

CSR AND SROI IN PRACTICE

**THE FRENCH APPROACH OF CORPORATE SOCIAL
RESPONSIBILITY IN THE HOUSING SECTOR**

BEST PRACTICES FROM ICF HABITAT

AN EFL PRODUCTION OF THE WORKING GROUP SOCIAL DOMAIN

PARIS 2015



**EUROPEAN FEDERATION
FOR LIVING**

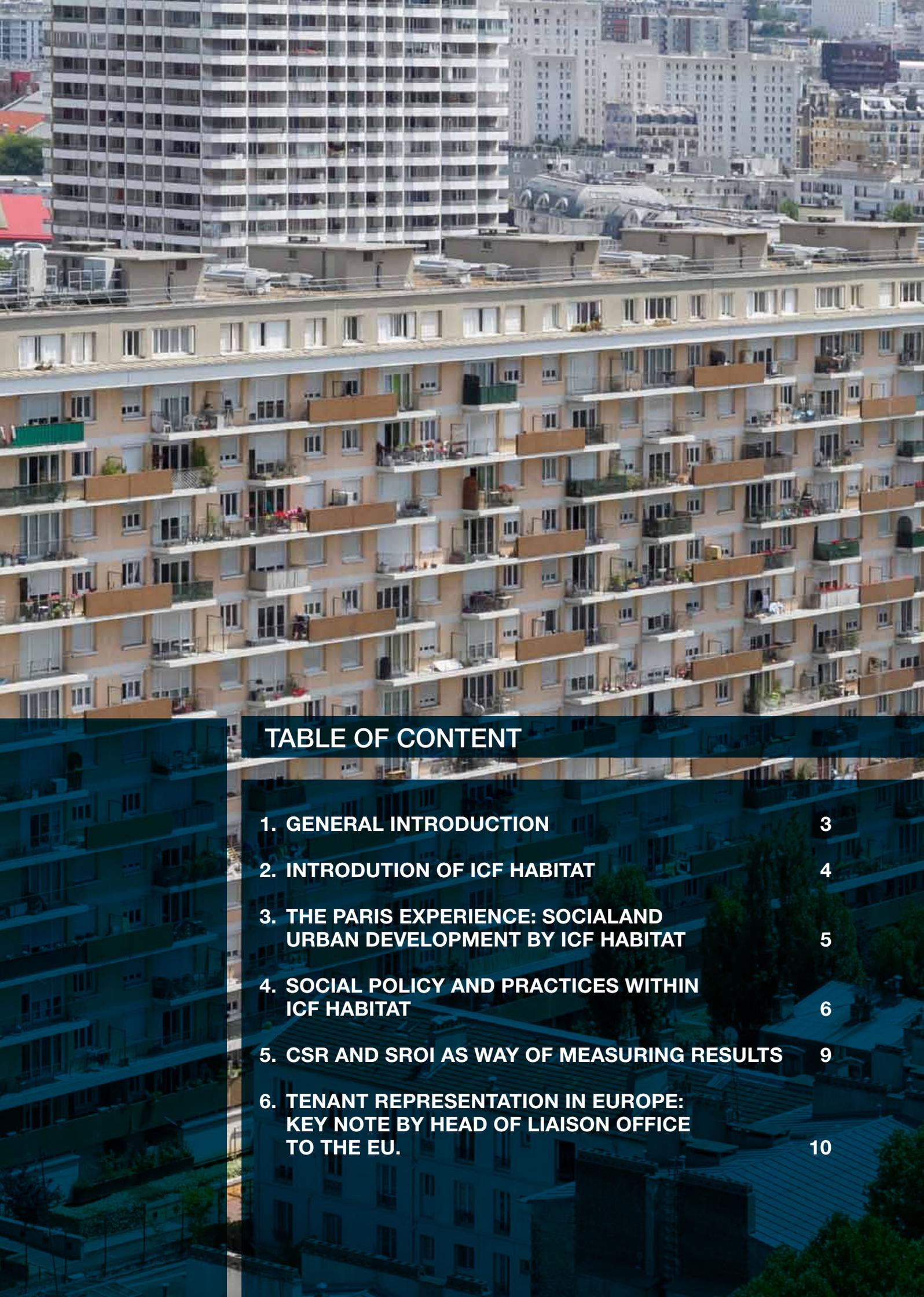


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1. GENERAL INTRODUCTION

On June 25 and 26 2015 the Working Group Social Domain/CSR convened in Paris, where housing association and EFL member ICF Habitat hosted a two-day Working Group meeting for the members of EFL and Eurhonet. The Working Group is focused on the exchange of knowledge and experiences in the field of neighbourhood development, integration and enhancing life chances of people in disadvantaged neighbourhoods. The Working Group disseminates strategies and best practices of its members, but also creates effective instruments and tools for own use. All information gathered during our meetings is covered in EFL brochures and made available via the EFL website. The key issue of the Paris meeting revolved around the practice of Corporate Social Responsibility (CSR) and Social Return On Investment (SROI) as way of measuring results.

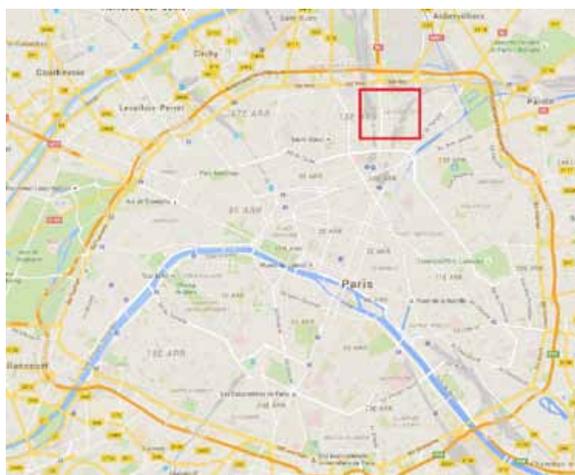
The purpose of the Paris meeting has been to further build on the findings and experiences of previous meetings, in particular the meeting in Glasgow, with the ultimate aim of creating a common tool. During the event, several approaches towards CSR and SROI have been discussed. ICF Habitat shared their own principles and methodology used to apply the concept CSR and SROI in their daily practice. They offered an instructive and active program filled with interesting lectures by highly motivated staff, in which the opportunity was created to visit some of their



major projects. A special guest to the meeting was Barbara Steenbergen, Head of liaison office to the EU of the International Union of Tenants (IUT). She held an inspiring presentation in which she elaborated on the different dimensions of responsible housing and shared some interesting facts about the International Union of Tenants.

On the first day of the visit, two urban regeneration projects by ICF Habitat were demonstrated. The projects, consisting of two properties in close proximity in the disreputable district of 'Porte de la Chapelle' have given a good impression of the 'French approach' towards enabling and empowering communities by the principles of CSR and SROI.

Map of Paris and the district of Porte de la Chapelle



On the second day, the participants gathered at the head office of ICF habitat and evaluated the 'Paris experience' as well as exchanging information about housing focused analytic tools used within their own organizations. The following pages will provide an insight in French affordable housing solutions and cover different and new approaches to CSR and SROI.

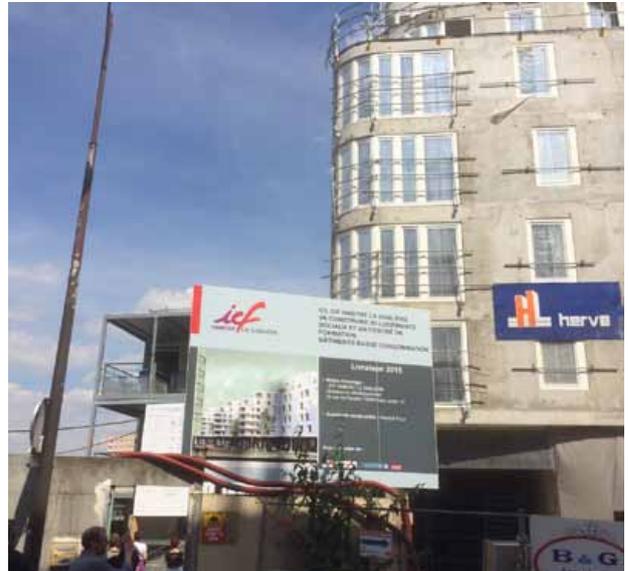
We hope that this brochure will give you new ideas and inspiration for your daily practice.

Bernadette Arends, chairman Working Group Social Domain
Saskia van Balen, EFL
Joost Nieuwenhuijzen, managing director EFL

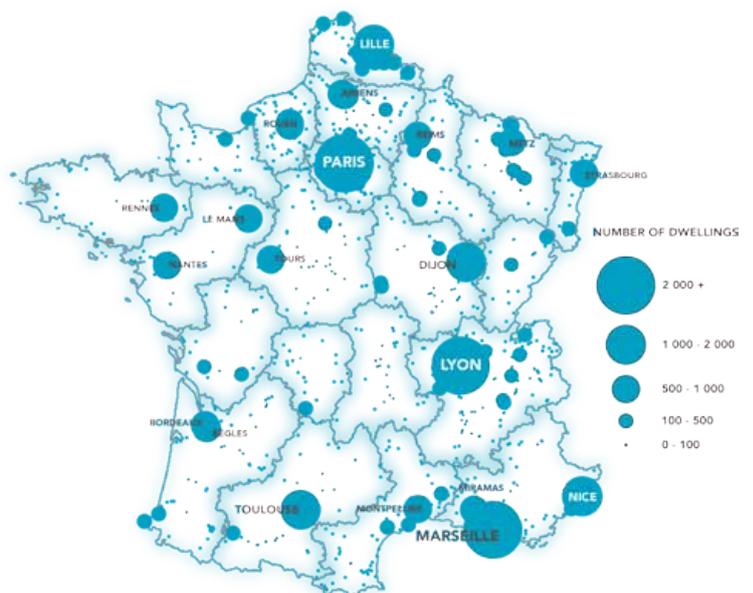
2. INTRODUCTION OF ICF HABITAT

Tenant engagement, relations with local associations and representative of tenants have been at the heart of ICF Habitat's operations for decades. ICF Habitat's responsible corporate culture championing 'people first' can be explained by their striking and multifaceted historical roots. Starting off in 1927 with the creation of SICE (French Railway Real Estate Company), their constructions in urban areas (often near railway stations) were designed with a socially just policy that assured people with the lowest incomes had access to good living conditions. ICF Habitat has always taken part in community-based activities that endorsed the broader goals of the French government.

Their connections to local partners throughout France, which promote strong communal bonds, is what makes ICF Habitat such a powerful force in the country's socio-economic growth. By maintaining collaborative partnerships with tenants and engagement between different sectors on a local and national level, ICF Habitat is able to respond effectively to the growing gap between demand and resources. ICF Habitat has decades of experience with issues such as social segregation and currently focuses on new topics such as the ageing population and housing solutions for people with disabilities.



Today, with a portfolio of more than 100,000 residential units combining public (90%) and market (10%) housing, ICF Habitat is a major player in French real estate. The company houses over 250,000 tenants and currently employs approximately 1,900 people nationwide. Their main focus is on the development of affordable housing in urban areas, but their presence is everywhere: ICF Habitat is present in 73 of France's 100 'administrative departments'. The map below shows how and where ICF Habitat is represented:



The following pages will provide a comprehensive picture of ICF Habitat's (awarded) corporate social responsibility and will guide you through some of their best practices.

3. SOCIAL AND URBAN DEVELOPMENT BY ICF HABITAT

ICF Habitat deploys a wide range of projects and activities that contribute to improving life chances of people. Their initiatives range from cooperation with other organizations and public authorities to projects and programmes solely launched by ICF Habitat. First off, the experience of the field visit will be discussed. The second part will give an overview other projects that ICF Habitat has executed for the wellbeing of their tenants, and explain how these activities have been of value to the organisation.

The first stop of the visit was in the northern outskirts of Paris at '93 Rue de la Chapelle'. The cover photo shows the high rise building which was constructed in 1971 and completely refurbished in 2006. It consists of 208 intermediate rental dwellings that are home to approximately 900 people. The building is located in a secluded Parisian suburb in the 18th district. The area owes its isolation to the fact that it is located between two railway tracks that converge at the neighbouring train stations 'Gare de L'Est' and 'Gare du Nord', forming a triangle under the Paris ring road. The seclusion has worked as a breeding ground for criminal activity, anti social behaviour and other social issues.

ICF Habitat has attempted to improve the quality of housing not only by improving homes, but also by creating an included community. They want to provide homes in neighbourhoods where people want to live. The improvement of infrastructure, in particular the restructuring of the metro line to the centre played an indispensable role in this development. Easy accessibility to the city centre has been an important step in making 'Porte de la Chapelle' more attractive to other Parisians.

Rents

In this building, ICF Habitat has refurbished each apartment and delivered comfortable, light and spacious family homes at an affordable price. The average rent is 9,6 €/m² (plus charges). Social housing rents in Paris are usually between 6 and 13 €/m². The average surface area of this building's apartments is 84 m², more than the Parisian average. This is why it is very suitable for families. People eligible to live in this building must respect resources ceiling: 37 K€/year for one person, 72 K€/year for a couple (or a single person) with one dependant, 86 K€/year for a couple (or a single person) with 2 dependants for example.

CSR

Aside from that, ICF Habitat has executed several CSR projects to tackle social issues such as solitude among elderly people, social segregation and neighbourhood small crime. Two large common rooms on the ground floor of the building supervised by tenants together with volunteers and ICF Habitat employees are a fine example of an attempt to create social engagement among the tenants and the community. These rooms provide a social and study space which is freely accessible to all residents and members of the community, stimulating integration and active communal involvement. The rooms have proven to be magnets for many tenants. There is a small library, tenants themselves have initiated cooking, language and knitting classes, children's activities and more.

Some interesting facts:

According to the Economist Intelligence Unit's latest cost-of-living report, Paris is now the second most expensive city in the world after Singapore.

In all of Paris, there are currently 125,000 people on a waiting list in need of affordable housing.

In this particular district that number is 12,000 people.

Free market rental prices in this district are relatively high at an average of 24 Euros per square meter. In this building rental prices are at 9,6 Euros per square meter.

Unemployment rate in this district: 14% (Paris: 10%)

Households with low income: 22% (Paris: 11%)

Early school leavers: 9% (Paris: 5%)

Single-parent families: 16% (Paris: 12%)

The second stop was a building in the same district, just across the street on '24-26 Rue Raymond Queneau'. This construction was built in 1968 and consists of 291 apartments that are home to approximately 1000 people. The apartments have very low rent levels, around 6 €/m². On the ground floor of the building, an office with three ICF Habitat employees provide service to tenants with regard to any problems they are experiencing or questions they might have. If needed, the office can connect the tenant through to a social worker for further assistance. The residence at Rue Raymond Queneau features an extensive community garden with a playground and a community centre similar to the one at Rue de la Chapelle.

4. SOCIAL POLICY AND PRACTICES WITHIN ICF HABITAT

Below we present an overview of CSR projects executed by ICF Habitat. They are meant to improve the social and environmental conditions across France.



1. 130 active premises (62 in Paris) made available for 200 local associations. Every activity promotes social bounds reinforcement (sport, recreational activities for children, manual activities, etc.) or professional insertion (language courses) and helps fighting social isolation (especially with the elderly, youth and immigrants).

2. Ageing people: issues and opportunities. An intergenerational experiment in “Bassens (French Alps)”.

ICF Habitat has a special fondness for the elderly population. In the period 2011-2016 2000 dwellings are being made suitable for elderly needs. In 2014, a major project was launched: a “next generation” neighbourhood experiment comprised of 74 new dwellings are

being constructed and executed in line with all environmental concerns. Of these 74 new dwellings, 25 are free residential units marketed by two companies. The other 49 units were dedicated to the experimentation: creating housing solutions for a mixed composition of tenants. Single people, couples and families, but also people with mobility disabilities and elderly tenants. The tenants have a common room (250m²) at their disposal which may be used freely, with the main objective to create a friendly community that battles loneliness among elderly tenants and deploy shared activities for children and people with disabilities.

3. Observatory of rental charges

Depending on multiple factors (employees on site or not, maintenance costs, provisions, etc.), levels of rental charges can vary from 3 €/m² to 12 €/m². In comparison with the level of rents, these charges can be difficult to support for the tenants. In order to improve its tenants’ purchasing power, ICF Habitat wanted to know where to invest to reduce rental charges while respecting a good balance between the amount of money and the results achieved. Launched in 2012, this dynamic tool allows the company to do some comparisons between buildings or cities and helps it to identify where actions need to be taken in priority.



4. ICF Habitat Call Centre

ICF Habitat's Customer Care Centre is the first among social landlords to get the Social Responsibility Label. Issued by the French certification organism 'Afnor' in March 2014 for a period of three years, this label distinguishes good social practices. With 300,000 calls in 2014, the ICF Habitat Call Centre has helped thousands of tenants throughout France to solve problems of a small or more extensive nature in a cost effective way.

5. Supporting good causes

ICF Habitat supports good causes in various ways:

- Employees taking part in running events. Funds are donated to charity organizations (2000 €/year).
- The "Coups de Coeur solidaires" challenge (36 K€/year): employees promote a project of an association of which they are a member and can be granted up to 3 000 € to help make it happen. Several kinds of projects are awarded: sport, education, humanitarian assistance, etc.
- A call for projects dedicated to local projects promoted by tenants and aiming at the reinforcement of social bounds and animation in buildings (46 K€/year).
- A partnership with a charity organization dedicated to poorly-housed and the homeless (donation of 2000 €/year).

6. Social prevention mechanism

ICF Habitat noticed that helping people with money problems is not as efficient in the long run as helping



them before the problems happen. Each year, 1200 on the 6000 new tenants get an evaluation of their social and economic situation. Half of them benefit from a social prevention mechanism, like personal help in budget management in order to prevent unpaid rents. It is part of the mission of the 40 social workers at ICF Habitat.



7. Les Voisins du cœur ‘

‘Les Voisins du cœur’, which literally translates into “neighbour from the heart”, is another great example of a project come to live by the values of CSR. Conducted in partnership with the association ‘Le Pari Solidaire’, the initiative has proven to be very successful. The objective was to support and assist seniors for the duration of the refurbishment at their homes in Paris and launch a program consisting of entertaining activities. During the construction the tenants were regularly informed on the progress of the work and had the chance to ask questions. Volunteers would visit the elderly on a regular basis to keep them company and take part in these activities, but also to help in more practical issues such as moving furniture and assistance in administration work. These volunteer efforts have helped make the process of refurbishment by ICF Habitat run smoothly, and cost effective.

8. Work insertion

From a business care perspective it makes a lot of sense to engage in recruiting young people and to offer them a chance to be involved, particularly now during times of high youth unemployment. ICF Habitat asks for specific employment criteria in the contracts with providers, and works with local partners in favour of integration through employment. For the year 2014, these commitments represent 58000 hours of integration work. ICF Habitat made an agreement with public authorities to employ 60 adolescents in 3 years for training programmes. Young people (16-25 years old) with low qualifications and living in unprivileged neighbourhoods are given training and are supervised by a dedicated tutor, for a period of 12 to 36 months. They earn the French minimal wage, with a 35% financial contribution of public authorities. At the end of their programme, some of them have been employed on a permanent basis.

9. Promoting social behaviour

ICF Habitat has also contributed to the character of many French neighbourhoods by promoting social behaviour among their tenants. Dealing with anti-social behaviour is a priority for them, and also an important service they provide. In March of this year ICF Habitat

launched an information and awareness campaign at their residences. The aim was to prevent anti-social behaviour, towards ICF Habitat employees and among tenants themselves. Also, repressive measures have been taken: in partnership with municipalities and the police, ICF Habitat has set up observational measures in particular sensitive areas, allowing the police to disperse anti-social individuals and provide short-term respite to a local community. Police patrols prevent illegal activities from developing in these areas, and security cameras have been set up to help identify perpetrators.



5. CSR AND SROI AS WAY OF MEASURING RESULTS

More than ever before, today's complex social, environmental and economic transformations and challenges require housing providers and their stakeholders to work closely together to support and further develop Responsible Housing.

“Responsible housing is a form of fair and ethical housing production and management which improves the economic and social conditions of local communities. It creates a basis for social cohesion, local development and attractiveness, quality of life for tenants/residents and local actors, thus maximizing long term shared value.”

Concretely this means that CSR can help:

lower the percentage of evictions

have rent paid on time

lower crime rate

stimulate integration

increase employment

Not only can corporate social responsibility (CSR) be a powerful tool in supporting providers address these current

and upcoming challenges, it can also help deliver results that are cost-cutting for your organisation. The question should not just be ‘does our CSR programme offer social benefits’, but also ‘how are we maximising the value of our Euro?’. These results are measurable in terms of impacts on non-profit beneficiaries, such as avoiding costs and increasing capacity. This is where social return on investment (SROI) comes in: using the outcome of CSR measurements to save money and improve your business in a natural way.

The members of EFL and Eurhonet gathered at the head office of ICF Habitat, where the Working Group explored several CSR measurement models. Turns out that there is quite a difference in the way organizations measure CSR. Some have their own specific model, others follow standards and CSR reports used by other organizations. In fact, some organizations make no measurement of CSR at all.

The shared aims of the Topic Group are to quantify the value of CSR using money as the common measurement language, and to spread awareness of the need and the value of reporting the impact of CSR.

French language course for tenants



6. TENANT REPRESENTATION IN EUROPE: KEY NOTE BY HEAD OF LIAISON IUT OFFICE TO THE EU

A special guest to the meeting was Barbara Steenberg, Head of liaison office to the EU. She held an inspiring presentation in which she elaborated on the different dimensions of responsible housing and shared some interesting facts about the International Union of Tenants.

About the IUT

Founded in Zürich, Switzerland in 1926, the International Union of Tenants has 65 national and regional members in 45 countries that work together to promote co-operation between tenants through sharing information and aiming to realise the right of everyone, both to good housing, and to a sound and healthy residential environment, to an affordably and fair rent. They are politically non affiliated, working along democratic guidelines. Their Head office is in Stockholm, Sweden and the Liaison office to the EU is located in Brussels, Belgium.

What are their views on CSR?

CSR in their view is a way of doing business, not only a

reputation or communication issue. It helps to create social value and seeks stakeholders' commitment. It means working for sustainable communities and involving people in the decision-making process.

European Responsible Housing Initiative

This is the first CSR action in the field at EU level, financed by the European Commission. They partner with DELPHIS, Housing Europe and the International Union of Tenants to promote 'responsible housing' across the European Union. Together they developed the 'Responsible Housing CSR Code of Conduct', a code that helps housing providers embed sustainability and CSR in their strategy and operations and better fulfil their mission: "to provide affordable, good quality housing and services responding to a variety of needs, and thus contribute to residents' well-being, quality of life and empowerment, and sustainable local communities." Through the code you can show your commitments and present your organization as a frontrunner at a European level.

www.responsiblehousing.eu



7. Results from workshop EFL/ EURHONET on Friday

Measuring SROI

Housing providers are increasingly expected to use data and evidence to inform all aspects of their decision-making. New regulatory rules require housing providers to demonstrate the value for money of their social, as well as financial returns and provide evidence they are spending money as effectively as possible. The importance of deploying results after measuring is great, and many housing organizations have made CSR part of the core of their business strategy. In recent years, more and more housing organisations have been integrating CSR within their traditional annual reports, but the differences per organisation and country are still of great size:

Sweden has a long history of CSR policy. There have been many opportunities for housing organisations and municipalities for an active social responsibility strategy. Subsidies for specific targeted investments were made available and especially in the socially weak neighbourhoods in the capital, the primary focus often lies on local community improvements, i.e. education, employment policies and only partly physical renewal. However, in Sweden the differences between housing organisations are still tremendous. There is not yet a uniform directive that organisations can turn to to improve their CSR policy.

Among housing organisations in the UK, there is a general recognition that duties extend to a higher level than just bricks and mortar, but there are no general guidelines to their disposal.

During the meeting, Marc Turnbull introduced HACT – a solutions agency committed to CSR and SROI across the



housing sector, to the group. HACT work closely with the housing sector, government, civil society and communities to develop and share innovative approaches to meeting changing needs. They believe that housing providers are at their most successful when they focus on the social value they create, and are committed to help housing organisations engage with and invest in their communities.

Germany & the Netherlands

Many German and Dutch housing organisations have made corporate social responsibility a central part of their business strategy. But like in Sweden and the UK, there are no General guidelines. Both have a wide variety of CSR practices, from elderly care to creative initiatives that promote neighborly help.

Italy

The Italian public housing organisation IPES Bolzano is primarily the property holder of the city of Bolzano. People with low income can apply for social homes provided by the housing company.

The handling of tenants with anti social behaviour is primarily outsourced to dedicated municipal care organisations. The topic group will learn more about the details during the Topic Group meeting Social Domain/ Social Integration on November 26 in Bolzano.



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