

MTIC DESIGN

Corporate Social Responsibility Policy

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Goal and objectives MTic-design

The MTic-design knowledge exchange program seeks to create professional design knowledge by developing innovative products through international cooperation of Latin American and Dutch designers, and to capture the emerging knowledge in order to share it with an as large as possible audience.

Short term objectives:

- Knowledge sharing and development about: the innovative force of intercultural collaboration, new ways of co-creation, design methodologies and processes, intercultural collaboration and communication;
- Capacity building for professional designers by product innovation through intercultural collaboration;
- Spill-over of capacity building to local producers; designers investigate the local production possibilities in the participating countries and share their knowledge with the producers;
- Capacity building for design universities and students by involving them in the research, integrate the research in the education program and share the findings with other design universities;
- Sharing our results with an as large as possible audience by open source knowledge sharing on our website and by organizing symposiums.

Long term objectives:

- Strengthening the creative industry by knowledge development, and international co-creation and networking;
- Creating investment opportunities for industrial production for small and medium businesses by innovative product development;
- Increasing the employment in this sector;
- Fostering cultural enrichment, mutual understanding and tolerance by connecting people from different countries who usually don't have significant involvement with other cultures;
- Being an example of inspiring new forms of international cooperation.

CSR Mission

CSR is an intrinsic part of the mission of MTic-design; socially we aim to create impact by knowledge sharing and capacity building, environmentally we try to incorporate the principles of the circular economy in our designs as much as possible (although the intercultural cooperation will remain the main focus of the project).

CSR Vision

The most important motivation for MTic-design is sharing knowledge and building capacity to create economic impact and social development. This means that CSR becomes the core of our mission and projects, leading in our decisions. Taking into account the trends related to CSR we can conclude that at this moment MTic-design will be able to adapt to principles that

promote both a clean and just world. We secure knowledge locally by involving educated designers who share their knowledge with producers. Where appropriate we'll look for businesses in the *Base of the Pyramid*¹ as our producers, and when possible develop products that take into account the *Circular Economy*². MTic-design also aims to investigate the effect of intercultural cooperation on innovation. We define innovation based on the theories of *design-driven innovation*³ from Professor of Management of Innovation, Roberto Verganti.

Stakeholders

MTic-design first of all is a knowledge exchange program. In a next phase products will be produced. The stakeholders for phase 2 become clear during the project.

Stakeholders Phase 1, design and research (current stakeholders)

1. Project organization, partners
 - a) Core team MTic-design (co-ordination and preparations)
 - b) Dutch designers
 - c) Colombian designers
 - d) Guatemalan designers
 - e) Dutch universities with teacher and class
 - f) Colombian universities with teacher and class
2. Grant providers and other sponsors
3. Receivers of information: designers, universities, general public
4. Material suppliers (basic materials for prototypes)
5. Suppliers of services (legal, promotion, auditing, telecommunications, transport etc)

Stakeholders Phase 2, production (preliminary list of future stakeholders)

6. Project organizations in various compositions (core team member(s), designers)
7. Investors
8. Existing or new producers in Colombia, Guatemala, Netherlands
9. Producer communities
10. Labor unions
11. NGO's (human rights, environmental protection, anti-corruption, etc)
12. Local governments (permits and registrations) of Colombia, Guatemala, Netherlands
13. Material suppliers
14. Suppliers of services (legal, financial, promotion, housing, telecommunications, machines, transport, etc)
15. Customs in Colombia, Guatemala, Netherlands
16. Quality and other certification institutes
17. Wholesalers/retailers/consumers

For phase 2 we will mention some of our CSR principles in this document, but will adapt the policy for production and commerce, taking all stakeholders into account.

1 The about 4 billion poorest people of the world are called the Base of the Pyramid (BoP).

2 A circular economy seeks to rebuild capital, whether this is financial, manufactured, human, social or natural.

3 Roberto Verganti, *Design Driven Innovation – Changing the Rules of Competition by Radically Innovating what Things Mean*. Boston, MA: Harvard Business Press, 2009

CSR Core subjects (ISO 26000)

We use the core subjects as defined in ISO 26000 to establish and measure our CSR policy. Regular evaluation is needed to check whether we comply. We will use the Dutch explanation of the subjects (themes) from MVO Nederland as reference for our CSR performance: <http://www.mvo-wegwijzer-iso26000.nl/#themas-0>

Organizational governance

Because of the collaboration on a distance MTic-design can be a complex organization. Regular communication is needed to measure progress and tackle issues, the core team being available in between set meetings to give information or discuss problems and ideas. CSR will be discussed too. Our online debates make it possible to involve the complete group.

We ask all our project partners to comply with the policy of MTic-design. For several partners this may seem bureaucratic, especially when CSR is (rather) new for them. Therefore, we provide explanation where needed. The CSR actions and findings of project members will be part of the project reporting and evaluation.

Our social emphasis will determine the decisions when several CSR principles seem to collide. But when another principle can be destructive on the longer term, we will tackle the destructive issue first. Furthermore, we will be as transparent in our motives, processes and policies, starting with the publication of this policy.

The value chain of which we are part can become complex, especially in the 2nd phase when we involve several types of producers and possibly in remote communities. They probably don't know (well) the common concepts of CSR. As stated before the social impact has priority, but within certain limits. Where destructive practices take place we will either demand some changes or work with the suppliers/partners to implement change on the longer term.

Human rights

We

MTic-design respects the Universal Declaration of Human Rights and will apply due diligence. We recognize that in the various societies in the world compliance with the declaration differs. We work with partners from Latin America, in countries from which we have some information about human rights issues. We are aware of corruption issues and marginalization of indigenous communities in the countries we work with. In phase 1 of the project it's not likely we encounter HR problems; we work with professional educated designers and educational institutes that are interested in building knowledge and therewith promoting and developing their country/region. In the 2nd phase we might encounter some unclear HR situations. For more details we will consult local information sources and/or organizations specialized in providing that information.

Suppliers and producers

Being a small organization we have limited influence on the foreign societies of our partners and suppliers. In various Latin Americas countries power is centered to a limited group of

wealthy people, with no short-term prospect for change. These states often formally are democratic, but the people are not well-informed and no powerful international pressure exists to provoke change. Therefore, information, education and social improvements are needed to empower local people.

Through dialog and gathering information we will do what's in our reach, amongst others not doing business with parties that consciously violate human rights and are not willing to change that. Some local institutions though may be violating human rights and not be able to change that on a reasonable term, due to complex power structures. It might be necessary at one point to involve those organizations in our project. Then we should balance our goal of knowledge (and indirectly social) development with the practices of the organizations. Involving local institutions in our project, although they may have some human rights issues, can help the project being a success and perhaps open up a dialog.

At all times we will look for other partners and channels when we notice severe violations of human rights. For these issues we will consult local people and (local and international) specialists.

Receivers and buyers

The motto of the project is to share as much as possible and be an example of international cooperation on an equal basis. With regard to human rights we don't see any probability of doing harm by sharing.

With regard to our buyers of products after the 2nd phase, we won't sell products to parties that are known to violate human rights, especially when they use our products to do so. Ideally, our buyers support social principles and value the origin of our products.

Labour practices

We

Labour rights are also part of human rights. The MTic-design project members are all partners, collaborating on an equal basis, well equipped to execute their complementary tasks. Partners collaborate because of the mutual advantages they enjoy from the project: like knowledge development, capacity building, international networking, etc. We will ask from them in their own organizations to comply with the standards of the International Labour Organization and with local norms.

Partners can never be forced to do something against their will or interests. They are expected to take responsibility for their part in the project and endorse the goals of the project. What the project expects from its members is defined in a cooperation agreement. When a disagreement between project partners can't be solved and leads to a negative influence on the project results, the cooperation agreement may be cancelled. The program manager, being responsible for the projects' success, will make that decision in consultation with the core team.

Suppliers and producers

With regard to suppliers and other parties we cooperate with, we will keep an eye on their working circumstances without becoming paternalistic: we will treat them as equals while respecting local customs. When suppliers and producers don't treat their employees well, we

will start a debate or even stop the professional relationship when we think their working conditions need improvement. Commonly accepted values and standards of labour organizations and NGOs will serve as benchmark.

Receivers and buyers

The motto of the project is to share as much as possible and be an example of international cooperation on an equal basis. With regard to labour practices we don't see any probability of doing harm by sharing.

After the 2nd phase, when our professional buyers (like wholesalers or shops) don't treat their employees well, their values don't fit those of MTic-design. We could open a debate or even stop delivering when we think their working conditions need improvement. Commonly accepted values and standards of labour organizations and NGOs will serve as benchmark.

The environment

We

We will behave responsibly with regard to energy and waste, using as little paper, ink and commodities as possible, etc. The long-distance collaboration may ask for some inevitable transport of half-products. We expect this to be rather limited, simply because of the restrictions in the budget. From the designers we'll ask to take into account the environmental characteristics of the materials. On top of that, we will ask them to design where possible for the circular economy, although the intercultural cooperation will remain the main characteristic of the project.

Suppliers and producers

With regard to our suppliers and producers we continuously try to influence green and sustainable production, where applicable checking on compliance with the UN Convention on Biological Diversity. We will choose only suppliers and producers that have a clear policy that protects the environment, or even better, saves and improves the environment.

Receivers and buyers

The motto of the project is to share as much as possible and be an example of international cooperation on an equal basis. With regard to the environment aim to be an inspiring example for the receivers of information as well as the buyers from our products.

When our professional buyers severely violated laws and common values with regard to protecting the environment we will open the debate or even stop delivering.

We will inform both professional buyers and consumers about the origin of the products, how to best save quality of the products, and recycling possibilities. When we manage to develop for a circular economy, a more detailed customer relationship will be defined.

Fair operating practices

We

The core team of MTic-design voluntarily invested a large amount of knowledge, time and other resources to prepare the project. It shows our motivation and belief in the importance of this project.

We will be as transparent as possible and neutral with regard to politics and religion. We won't take part in illegal activities and other activities that are not socially acceptable.

MTic-design respects copyrights from all parties involved. In the case of the designer duos the copyright of the designs is 50/50 theirs. To bear a fair part of the investments made by the core team, the designers are asked to give MTic-design priority in producing and market/sell the products, and in exhibiting them.

With our products from the 2nd phase we aim to deliver unique quality and won't employ strategies that compete on price, because we believe those strategies are not sustainable, provoking lower wages and other inferior working conditions, or disappearance of production to other countries. For the same reasons we won't be part of power structures like cartels that aim to beat competition in a destructive way.

MTic-design will mutually share CSR best practices with our suppliers and partners, and promote CSR and provide information where needed.

Suppliers and producers

We will look for suppliers and producers who endorse our principles of fair collaboration, preferably putting social gains before financial gains like we do.

At all times we will look for other partners and channels when we encounter corruption practices among them, with no intention to change. Also, having dubious political or religious ties, violating essential CSR principles, competing in a dirty way or violating copyright will lead to debate or ending the partnership. For these issues we will consult local people and (local and international) specialists.

Receivers and buyers

The motto of the project is to share as much as possible and be an example of international cooperation on an equal basis. We expect the intercultural collaboration can lead to some misunderstanding and other hurdles. Measuring these is part of our project, thus we will share this information too in order to offer international organizations more insight in intercultural communication and collaboration.

Our operations are centered around fairness and our ideal customers have the same intentions. When we notice that our professional buyers are involved in corruption, have dubious political or religious ties, violate essential CSR principles, compete in a dirty way or violate copyright, we will start the debate or most probably stop delivering.

Consumer issues

We

For the knowledge exchange program we ask designers to prevent using components with possible negative effects. In case of doubt we consult specialists to ensure we don't develop/promote/sell unsafe products.

For the 2nd phase we will investigate the need for European quality mark certification. When despite our precautions we discover negative effects of already produced products, we will inform our buyers, using channels appropriate for the type of customers. Administration of our sales channels will support adequate campaigns.

MTic-design is proud of the products we develop, promote and sell. Therefore, we inform consumers with pleasure about quality, ingredients and appropriate sustainable use as well as about the motivation and the social impact of design and production. Being consumers ourselves we are annoyed with misleading information from for example the cosmetics and food industry. We don't think this is the way to maintain sustainable customer relationships. Being as open about the services and products as possible, we want to be an example and distinguish ourselves in a constructive way.

As part of our customer service we will amongst others offer buyers the possibility to contact us or our producers for more information or report complaints, and a suggestion box in which people can share comments about positive experiences as well as desired improvements. When we develop and sell products that need maintenance, we will indicate which service provider a customer can turn to in case of reparation.

With regard to privacy, we will only collect customer and consumer information needed for us to perform well, and not share it without permission.

Suppliers and producers

Suppliers and producers must give us the information we need to share with our buyers. Certification gives us extra assurance, which means we will strive for it where possible. Smaller companies will be given the time and support to undergo certification processes, because these sometimes time-consuming activities must not hinder healthy development of their business.

When consumers appear to be unsatisfied with the products we will communicate those findings with our producers with the intention to start improving the products. When producers are not willing to adapt their products we may end the partnership with them.

Receivers and buyers

The motto of the project is to share as much as possible and be an example of international cooperation on an equal basis. We hope to inspire consumers with unique products that also have a nice story, adding intangible value.

From our professional buyers we expect they learn about the products and also how to inform consumers. We will also ask to share consumer feedback with us.

From consumers we expect some common sense and we will motivate them to, when in doubt, take initiative to ask for more information.

Community involvement and development

We

MTic-design promotes the development of an international community, stimulates people to get to know each other, utilizes diversity for better results, and promotes mutual involvement and understanding by communicating and collaborating.

We will share information of this process to make consumers feel more involved in unknown societies, aiming for engagement and tolerance.

By cooperating with educated local designers, who serve as contact persons between us and the producers, we make new knowledge available for the local producers, so they can improve their capacities and meet contemporary requirements of customers. By securing the knowledge

locally we prevent the producers to become dependent of our orders, but be able to find other customers elsewhere too.

With developing our own products, we can help our own societies looking for production facilities in the participating countries. A company in one country can for example finish half-finished products that are made in another country.

Suppliers and producers

We ask from the bigger, well administered companies they have a CSR policy, or are willing to establish one, and to be involved in the community where they are located. We are happy to support the company implement a social policy.

Small companies are usually from communities we want to support or supporting organizations for those communities. We cooperate closely with them to help them become a success in a sustainable way.

Receivers and buyers

The motto of the project is to share as much as possible and be an example of international cooperation on an equal basis. We hope to inspire other designers, producers and the general public with our approach and motivate them to copy the constructive aspects of this kind of collaboration.

Although we want our products to be a success because of uniqueness and quality, we expect our buyers to be interested in the story as well. We hope to be perceived as an inspiring project with a solid and credible message that our buyers endorse, feeling stimulated to buy consciously.