



GARDE
Global Alliance for Responsibility, Democracy and Equity



**Raising awareness of CSR instruments and building capacity in CSOs and
Trade Unions in selected new member states**

CSR convergence monitoring

Case study report:

SOGEFI FILTRATION

*Elaborated in co-operation with Pravno-informacijski center nevladnih organizacij -
Legal-information Centre for NGOs, Slovenia*

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The Environmental Law Service - Ekologický právní servis

1. Description of the company

1.1. Company name

SOGEFI FILTRATION, Podjetje za proizvodnjo filtrov, d.o.o.
(Company for producing filters, limited liability company) - Ladja 11, Medvode

1.2. Is it a daughter company? If yes, what is the mother company?

1.3. Who owns the company?

SOGEFI S.P.A., Italy (look www.filtrauto.com, www.sogefi.it)

1.4. Is this company a contractor, subcontractor, supplier, licensee or distributor of a transnational corporation?

Please, fill this section in case the company that is object of this questionnaire is not a transnational company itself

1.5. Subject of company's business

Produces auto parts components – also filters.

2. Positive or negative company behavior

Please mark one of the two possibilities according to what the case is about. In case of company pro active implementation of CSR and behavior with legal conformity, select “positive”. In opposite case, please select negative.

positive negative

2.1. In case you *ticked off* “positive”, please describe, what kind of positive impact the company has.

2.2. In case you *ticked off* “negative”, please describe what kind of negative impact the company has.

Environmental.

3. Geographic dimension

local regional state-wide
 international EU-wide

4. Short description of the case

Briefly describe what the core issue of the case. The text should not have more than 1200 characters including spaces.

The company is located in the edge of Medvode, small town near the main city of Slovenia – Ljubljana. It is located next to an paper factory, but the other surroundings are private houses in the near villages (small local sub communities of Local community Medvode).

The company is a part of the similar factory Donit, which began with work in Medvode in 1946. In the year 1957 the factory began with the production of the filters for cars. In the year 1986 there were over 2000 workers. While the market for the products were former Yugoslav republics, in the 1991, when Slovenia became independent republic, the major crisis came. In the 1997 the French company Filtrauto bought Donit. In the same time, the new production object was building on the new location (this is the object of the case). The local community was contacted in the beginning of building and there were some kind of agreement of the local people for the new object.

When the factory began to work the present owner Sogefi bought it. Sogefi group is present in 14 countries (www.sogefi.it). The new owner built near the factory new stove with the chimney for producing filters for cars. Sogefi didn't ask for any consensus the near living citizens (legally it was not necessary), but he would ask, maybe later the situation wouldn't be conflict. There were later some information, that Sogefi moved the production of this car filters from Italy to Slovenia.

Company had and still has bad environmental influence with this auto filter production, because in the specific phase of production it is necessary to harden the filter paper with phenol pitch at high temperature. As side product the phenol gas is emitted in the air, which is poisoned.

5. Company CSR policy

Please write all CSR policy that the company officially claims to fulfill.

As far as we could find out, the company has no CSR policy. It also has no own website. There is no CSR policy published or publicly promoted. The only case of public promotion was at the time of getting the environmental certificate ISO 14001. The company proclaimed environmental friendly future policy: “With the respect to the clean environment, with the preparation the evaluation before we go into new production, with permanent measurements, made by the competent institutions, we enable local community constant control over our activities (decreasing the harmful waste and emissions of liquids and gas).”

5.1. What does the company state? *(for example: Has the company adopted a code of conduct)*

5.2. What does the mother company state?

Their mission is; “Granting the shareholders the value growth, strengthening our leader position in our core business on the global market.”
There is no CSR policy published or publicly promoted.

6. Breach of CSR policy

In case you ticked off "positive" at question number 2. of this form, please jump to the question number 11. of this form

6.1. Does company breach its own CSR policy?

Please, be specific. Make a list and describe the reason why the company is breaching the CSR policy.

6.2. Have you asked the company to fulfill its CSR provisions?

7. Breach of OECD Guidelines

7.1. Does the company breach OECD Guidelines for Multinational Enterprises?

Yes.

7.2. What article was breached?

Article V. Environment, point 2a), 2b).

7.3. Did you file a complaint to the National Contact Point?

No.

7.4. Do CSOs in your country know about existence of National Contact Point?

No. There is no National Contact Point in Slovenia.

7.5. Does the National Contact Point have a web site?

7.6. In case of positive answer to previous question, please make list the information published on the National Contact Point web site.

7.7. Have you asked the company to respect OECD Guidelines?

No.

8. UN Global Compact

Please, be specific. Make a list and how the company is breaching the UN Global Compact.

8.1. Does the company or it's mother company support the UN Global Compact? means: is listed as a company supporting the UN Global Compact?

No.

8.2. Does company breach the UN Global Compact?

There are signs of breaching the UN Global Compact on Environmental points, but the situation is improving.

9. Legal aspects of the case

9.1. Is there any breach of national law?

Please be precise

No.

9.2. Are there any legal steps that your organization or any other organization or individual person have done to oppose the unlawful behaviour of the company?

In the year 2004 there was established an initiative group from the representatives of local communities (a kind of sub communities of Local community), that are located around the factory. They were appealing on the management of the company to reduce the emissions of phenol gas and sent some formal appeals to competent environmental inspectors (local and state) – this could be treated as legal steps.

9.3. Have you been already successful with your legal objections?

The initiative group was not successful with legal steps. The inspectors didn't find out any breaches of environmental law – the emissions of phenol gas were in the allowed limits - at least in the time of measuring (in the year 2004 the company also succeed to get the environmental certificate ISO 14001. This was also the main demand of the initiative group – they want one of the initiative group to be present by official measuring. Because they were certain, the stove for impregnation the filter paper with phenol was not working at the time of measuring the emissions. The initiative group has about hundred of pictures, what surrounding like when the stove is in full working and the whole valley over phenol.

9.4. What was the company's reaction to the legal steps that have been done?

In the beginning (first civil activities were in the beginning of the 2004) they were not prepared to cooperate, and they claimed they have all legal permits and measures, and the emissions are a lot under allowed limits. The legislation do not involve possibility for an member of initiative group to be present by measuring, so this is not necessary and still legal. But in the process of solving this problem, the communication in the period of two years between the company and the local people through the activities of initiative group become better. It was also established some kind of cooperation. The emissions were (mostly under the pressure of buyers) reduced and some and some environmental friendly changes in the procedure of impregnation the filter paper in the stove were made. In the May 2005 the management of the company allowed the representative of the initiative group to be present at the measuring.

9.5. Are they any other occurrence of violations of the legal framework besides of the description of this case?

9.6. In case of positive answer to your question, please specify if there had been any judicial or administrative proceedings against the company? (in case you are not sure about the answer, don't answer this question)

10. Public awareness to negative impacts

10.1. Is general public informed about the case, about the company etc.?

Local public was informed about the problem through state and local newspapers and TV.

10.2. Who oppose the company activities (local community, NGOs, TUs?)

The initiative group that represents the people of surrounding communities, and formal representatives of this communities.

10.3. What are the results of NGOs, TUs, or local community advocacy?

Look at 9.4.

10.4. What was the attitude of public authorities?

Local public authorities were concerned about the problem, and interested for solving the problem and the conflict – in this way they were engaged.

11. Socially or environmentally responsible behavior

In case you ticked off “negative” at question number 2. of this form, please go to the question number 13. of this form

11.1. Is the positive activity done according to what the company officially proclaims as general CSR policy valid for or its activities, or does the company do it only in your case?

11.2. Was there any external pressure (NGOs campaign, community resistance, governmental initiative?) to develop a CSR strategy in this case?

12. Benefits for the company

If it is possible directly ask the company's representatives to help you to answer this questions, please do so. If not, and you have insufficient information, please try to estimate and add to your answer: “estimation”.

12.1. Is there any direct benefit for company from having higher standards?

12.2. Is there any indirect benefit for company from having higher standards?

12.3. Is there any positive reaction from the site of general public, state representatives, communities, individuals?

13. Relation to public authorities

13.1. Does local, regional, national government or EU Commission support the company in activities happening in your country?

There are no signs of such activities, although the government is interested for foreign investments, but in the legal framework as it is in Slovenia.

13.2. Is there any connection between the company and local, regional or national government?

a) formal

for example a contract

b) informal

Local community was very interested that factory stays in the territory of this community, because of preservation of the level of employment in the community. This interests were obvious before the Sogefi S.P.A. bought the factory, but they are in the background of present relations.

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