environmental awareness and improvement policies, all parts of the organisation are engaged. The environmental management system is applied across all departments and to partners and other stakeholders that engage with Ecover, where possible. Views of all partners and aspects of the organisation are gathered to gain a holistic view, with many of the suppliers actively engaged in collaborative working with Ecover. Research institutes, universities and research & development from other partners all engage synergistically to help drive systemic transformation in the business ecosystem where possible.

(Ecover, 2011)

Since its founding in 1980, the company has aimed to organise its activities with the lowest possible environmental impact from a perspective of sustainable development. It has an integrated approach in which all dimensions of the company are conceived with a view to reducing its environmental impact. Therefore it does not make sense to isolate a given practice, since the company is characterised by an intricate set of green practices intended to mitigate climate change. These are summarised below.

- 1. Products are made of vegetable and mineral raw materials; this is the case not only in relation to detergents and soaps, but also for plastic bottles, for instance, that are made of vegetable material. The products are totally biodegradable, which goes beyond legislation that states that 60% of detergent products that constitute 3%–20% of a cleaning product must be degradable within a period of 28 days.
- 2. The physical organisation of the plant in Belgium is meant to reduce the negative impact on the environment; for example, it is made of recycled or recyclable materials and any wood comes from sustainable forestry.
- 3. Production is organised in order to reduce the consumption of energy: for instance, electricity comes from windmills and tide generators.
- 4. The company controls suppliers in order to promote environmental practices on their sites.
- 5. More generally, the company has a collaborative approach to its stakeholders, developed into the Ecover Stakeholder Management System, which lists all relevant stakeholders that have to be taken into account in decision-making.
- 6. In terms of human resource management, the company provides training sessions for staff to increase awareness of the environment. Employees are encouraged to come to work by bike: according to the company management, staff cycle more than 55,000 kilometres a year to and from work. The company has been a pioneer in the implementation of a 'bike bonus'. If workers live too far away to cycle to work, the company provides financial support to encourage car-sharing so that all employees who share lifts to work get a bonus. For company cars used by managers, the company has selected a model of hybrid car that runs both with electricity and fuel.

Ecover has also developed the 'diamond model' as a tool to evaluate the impact of the total life cycle of its products. According to the company,

The diamond approach is a general concept used for product development and is also used for comparing products with similar functions, both internally (to compare a current product with a newly developed product) as well as externally (to compare an Ecover product with a competitor's product). ... The diamond is a tool to calculate and visualise the most relevant and quantifiable product-related aspects of the Ecover concept, throughout the life cycle of the product. ... The diamond consists of 13 axes or quantifiable characteristics ...

(Ecover, 2011)

Among these axes are renewable resources, green chemistry and resource proximity.

Anticipation and management of the impact of green change on quantity and quality of jobs

Ecover's strategy is unique in the country and in the sector, since the 'greening' perspective goes far beyond the simple improvement of preexisting products and processes, to constitute an integrated project from the start, in which all dimensions of the activity are devised with a view to favour sustainable development. This also has impacts on employment.

Impact on the quantity of jobs

Employment in the firm has grown slowly but steadily since its foundation in 1980. Ecover has 152 employees: 102 in Belgium, 22 in France

and 8 in the United Kingdom. Employment has continued to increase in recent years, even through the economic crisis, with a growth of 24% from 2007 to 2010 (123 in 2007 to more than 150 in 2010). However, although the crisis did not have a negative impact on Ecover, the company had to make some organisational changes to deal with it. For instance, there were some developments in warehousing that had impacts on logistics and transport. Nevertheless, this had no effect on employment. Also, the company developed digital work and integrated new media during the crisis period.

Employment has also increased due to the international development of the firm: besides the plant in Belgium, the company has subsidiaries in the United States, the United Kingdom, Germany, France and Switzerland. The company opened a new green plant in Boulogne, in France, in May 2007. Although Ecover has an international dimension, the recruitment of engineers is done in the countries where the plants are situated. For instance, the Belgian and French plants have engineers just from those two countries. For the sales and marketing departments, recruitment is more worldwide to take account of the specificities of countries.

Impact on the quality of jobs

In terms of green skills, Ecover organises training sessions for all employees, with a view to increase their awareness of the environment, safety at work, and social responsibility. Training takes different forms: conferences, visits to other plants, external trainers, internships and self-training.

The accreditations ISO 9001 and 14001 also have an impact on workers. They have to be more efficient to reach the different goals of both ISO standards. To achieve this, training and competency management have been developed within the company. In addition to this, an Innovation Manager works on long-term innovations, studies, sustainable development and so on.

- In terms of financial conditions, the company policy oriented towards the lowest possible negative impact on the environment is transposed into a system of bonuses meant to encourage staff to cycle to work and to engage in car-sharing.
- In the area of working conditions, the company has developed machines to reduce noise in the plant.
- In the field of work organisation, small teams are promoted and supported in order to favour innovation and creativity. The company use some flexibility through shift work, with two shifts between 06.00 and 22.30 for blue-collar workers. This flexibility also exists for white-collar workers who work 38 hours per week. The informal rule is that employees arrive between 08.00 and 10.00 and leave between 17.00 and 19.00.
- Finally, direct and indirect participation take place in the plant. For example, the management carries out surveys among customers and employees. The multilevel participation of all stakeholders is important for Ecover. Sustainability reports are also developed.

The notion of partnership goes beyond the day-to-day operation of the plant, with the definition of the strategy oriented to fulfil the needs of nine stakeholders: future generations, nature, the consumer, public authorities, shareholders, employees, suppliers, distributors and the neighbourhood. In this context, each partner – supplier or distributor – has to sign a kind of 'green charter' before contracting with the firm.

The Flemish left-wing trade union ABW organises visits to the plant for its members – trade union officials and trade union affiliates – in recognition of the company's goal to respect the environment and its people. Labour relations seem to be good in general. This does not mean there are no disagreements, but unions are treated as real partners, and many issues that arise can be solved by informal communication. Even though representative bodies (such as the works council and the committee for prevention at the workplace) exist, the management considers that it is easier for everyone to have the opportunity to discuss an issue as soon as possible, and so it does not wait an official meeting. Beyond that, the green practices have a huge cultural impact. Indeed, people who work there (no matter the level of work) made the choice to be there. In this kind of company, workers are sensitive to topics such as sustainable development, global warming. According to the respondents, many of them have green interests outside of work. Almost all employees travel to work on public transport or by bicycle.

Conclusions and recommendations

The main lesson learnt from the Ecover case study is that a genuine greening company requires a set of closely intertwined strategies that pay attention to all sources of potential negative impacts on the environment. Ecover's greening strategy includes not only the development, production and trade of greener products, but also concerns for the whole production process and context, including suppliers' policy.

In terms of employment relations, the main lessons can be listed as follows:

- considerable attention given to training, which has a double dimension: to increase awareness of environmental issues and to increase skills in general:
- participative approach and attention to working conditions for instance, investments in quieter machines;
- compensation and benefit policy meant to encourage workers to use more environmentally friendly modes of transportation.

The overall strategy favours not only the promotion of green products, but long-term growth, including in terms of employment. For this, management has to pay attention to general greening guidelines, but also to day-to-day practices such as the consumption of electricity, noise and heating in the plant.

As such, Ecover represents a highly ambitious case of greening a company so that all dimensions of the production and trade activity – plants, products and people – contribute to sustainable development.

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