
KNOWLEDGE SHARING ON CREATING SHARED VALUE CONCEPT

CSR team

21 JANUARY 2021

AGENDA:

1. Understanding of Corporate Social responsibility (CSR) .

- What CSR is
- How CSR means to us
- Why CSV

2. Understanding of Creating Shared Value (CSV)

- CSV definition and Level
- IVL's Shared Value case study

3. Differentiation between CSR and CSV

4. KEY take away

5. Example of application form

6. Q & A

WHAT'S NEW

- **The Second Shared Value session** - Building more awareness and deeper understanding on creating shared value (CSV) concept
- **Building our supports to you** - Facilitating participants to develop and ensure their CSR initiative creates value for both business and social/environment. If needed just ask! panchica.k@indorama.net

Pre-submission

- **For those who used to submit the application:** Would like feedback on your previous application? Or would like a discussion before the final submission? Just ask
- **For new joiners:** In case you need to check if your application is on the right track.

1-2-1 Discussion

- Offering a project discussion via MS Team, Start from **25 January to 15 February.**

- **Revised Application form** – shorter and easier to fill.

UNDERSTANDING OF CORPORATE SOCIAL RESPONSIBILITY [CSR]

Corporate Social Responsibility - or CSR – is a process where companies integrate social and environmental concerns into their business and interactions with stakeholders.

Our CSR goals are simple. To **have a positive impact on society and deliver value whether social, environmental or economic.** We focus on creating value for our business and society, to ensure the company remains sustainable



SCOPE OF CSR LEVEL

SUSTAINABILITY

**CSR after
process**

Donation & Philanthropy

**CSR in
process**

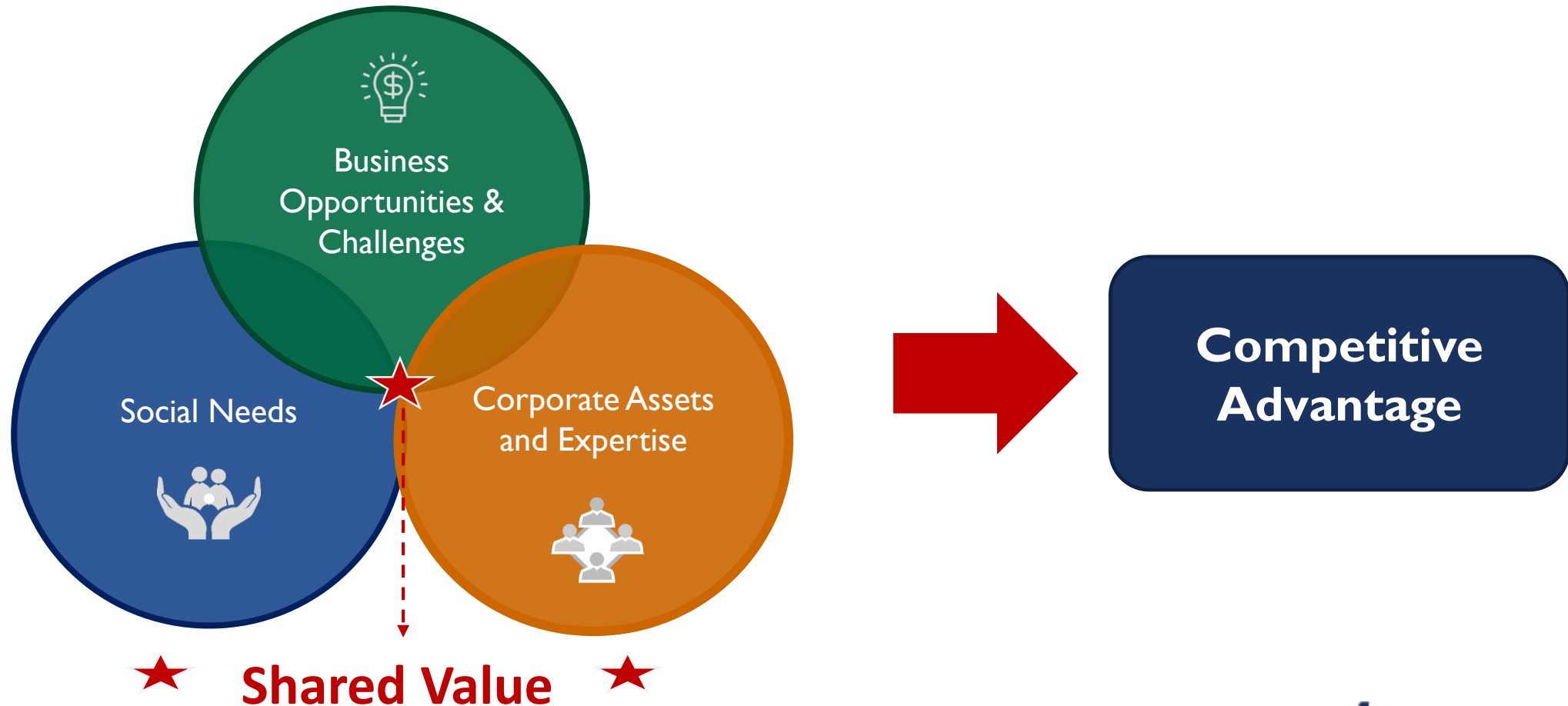
Socially business practices;
community engagement /
improving business operation /
Value chain development

**Creating
Shared Value
(CSV)**

Impact measurement or
tangible results on business,
social and environment
benefits

Environmental, Social and Governance (ESG)

UNDERSTANDING OF CREATING SHARED VALUE [CSV]



- Michael E. Porter & Mark R. Kramer, 2011 -

Michael E. Porter Definition

CREATE SHARED VALUE LEVEL AND IMPACT

Business Result:

Reconvincing product and market

- Increased revenue
- Increased market share
- Increased market growth
- Improved profitability

Social Result:

- Improved patient care
- Reduced carbon footprint
- Improved nutrition
- Improved education

Redefining productivity in value chain

- Improved productivity
- Secured supply
- Reduced logistical and operating costs
- Improved quality
- Improved profitability

- Reduced energy use
- Reduced water use
- Reduced raw materials
- Improved job skills
- Improved employee incomes

Enabling cluster development

- Reduced costs
- Secured supply
- Improved workforce access
- Improved distribution infrastructure
- Improved profitability

- Improved Education
- Increased job creation
- Improved health
- Improved incomes

CASE STUDY: FROM PET BOTTLES TO COVERALL PPE SUITS

Project Summary

- **Social Needs** – Help supply hospitals in need of equipment to be used in daily duties to fight the Covid-19 pandemic in Thailand.
- **Corporate Expertise** – Bringing post-consumer plastic bottles through a circular economy, produced PPE protective suite from PET bottles.
- **Business Opportunities** – Promotes waste separation for the benefit of society, in collaboration with Less Plastic Thailand.

Business Benefits

- **Increase market share and revenue** by selling our recycled yarn to our suppliers at affordable price
- **Improved profitability** of our supplier on selling PPE suits to customers
- **Improved quality in production process** of our supplier through bringing the new technology

Social Benefits

- **Improved health** with a high-quality protection of PPE suits
- **Improved education** by raising PET recycling awareness to the society
- **Reduced waste to landfill** by taking 4 tonnes of PET bottles back to the productive process

DELIVERABLE: Distributed over 17,000 PPE suits to more than 200 hospitals across Thailand, and another 2,100 PPE suits to the Dental Council.

CASE STUDY: NOVARTIS

<http://healthmarketinnovations.org/program/arogya-parivar>

Arogya Parivar Program

- **Social Needs** – Accessibility the healthcare products and services in community
- **Corporate Expertise** – Make the health care and disease treatment accessibility to people in the community
- **Business Opportunities** – Create a new distribution channel, generate additional income for the company along with creating benefits for the society

Business Benefits

- **Increase market share and revenue** - expanding the to rural customer who cannot access to healthcare

**This successful prototype is expanded to other countries; Vietnam, Kenya and Indonesia.*

Social Benefits

- **Improve Health** – people have ability to get access on healthcare service and disease treatment, including better hygiene in the community

CASE STUDY: NESTLE

DRIVEN BY PURPOSE, GUIDED BY VALUES



“

We believe that the true test of a business is whether it creates value for society over the long term

”

Peter Brabeck-Lermathe
Chairman Emeritus, Nestlé



Commitment: the long-term success depends on creating value both for our shareholders and for society

Ambitions:

For individuals and families

Help 50 million children lead healthier lives

For our communities

Improve 30 million livelihoods in communities directly connected to our business activities.

For the planet

Strive for zero environmental impact in our operations

Measuring shared value: Nestlé's goal is to invest with greater confidence and continue to build trust with stakeholders by demonstrating tangible results.

NESCAFÉ Plan: Engaging and Supporting the coffee farmer community



Provide technical assistance to farmers



Direct sourcing from farmers



Ensure compliance at farm level



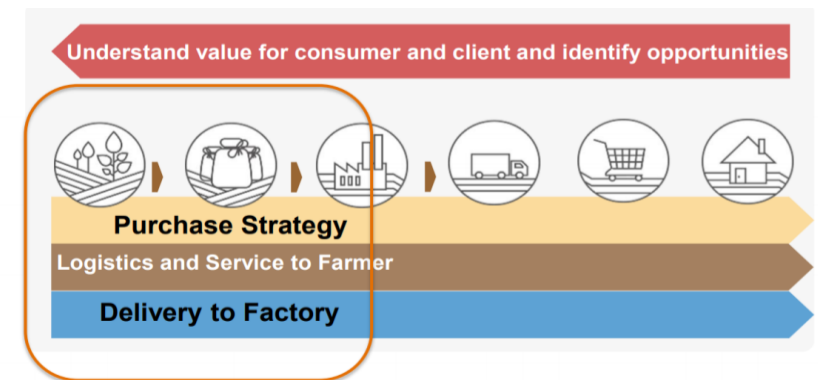
Research on variety improvement



Advocacy, Stakeholder management



Import allocation



We are working down beyond the upstream supply

CASE STUDY: NESCAFE PLAN

Project Summary

- **Social Needs** – A knowhow of coffee growing rewarding business in the community
- **Corporate Expertise** – Develop local products and services that meet the worldwide standard
- **Business Opportunities** – Use resources more efficiently across the entire value chain, and Improve the conditions for local economic and social development

Business Benefits

- **Secure supply** – improving coffee supply chain in long-term viability of coffee farming and quality of coffee
- **Improve distribution Infrastructure & reduced logistical and operating costs** by providing the training session on management and logistic from the Nestle expertise

Social Benefits

- **Improved living quality** - enhancing rural development and livelihood
- **Increased job creation** by empowering farmer

DIFFERENCE: CSR VS CSV

Corporate Social Responsibility [CSR]	Creating Shared Value [CSV]
1. Good corporate image	1. Strategy – aim to solve social problem in sustainable way
2. Responsible by CSR department	2. Involved since top-down (Management level)
3. Indirect benefits to society	3. Innovative impact in long-term (both business and social)
4. Old traditions activities; Donation / Distribution	4. Make a positive impact in large scale and create a change in the community

COMPARISON: CSR vs CSV

Corporate Social Responsibility [CSR]	Creating Shared Value [CSV]	Impact from CSV implementation	
		Business Results	Social/Environment Results
Distribute the blanket to local community	Teach people in the community on waste separation, educate on PET recycling, that can turn to recycled yarn and can be a blanket	Secure supply, Improve quality of PET bottles	Improve education, Increase Job creation
Cash donation to university students or Scholarship for youth	Arrange workshop - Hackathon competition - New business model/startups/Social Enterprise	Increase/improve profitability and market growth	Improve education/ incomes and job creation
Build check dams to the community	Encourage to have water conservation in our plant; unnecessary water usage reduction and use water efficiently	Reduce operating costs	Reduce water usage
Tree-planting (one-time off)	Provide an energy saving program to reduce the electricity use and GHG emission	Reduce costs	Reduce energy consumption

NOTE: The business results can be both **benefit to the community and company**

KEY TAKE AWAY



Purpose – situation analysis and assess the social problems



Areas – addressing and mapping with IVL's CSR focus areas
(*Knowledge / Well-being/ Environment*)



Values – focus on measuring on both business and social/environment with tangible results



Actions - implementation plan to meet the business and social benefits, as well as to ensure that the business remain sustainable

APPLICATION FORM

BASIC INFORMATION	
Project Name	
Location	
CSR Framework/Focus Area	<input type="checkbox"/> Knowledge (Education and Innovation) <input type="checkbox"/> Well-being (Skill Improvement, Health and Wealth) <input type="checkbox"/> Environment (Recycling and Ecological Development) <input type="checkbox"/> Other (Please Specify)
Project Stage	<input type="checkbox"/> New Project <input type="checkbox"/> Existing Project
Contact person	
Position	
Email	
Telephone	
Company Branch	
Country	

SECTION 1: Project Summary

Please provide a short summary of the project. This should provide the rationale of the project explained what has been done and delivered, identify stakeholders, as well as the duration of project.

(Maximum 300 words limit.)

SECTION 2: Social and/or Environmental Problem(s)

Please highlight the social and/or environmental problem(s) your project addresses, their importance, and relevance in your context.

(Maximum 300 words limit.)

SECTION 3: CSR Project Management

This section assesses your approach to solving the social and/or environmental problem(s) your project addresses.

Do you have a multi-year action plan and budget for your project?

Yes No

Please explain how your project relates to your core business strategy and activities. This may be through direct and/or indirect benefits.

(Maximum 200 words limit.)

SECTION 4: Shared Value Business

Please share what tangible results your project will or has delivered. You can select at least one of business results your project aim to achieve

- | | |
|---|--|
| <input type="checkbox"/> Increased revenue | <input type="checkbox"/> Increased market share |
| <input type="checkbox"/> Increased market growth | <input type="checkbox"/> Improved profitability |
| <input type="checkbox"/> Improved productivity | <input type="checkbox"/> Secured supply |
| <input type="checkbox"/> Reduced logistical and operating costs | |
| <input type="checkbox"/> Improved quality | <input type="checkbox"/> Improved workforce access |
| <input type="checkbox"/> Improved distribution infrastructure | |
| <input type="checkbox"/> Reduced costs | <input type="checkbox"/> Other (please identify) |

Is your project operating as a business?

- Yes No

If Yes, please share how your project provides both business value to IVL as well as social and/or environmental value to stakeholders.

(Maximum 200 words limit.)

If No, please share how your project has the potential to develop into a business and social and/or environmental value to stakeholders whilst also providing business value to IVL.

(Maximum 200 words limit.)

SECTION 5: Social and/or Environmental Outcomes

Please select at least one of social/ environment results your project aim to achieve.

- | | |
|---|--|
| <input type="checkbox"/> Reduced carbon footprint | <input type="checkbox"/> Improved nutrition |
| <input type="checkbox"/> Improved education | <input type="checkbox"/> Reduced energy use |
| <input type="checkbox"/> Reduced water use | <input type="checkbox"/> Reduced raw materials |
| <input type="checkbox"/> Improved job skills | <input type="checkbox"/> Improved employee incomes |
| <input type="checkbox"/> Increased job creation | <input type="checkbox"/> Improved health |
| <input type="checkbox"/> Improved incomes | <input type="checkbox"/> Other (please identify) |

Please explain the positive social and/or environmental impacts that your project achieves, or negative impacts it reduces.

You may use this section to explain how you address the root causes of the social and/or environmental problem your project focuses on.

You may consider identifying the social and/or environmental outcomes at the household, community, national and global levels, if relevant to your project.

(Maximum 300 words limit.)

TIMELINE 2021

Internal CSV Training
– 21 January 2021

Final shortlisted
Announcement
- 1st week of March

April – October
Tracking performance

Deadline of re-submission
– 18 February 2021

Announcement of best
performance 2020
– 28 October 2021

NOTE : The best performance of the project initiative will be publicly disclosed on website / The Beacon / Sustainwire / SD report 2020

QUESTION & ANSWER

CONTACT US: CSR@INDORAMA.NET