



## Sadolin Paints & AkzoNobel

**Sadolin East Africa (EA) was originally a subsidiary of Sadolin and Holmblad in Denmark. In 1980 Sadolin and Holmblad became part of AkzoNobel Coating, who signed a long-term technical and trademark license agreement with Sadolin EA, including branches in Tanzania, Uganda and Kenya. Today AkzoNobel still provide technical assistance, new recipes and raw materials for Sadolin EA. Sadolin Kenya had already for some years struggled with a number of challenges related to fire safety, occupational health & safety, wastewater treatment, etc., and were positive about a partnership with the SUSBIZ programme to cope with these challenges.**

From the very beginning Sadolin wanted to use the SUSBIZ programme to qualify a structured management system with new CSR initiatives, and hereby avoid duplication of work and documents.

In 2012, Sadolin obtained the environmental management system certification ISO 14001. This is now being used as a basis for obtaining certification in a similar management system within occupational health & safety, OHSAS 180001.

The company has made significant improvements in working environment, environmental impact and labour conditions. This has raised the company's public image, and increased confidence amongst its

customers and the Danish partner.

### Company facts

#### **Sadolin East Africa Ltd. (Kenya division)**

- Est. 1959 – Kenyan owned from 1980.
- 250 employees
- Manufactures and supplies paints and speciality coatings, adhesives and resins

#### **AkzoNobel**

- Fusion in 1994 – headquarter in Holland. Reference back to Danish Holmblad est. in 1777.
- 57.000 employees worldwide – 500 in Denmark
- World leader in decorative paints, performance coatings and speciality chemicals.

## About SUSBIZ Kenya

SUSBIZ Kenya was a multi-stakeholder Corporate Social Responsibility (CSR) programme with partners from Federation of Kenya Employers, the Danish Business Authority and Danish Federation of Small and Medium Sized Enterprises.

The SUSBIZ Kenya Programme was implemented from 2011 – 2013 and facilitated integration of sustainable business development and strategic CSR in Kenyan companies, who had Danish business relations. The aim was to build capacity and show that socially and environmentally responsible business conduct create better companies.

#### The approach focused on:

- Participation of managers and workers
- Shift away from check lists of compliance, to implementing change management
- Develop local capacity to deliver workable solutions to integrate CSR into its business
- Business enhancement is realised through implementing CSR management

The SUSBIZ team worked with knowledge sharing through training workshops and in-house assistance with a focus on practical solutions. The activity flow through the Programme was: CSR assessment and initial audit reports -> action plan development -> training and in-house capacity building -> progress evaluation -> documentation and external communication.

# Milestones are reached in health & safety for staff working with chemicals



Due to the nature of work at Sadolin – producing paint that release toxic fumes – it was paramount that the work environment in health and safety was improved. Through the SUSBIZ programme, Sadolin made significant investments and changes to protect its workers, and in return experienced a higher level of productivity.

The company was challenged by a resistant attitude against personal protective equipment (PPE) among workers, and at the same time there was a lack of technical knowledge about equipment and the use of it. Intensive training was offered by SUSBIZ in general workshops and during a number of in-house sessions. A dedicated Health, Safety & Environment Manager was appointed at Sadolin and top management gave a clear signal for change. After just more than a year a number of important initiatives were being implemented:

- All workers were provided with new chemical masks and dust filters, greatly improving the health and well being of workers.
- Each worker was made responsible for cleaning and storing his own mask. This ensured the masks continued to be effective.
- Employees were informed about the legal requirements and health issues pertaining to using the different equipment.
- Management took responsibility for employee behaviour. Enforcement was introduced with incentives and penalties if supervisors observed workers not using PPE correctly.
- Posters have been put up in the factory demonstrating the correct use



Correct chemical mask for toxic fumes



Board for use of protective equipment

Several other health initiatives were also implemented to protect workers and strengthen business performance:

- Eyewash facility
- Installing first aid kits in each section
- Permanent staff receiving medical examinations. Workers on non-permanent terms to be included.

# Clean air and fire safety in focus for improved health & safety



**Fire safety was of paramount importance, as the company work with toxic and fire hazardous substances.**

Through participating in the SUSBIZ programme, with health and safety training and continuous dialogue, Sadolin took a number of actions to improve their fire safety:

- A new fire system was commissioned and handed over to Sadolin. Regular tests are undertaken to ensure that the system is functioning correctly.
- A risk assessment of the company's premises has been undertaken to check blocked or misleading exits, and thereafter provide adequate means of escape.
- Outdated fire extinguishers were replaced and examination procedures implemented as is required.
- A fire drill was conducted in the company, analysing the time frame for evacuation. The last drill was done in March 2013.
- A spill drill was done in July 2013.
- Workers were trained on fire safety, and have clearly outlined responsibilities for staff in case of fire.

## **Safety training**

The company recognised the need to have all workers become aware of safety issues.

- Forklift drivers received in-house training
- First aiders and the health & safety committee members were trained.

The SUSBIZ programme also sponsored training for all staff in health & safety in May and July 2013.

## **Guidelines and maintaining records**

Sadolin now has a written guide on the different types of work related injuries and illness and a clear system for maintaining records. The improved health and safety culture is not only protecting its workers but also a clear business benefit.

- Healthier workers have increased production
- Reduced expenses related to sickness
- Reduced injuries, which has led to less absenteeism and thereby a higher output

## **Heavy investment in ventilation systems**

A serious concern at Sadolin was the indoor air pollution. The company therefore took a quality test to ascertain the level of paint fumes in the production halls.

The current ventilation system performed poorly, and it was agreed that a new ventilation system should be put in place. The SUSBIZ team assisted in the design and layout together with a local ventilation company.

In 2013 the company agreed to invest 15 mio. Kshs. in a new ventilation system which was being installed during the time of the finalisation of the SUSBIZ Programme.

Poor management practices such as leaving the production mixers open release toxic emission to the air was another concern negatively affecting indoor air quality. The company is now enforcing better management practices and working to find the best anti-static cover to use to cover the mixers. In addition, indoor air quality is being measured

# High priority on environmental protection



**Sadolin successfully championed environmental protection in relation to their waste and storage of hazardous materials, whilst achieving business returns.**

## Storage of hazardous chemicals

Previously, hazardous raw materials were received in the open stock area in the middle of the factory. This entailed a risk when handling the materials. To reduce risk of fire and mishandling of raw materials, they are now received and stocked separately.

## Wastewater

The effluent treatment plant for cleaning wastewater had too low capacity resulting in overflow of non-treated wastewater to the sewer system.

Hence, the effluent treatment plant was upgraded, enabling wastewater to be reused within the factory, to clean production vessels. This means less water is used from the main water supply and there is close to zero discharge of untreated wastewater into the environment.

## Solid waste

One of the key solid waste streams identified within the factory were packaging waste. These included contaminated plastic buckets from rejected products. Previously, these used to be sold to the public for less than their purchased value.

Now the company is washing and re-using them in production. This has reduced the need to purchase new filling buckets and thereby saved costs on packaging.

Larger metal drums are also cleaned with a solvent prior to selling them to the public.



Effluent Treatment Plant



Recycling of used empty buckets

Today Sadolin is integrating environmental protection and business operations, looking for win-win situations. An overlooked area has for example been the heavy evaporation from open paint mixers wasting expensive solvent and causing problems for workers from toxic fumes.



# Small changes carry great improvements on labour issues

**Sadolin, together with the SUSBIZ Team, identified three areas to be improved relating to labour issues: Workers' contracts, wages and meals.**

## **Workers Contracts**

The company had 200 employees in production, 37 of whom were permanent workers, while the rest were contract workers. 50% of contract workers had their contracts extended from one month to three months.

This has greatly improved conditions for contract workers, provided them with greater job security. For Sadolin, it has reduced the costs of training new workers.

## **Meals for workers**

During weekends, it was difficult for contract workers to secure lunch, as most food vendors were closed. As a consequence, workers would either work through the day without a meal, or they would slow down production, due to the long time looking for a place to buy lunch. The permanent staff however, were provided with meals at the staff canteen.

To tackle this problem, and strengthen the relations to the workforce, Sadolin decided to provide meals for all its workers. The company reports that it has greatly improved commitment amongst contract workers, and has resulted in higher production output.



LEAN & OHS process implementation in all departments

## **Workers' wages**

With more focus on overtime and wages Sadolin today keep full records of overtime and all overtime is paid according to local law. Along wage bargaining's SUSBIZ have also recommended to look at the minimum salaries. With a strong LEAN approach the necessary savings could be made to pave the way for higher salaries. The company is now actively working with this strategy.

The company is now aware how managing HR issues in a socially responsible manner, can impact on its production output and strengthen the company profile overall. Ensuring that these labour issues are implemented, will also strengthen Sadolin's compliance with AkzoNobel's ethical requirements.

*“Previously we had a number of issues with the Directorate of Occupational Safety and Health Services and the city council, but after embracing the SUSBIZ principles and being open to change, we can see a change in the interaction with the authorities.*

*Also the certification of ISO 14001 has brought new clients. And implementing good HR practices like, paying overtime has increased the morale of workers which has increased production.*

**Jesse Jackson**

**Assistant Production Manager**

# Key learnings and continuous improvements



**Sadolin is working in an industrial sector with high risk of negative influence on environment and employees' health. Sadolin is now aware of global CSR requirements and its responsibility towards employees and society. Today the company has managed to climb the latter to a top position within the heavy industrial sector in Kenya.**

First and foremost Sadolin is now able to manage the entire process of labour standards, health and safety, human rights issues and environment in a structured and well documented way. The driving force has been strong commitment and support from top and middle management. Management systems and continuous improvements are in place with clear communication to workers and public authorities.

Turnover and profit is raising and the necessary investments in correct PPE and ventilation is in place. All together a tremendous benefit for employees and the working environment with higher productivity as a very important side effect.

LEAN management and organisational change has been in focus identifying a large potential for savings and improved working environment. Sadolin expect to continue to streamline the organisation with the following initiatives:

- The company is working towards developing a continuous improvement reporting and follow-up system to document improvements and cost savings.
- The company is still searching for an environmentally friendly solution for disposal of old waste paints which is currently collected at their resin manufacturing plant
- The company is slowly implementing LEAN production principles to organise the production layout and organisation of the factory. This includes better housekeeping in production in order not to waste raw materials, time and avoid accidents.

*“For Sadolin it was very instrumental that the Danish representative from AkzoNobel , came to the factory and explained to management about the standards required, and as a result this was approved. Also in relation to improving the ventilation, this process had stagnated for a long time. But AkzoNobels visit helped fast track the new ventilation system”*

**Jesse Jackson**

**Assistant Production Manager**