

## CASE STUDY: IKO GROUP

### BACKGROUND

IKO PLC manufactures waterproofing systems such as Polymeric Single Ply Membranes, Permatec Hot Melts, Bituminous Membranes, Cold Applied Liquids and Permanite Asphalt Systems. These fully warranted systems are supplied to Contractors, Installers and Specifiers for both new build and refurbishment projects. The Group employs approximately 300 people across several sites in the UK, and work with a range of main contractors such as Galliford Try, Willmott Dixon and Sir Robert McAlpine.

The Group's current Safety and Environmental Manager, Jon Pickup is currently working on implementing ISO 14001 across the group, the synergies with BES 6001 were immediately apparent and so the company was delighted by the opportunity to work alongside a key customer and engage in the Action Learning Group on Responsible Sourcing through the School.

### INITIAL ENGAGEMENT

As a trusted supplier and partner to Willmott Dixon, IKO were invited (along with nine other key suppliers), to participate in a series of 'Action Learning Group' workshops on Responsible Sourcing which were funded by, and delivered through the School. The Group had already identified a need to address the responsible sourcing agenda, but had little understanding of what this would entail, so were keen to embrace this opportunity.

The Action Learning Group (ALG) sessions comprised of five full day workshops taking place over a six month period, which aimed to give a detailed understanding of Responsible Sourcing, in particular the BRE BES 6001 framework standard (which aims to enable construction product manufacturers to ensure and then prove that their products have been made with constituent materials that have been responsibly sourced).

Michael McCarthy, IKO's National Key Account Manager attended the first ALG in June 2014, along with the IKO's Safety and Environmental Manager. They were initially impressed by the content and delivery of the session, and committed to attending the remaining four workshops. The last workshop took place in December 2014 and Michael is grateful for the opportunity to have participated. He explains that although the topic is relatively complex, it was communicated in a simple, straightforward and engaging manner, making use of group discussion, videos and other visual material to highlight key points. The Group now has ambitious plans to secure BES6001 across the Group.

### SELF-ASSESSMENT & ACTION PLAN

IKO were made aware of the School at the first Action Learning Group session where they were encouraged to register and complete a first self-assessment and action plan. They recognise the potential of the self-assessment tool and plan to use this in the future to help develop the sustainability competence of the business.

IKO attended their first Supplier Day in December 2014 and found the event 'extremely informative and very worthwhile'. They recognised the business benefits and networking opportunities available, and were encouraged to see evidence of the industry 'moving towards a more sustainable construction solution that will bring benefits to all parties'.



### IMPACT

As a result of engaging in the School, IKO has:

- ✓ **Gained an in-depth understanding of what Responsible Sourcing means** and how this applies to the IKO PLC.
- ✓ **Developed a Responsible Sourcing Action Plan and agreed a target to secure BES6001 across the business by 2015.** Some sites expect to receive accreditation in December 2014, with other sites aiming for accreditation in 2015.
- ✓ **Incorporated 'Responsible Sourcing'** into the Strategic SHE action plan for 2015, a new inclusion since September's personnel change, which allows a more planned and scheduled approach to sustainability thinking.
- ✓ A greater understanding of the **importance of social issues both** within the business and in their supply chain.

- ✓ Gained an **insight and good level of knowledge about a wide range of sustainability issues** – before participating in the ALG the company had only a small focus on sustainability issues, now we are starting to consider sustainability impacts on a much broader scale.
- ✓ **Promoted their involvement in ALG to their customer base** and are taking a more proactive approach to communicating their sustainability strategy to their stakeholders.
- ✓ **Plans to use the School's e-learning modules, training workshops and online tools** to help develop sustainability competence within the business.
- ✓ During December the first of the 3 sites to apply for BES6001 was granted provisional approval, pending review by BRE, following an audit by a third party assessor. Far from 'resting on their laurels', the company has started work on the second site with a view to achieving certification by mid 2015.

*"Taking part in the sustainability school has helped IKO and those responsible for implementing the system to understand the requirements of BES 6001 and to be able to prepare the company for certification. Not only has this been beneficial from a company standpoint but also on a personal level as well"*

**Michael McCarthy, IKO's National Key Account Manager**

## **BENEFITS**

**Networking opportunities** – A key benefit for IKO in participating in the ALG's has been the opportunity to learn from and network with other like minded businesses.

**Better understanding of client needs** – Inherent to Michael's role as Key National Account Manager is the need to engage the main contractors and build mutual trust. Hearing directly from Willmott Dixon about responsible sourcing has helped IKO to identify and understand the needs of one of their key customers, helping them to ensure that the business is aligned with client expectations.

**Reduced reputational risk** – Although IKO was already exploring how materials were sourced in their supply chain, working towards BES6001 will help provide assurance around this, thus reducing potential reputational risk.

**Winning new business** – IKO believe that by taking a holistic approach to responsible sourcing through the BES6001 approach, and by understanding the importance of traceability in the supply chain, they will become even more attractive to potential customers. IKO have witnessed an increase in the weighting given to sustainability criteria in the tender process, and hope to use their sustainability credentials and aspirations in this area to their advantage.

**Other benefits** – As IKO engage more in the School (outside of the ALG session) they expect to develop a more strategic approach to addressing sustainability within the business, which in turn will bring a range of benefits such as cost savings, time efficiencies, along with benefits already referenced such as winning new business and better understanding of client needs.

