

Update

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Corporate Social Responsibility

The Malta Employers' Association (MEA) has for the past months been working to promote Corporate Social Responsibility (CSR) amongst its members. CSR is a self-regulating business model that helps a company be socially accountable – to itself, its stakeholders, and the public – by being conscious of the kind of impact they are having on all aspects of society including economic, social and environmental.

MEA has attended the 4th CSR Annual Conference on “*The impact of responsible business on economic and social empowerment*” and the Second CSR Matchmaking Forum on the 16-17 April 2018 in Cairo Egypt, organized by the Federation of Egyptian Industries (FEI), the International Labour Organisation (ILO) in collaboration with PDF, SFSD, AUC and BUSINESSMED. The conference highlighted the importance of the presence of productive, profitable and sustainable enterprises, together with a strong social economy and a viable public sector and civil society - indispensable tools to achieve equitable, inclusive and sustainable economic development and social welfare. The Matchmaking Forum aimed at showcasing the various CSR

opportunities offered by the private sector and the different CSR projects undertaken by the NGOs responsible for employment, training, education and health sectors.



Following this event, an agreement was signed between Spazio alla Responsabilita' and the MEA, in the presence of Hon. Andrea Cozzolino, Euro-MP and Vice-President of the Parliamentary Committee for Regional Development. This agreement gives MEA access to be part of the Permanent Forum for Social Responsibility in the Mediterranean, of which objectives include promoting cooperation on social responsibility for sustainable development through the exchange of best experiences and the planning of joint actions in the light of the 2030 Agenda.

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The online toolbox for business entrepreneurs

The Euro-Mediterranean region, with particular reference to its south bank, is a strategic area with common characteristics for criticalities and opportunities, where the objectives of the Agenda 2030 assume different connotations from the rest of the European continent and where the sea economy has the role of a driver towards sustainable, competitive and inclusive growth for Malta and Italy.



At national level, the MEA is part of the CORE Platform Committee, which aims to promote, debate, raise awareness about and to disseminate the concepts of Corporate Citizenship and Corporate Social Responsibility, and to be a platform of exchange and mutual learning among members, its associates, civil society and other partners at national and international levels. CORE Platform is a member of CSR Europe chaired by IBM Europe and has more than 40 CSR Organisations in more than 30 European countries.

The MEA is also part of the Employment Initiative Committee, managed by the President's Trust under Her Excellency, Marie-Louise Coleiro Preca, President of Malta. This CSR Initiative offers the service of Supported Employment, providing support to young people with disabilities and/or other disadvantaged groups to secure and maintain paid employment in the open labour market.

A Memorandum of Understanding (MoU) has been signed by the MEA and the President's Trust for the Employment Initiative Programme on the 1st August 2018 at San Anton Palace.



A Consultation Session for Employers has also been organised by the President's Trust in collaboration with MAZE and MEA on the 1st August 2018, followed by a series of Outreach Activities at MEA Premises for members who showed interest in participating in this Employment Initiative. A number of MEA members are making use of this initiative and employing workers in various sectors.

This October, Mr Farrugia MEA's Director General has also attended the 6th Mediterranean Salon on Corporate Social Responsibility in Naples, organised by Spazio alla Responsabilita'. This first Round Table focused on the state of the art, the critical issues and opportunities related to the objectives of sustainable development, in order to identify new opportunities for collaboration and synergy between companies and territory, in the dimension of the 2030 Agenda. Mr Farrugia delivered an address focusing on how Malta-Italia-Tunisia can collaborate together to promote responsible business.



Below is Mr Farrugia's speech delivered at the 6th Mediterranean Salon on Corporate Social Responsibility in Naples.

Speech

I feel honoured to be addressing this CSR Mediterranean Forum today, as it touches on a very sensitive and important topic that is part of the business environment irrespective of which part of the world one is operating in. Hence this meeting of representatives from Europe and North Africa - countries which encircle the Mediterranean basin – is an excellent opportunity for an exchange of experiences coming from diverse cultures about how the concept of Corporate Social Responsibility is understood and practiced, and also how the concept can be applied and promoted by businesses.

This is important since today many businesses are more connected than ever through complex supply chains. Thus the reputation and perception of a business among its customers – whether they are B2B or B2C – is becoming increasingly dependent not just on the firm itself, but also on the conduct of members across the entire supply chain.

However, although we meet today to discuss CSR, we need to acknowledge that many companies are not even aware that the term exists. In particular, I refer to micro-enterprises – which in Malta comprise more than 95% of businesses. Many of these companies may not have heard of CSR, but they certainly understand and practice the idea that there is a social dimension to running a business, and that, in line with the EU definition of CSR, they take responsibility for the impact of their activities on the rest of society.

Therefore, even businesses who do not consciously conduct CSR activities do go beyond what is legally expected of them and integrate social, environmental, ethical, consumer and human rights concerns into their business strategy and operations. They may not go about it in a structured manner, or even compile data to report it, but activities that fall under the wide umbrella of the CSR definition are widely practiced in a discretionary manner. This is definitely the case in Malta.

Yet, there is still a need to raise awareness about CSR among companies in all the countries that are represented here today, and our participation in the EBSOMED project should enable more SMEs to strengthen their efforts to internationalisation through stronger business partnerships. These business partnerships are not restricted to commerce, but also towards the dissemination of good practices that can also work in the business interest through cost savings, customer relationships, access to capital, manpower issues and innovation.

I can illustrate these benefits by applying these concepts to occupational health and safety. In Malta, OHS is strongly regulated

through a legislative framework which traces its foundations to EU directives. Therefore at the outset, one could think that the role of CSR in this field is limited as OHS is already covered by legislation.

In Malta we have an Occupational Health and Safety Authority which is very active in promoting and enforcing OHS legislation. As an example, there is currently a campaign which will run through 2018-19 about 'Healthy Workplaces Manage Dangerous Substances', which is part of an EU wide campaign organised by the EU-OSHA.

This campaign is being endorsed by Maltese employer organisations through their representation in the Occupational Health and Safety Authority. This campaign is about raising awareness about the importance of managing dangerous substances in a professional manner, promoting risk assessment and elimination of such risks and also identifying workers at risk.

The CSR element in such situations arises from three aspects. Firstly, responsible companies are not reactive to such developments, but are sufficiently proactive to the extent that they would already have taken initiatives to minimise safety hazards even in the absence of legislation. A self-regulatory approach often acts to prevent an overreaction by legislators by introducing draconian measures that may not be reasonable nor enforceable. The point here is that occupational health and safety, through a CSR mentality, becomes not a question of enforcement – which is reactive, but part of a proactive workplace culture where enforcement becomes superfluous.

Besides the traditional application of OHS to workplaces with physical hazards, corporate social

responsibility in this field is also branching out into diverse management practices, which also include assessment and prevention of psychosocial risks in areas such as financial services.

Initiatives such as the PRIMA (CSR Guidelines for Psychological Risk Management Excellence Framework), developed in 2008 offer guidance to companies integrating psychosocial risk management as part of their CSR.

Secondly, employees are also an integral part of this CSR culture. They must be partners in bringing about this change. There should be no need for business owners and management to police the labour force to ensure that established OHS procedures are being followed without to resort to disciplinary measures. In Malta, unions are our allies in promoting this proactive culture and are very much aware that OHS is a shared responsibility.

Thirdly, employer organisations also have a key role to play. They are the catalysts of cultural change in many workplaces. They can go beyond their legal obligations and apply a CSR approach by, for example, training their members and providing services to enable companies to embrace a culture of prevention of OHS related incidents, and designing voluntary codes of conduct for employers.

Employer organisations can promote the benefits of being proactive – a better employee moral, stronger customer loyalty, increased productivity and possibly lower production costs, lower labour turnover, stable industrial relations and others. In my experience, many companies – even micro businesses - respond well to these services and will be encouraged to seek membership in employer

organisations, thus giving them a stronger voice and representation.

The ISO6000 definition of CSR includes 'a respect for human rights', and a safe working environment is a human right, and falls under the company's internal social responsibility.

Therefore, a proactive CSR approach to OHS is also a means to strengthen the capacity building of business support organisations and this is something which is very important for us, coming from different Mediterranean countries with such diverse business environments. In line with the World

Business Council for Sustainable Development which, in 1999, defined CSR as "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large", we can work towards a wider diffusion of this concept among our publics.

In conclusion, I look forward for further collaboration between us in the months and years to come. I congratulate all the stakeholders involved in the EBSOMED platform, through the financing of the EU and BusinessMed's coordination. This

project should open doors for meaningful partnerships which will go beyond the upcoming General Summit on the CSR in the Mediterranean in 2020.

