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“Basic Course in Corporate Social Responsibility”



Section 1



CAMERA DI COMMERCIO
TREVISO - BELLUNO | DOLOMITI



“Basic course in Corporate Social Responsibility” in e-learning mode

Handout - Section 1

European and Italian Regulatory Framework. International and European reference documents

CSR IN CLASS

CSR spread IN secondary school CLASS

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1. Corporate Social Responsibility: definitions and objectives

CSR, acronym for Corporate Social Responsibility, identifies a series of topics which do not always have a univocal definition.

CSR is often associated to corporate ethics and corporate citizenship concepts, as well as to many others, according to which **being a socially responsible corporate means keeping in consideration not only the management economic parameters, but also the environment and the social context in which the corporate operates.**

The first definition of CSR (Corporate Social Responsibility) was formulated by the European Commission in 2001 as a result of a path undertaken in 1993 by Jacques Delors– then EC President - who appealed to European enterprises against social exclusion, backed by the European Council of Lisbon in 2000. It identifies *Corporate Social Responsibility* as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing “more” into human capital, the environment and the relations with stakeholders.”¹.

This is put into effect by going beyond the obligations required by the legislation, thanks to the implementation of investments in technology, of ecologically responsible commercial procedures and social regulations, which allow corporates to increase their competitiveness.

Said definition remained unchanged until 2011, when the European Union considered it appropriate to update it according to the internationally recognised principles and directives.

CSR is therefore defined as the “Responsibility of enterprises for their impacts on society”.

The necessary premise to perform said responsibility is the compliance with the laws in force and with the collective contracts between the social partners, and the implementation of a process to complement the social, environmental and ethical elements, human rights and the worries of consumers in their commercial operations through a close co-operation with the stakeholders.

The Community’s effort remains persistent to this day by addressing the Member States to follow the guidelines for the diffusion of the topics regarding corporate social responsibility. Among all members, Italy stands out as it has been carrying them out since 2003³.

The concept of “responsibility” is of the utmost importance and implies some aspects that should always be kept in mind, such as:

¹ Definition contained in the European Commission Green Paper, “*Promoting a European framework for Corporate Social Responsibility*”, page 6, July

² Definition contained in the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions with the title “A renewed EU strategy 2011-14 for Corporate Social Responsibility”.

³ See paragraph “CSR-SC Project” (p. 19)



- the predisposition to satisfy legitimate expectations, either economic or not, of all stakeholders (both internal and external);
- the presence of discretionary spaces in the pursuit of institutional goals, that is to say, the degree of flexibility in deciding the areas and courses of action;
- the will to account for one's behaviours and results and to establish a constructive dialogue, based on the principle of mutual trust, with the stakeholders;

The most important – and at the same time the most difficult - message to convey is that “CSR” as a concept includes a whole range of topics, values and actions tightly connected to each other, which are labelled as “socially responsible behaviours” once they are put into action.

In any case, what is considered as a "socially responsible behaviour" is actually "**common sense**" and **optimization of energy and resources**, as well as **sharing certain values**. Given such awareness, it is possible to understand how combining the logic of profit, typical of corporate business, with Social Responsibilities principles can contribute to achieving **societal objectives, environment protection and the improvement of corporate reputation**.

Social Responsibility, at a corporate level, must be considered as an investment and not as a cost.

On November 1st, 2010, the guideline UNI EN ISO 26000 was published after a long and difficult process which started in 2003, with the objective to provide a complete set of guidelines, voluntary, harmonised, and recognized at an international level in the field of Corporate Social Responsibility.

Based on the best practices and in accordance with the declarations and agreements of the United Nations, the ILO and with the Organization for Economic Co-operation and Development (OECD), the guidelines do not concern material products but instead immaterial processes and organizational systems; moreover, they do not list any requirement (as other ISO standards do) and therefore is not used as a certification standard.

One of the ISO 26000 objectives is to be able to put into practice the principles and the ways to implement Social Responsibility in an efficient and effective manner, taking into consideration that the definition of “Social Responsibility” may vary from Country to Country.

The implementation of the ISO 26000 guidelines can therefore help all kinds of organisations (enterprises, public service companies, non-profit companies, etc...), regardless of their size, activity or location, to operate in a socially responsible way, according to the 7 following points:

1. **Responsibility:** the organisation must take responsibility for its impact on society and development agreeing to any possible verification and subsequent liability;
2. **Transparency:** the organisation must be transparent about all its activities and decisions, in particular those relating to its nature, goals, results regarding social responsibility and the source of its financial resources;
3. **Ethics:** the organisation must always behave in an honest, equal and morally righteous manner, respecting people, environment, animals and all those who are in some way involved in the company's activity;
4. **Respect for stakeholders:** the organisation must identify all those who, directly or indirectly, are involved in the company's activity and must pay particular attention to their needs;



5. **Observance of the law:** respect for the law's role is mandatory and the organisation must accept the fact that no individual or entity is above the law;
6. **Observance of international behavioural standards:** the organisation must adhere to the internationally established principles and observe them as much as possible if they operate in nations with a legislation that comes into conflict with such regulations;
7. **Respect of human rights:** the organisation must acknowledge the importance and the universality of such rights and avoid taking advantage from situations in which said rights are not observed;



2. CSR: European and Italian Regulatory Framework. International and European reference documents.

In order to facilitate the memorisation of the sources and of the information stated in the following paragraph, the key below was adopted:



United Nations



International Labour
Organisation



European Union



Organisation for Economic
Co-operation and
Development



Italian Government,
Ministries and
Foundations



1947: The UN established the Commission on Human Rights, whose formation on a rotational basis comprises all 53 states that joined, always with a prevalence of less industrially-developed nations;



1948: On December 10 the UN General Assembly implements the “*Universal Declaration of Human Rights*”, drawn up and proposed by the “Commission on Human Rights”;



1976: The OECD (Organisation on Economic Cooperation and Development) starts a procedure to define the “*Guidelines for Multinational Enterprises*”, revised in 1998;



1977: The Governing Body of the International Labour Organisation (ILO) implements the “*Tripartite declaration of principles concerning multinational enterprises and social policy*”. This document has a universal but non-binding nature, whose principles act as a guide for multinational enterprises, governments, entrepreneurs and workers in sectors such as employment, training, working and life conditions and professional relationships.



1993: Appeal of European Commission President Mr. Delors against social exclusion;



Between 1994 and 1999: European Parliament resolutions on CSR topics (social labels, human rights) were issued in succession;



1995: The “*CSR Europe*” network was established;



1999: The UN Secretary-General Kofi Annan presented the Global Compact project, a code of conduct that invites enterprises to adopt 9 universal principles⁴ regarding those areas concerning human rights, working conditions, and environment. It was launched in New York in July 2000 in the presence of 50 representatives of the multinationals that joined said project. The nine principles were later expanded and principle ten regarding the fight against corruption (2004) was added;

⁴ See paragraph dedicated to “Global Compact” and Glossary in this handout.

-  2000: The Lisbon European Council and the Nice European Council set the EU strategic goal for 2010 – to become the most competitive and dynamic economy, able to perform a sustainable economic growth with an increase in employment, both in a qualitative and quantitative manner, and with greater social cohesion;
-  2001: The European Commission published the Green Paper, “Promoting a European framework for Corporate Social Responsibility”;
-  2002: The European Commission established the Multi-stakeholder Forum and arranged the writing of the White Paper;
-  2003: The Italian Government proposes the *“CSR-SC Project: the Italian contribution to the CSR diffusion campaign in Europe”* presented during the third European conference on CSR in Venice. The Italian Union of Chambers of Commerce, Industry, Crafts and Agriculture (Unioncamere) and the Ministry of Labour and Social Policy drew up a Memorandum of Understandings to develop the ministerial project on all the national territory;
-  2004: The national Multi-stakeholder Forum was established, and the CSR White paper was presented.
-  Among the other conferences set at an international level, the press conferences *“European Corporate Social Responsibility Award”* and the *“National conference: CSR – a commitment to the future”* (RM) deserve a mention;
-  2004: the UN United Nations Sub-Commission on the Promotion and Protection of Human Rights proposed to issue the *“Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights”*. For the first time, the chosen regulatory approach was expressed both with regards to the commitment to monitor multinational enterprises and to undertake legal action against those enterprises which violate such norms. Said proposal prompted controversial reactions regarding the voluntary principle to adhere to international standards concerning human rights and regarding the need to have mandatory standards to ensure that the principles contained therein are respected;
-  2005: by the financial law, the I-CSR Foundations, studies centre and CSR diffusion centre, was established (For additional information, please refer to the website references);
-  2006: the European Commission presented the Second Communication on corporate social responsibility to promote the following initiative: *“European Alliance for a Competitive and sustainable Enterprise – make Europe become an excellence centre on CSR”*;
-  2006: the first Memorandum of Actions on CSR was signed in Venice between the Italian Union of Chambers of Commerce, Industry, Crafts and Agriculture (Unioncamere) of Veneto and the Veneto region;



2007: the first inter-Ministerial Table meeting on corporate social responsibility was held at the Italian Ministry for Social Solidarity in Rome;



2010: the ISO 26000 International Standard for the codification of the good practices on corporate social responsibility was published.



2012: The Ministry of the Environment and Protection of Land and Sea issued the Decree 6.6.2012 “Guide for integration of social issues in public procurement” in order to take into account all social aspects in defining Public Administration invitations to tenders, to buy products and services and to execute works.



2013: the report on environmental performance in Italy, on sustainable development and eco-innovation for green growth was published, also considering the European goals for 2020⁵, and the Global Forum on the responsible behaviour of enterprises, an event organized yearly in Paris, aimed at strengthening the international dialogue on the responsible behaviour of enterprises and contributing to the effective implementation of the OECD regulations for multinational enterprises, was opened.



2013: Italy was the first Country among Member States to submit the European Commission its National Corporate Social Responsibility Plan 2012-2014, presenting it officially on April 16, 2013 to the Italian National Council for Economy and Labour (CNEL) in the *Parlamentino* room. The document illustrated the primary actions and projects aimed at the fulfilment of the “Renewed EU strategy 2011-14 for Corporate Social Responsibility”, in line with the pursuit of an alternative (sustainable) development model and of an exit from the economic and social crisis through the achievement of the following objectives: 1. Increase the knowledge of responsibility among enterprises, citizens and territorial communities; 2. Support those enterprises that adopt CSR; 3. Contribute to the reinforcement of market incentives for CSR; 4. Promote the initiatives of social corporates, Third sector, active citizenship and civil society enterprises; 5. Promote transparency and diffusion of economic, financial, social and environmental information; 6. Promote CSR through internationally recognized instruments and international cooperation.



2014: The European Commission performed an analysis of the activities carried out by Member States in 2013-2014 concerning Corporate Social Responsibility,



2014 and 2015: The Bocconi University of Milan hosted the first two editions of the Forum on CSR and Social Innovation.



2015: the “Global action 2015” was published. This document summarises the following 17 objectives for sustainable development: 1. End poverty in all its forms everywhere; 2. End hunger,

⁵ The so-called “20-20-20 Plan”, a series of measures set by the EU for the period of time following the Kyoto Protocol to contrast climate change. The “package”, contained in the Directive 2009/29/CE, entered into force in June 2009 and will be effective from January 2013 until 2020.



achieve food security and improved nutrition and promote sustainable agriculture; 3. Ensure healthy lives and promote well-being for all at all ages; 4. Ensure inclusive and quality education for all and promote lifelong learning; 5. Achieve gender equality and empower all women and girls; 6. Ensure access to water and sanitation for all; 7. Ensure access to affordable, reliable, sustainable and modern energy for all; 8. Promote inclusive and sustainable economic growth, employment and decent work for all; 9. Build resilient infrastructure, promote sustainable industrialization and foster innovation; 10. Reduce inequality within and among countries; 11. Make cities inclusive, safe, resilient and sustainable; 12. Ensure sustainable consumption and production patterns; 13. Take urgent action to combat climate change and its impacts; 14. Conserve and sustainably use the oceans, seas and marine resources; 15. Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss; 16. Promote just, peaceful and inclusive societies; 17. Revitalize the global partnership for sustainable development.



2016 and 2017: The Bocconi University of Milan hosted the third and fourth edition of the Forum on CSR and Social Innovation



2017: The Ministry of the Environment and Protection of Land and Sea issued a Ministerial Decree through which the Italian National Energy Strategy 2017, the ten-year plan set by the Italian Government to anticipate and manage all changes in the energy system, was adopted. The goals of this Strategy are the following:

- enhance Italy's competitiveness, by continuing to bridge the gap between Italian energy prices and costs and the European ones;
- attain Europe's environmental and de-carbonisation targets in a sustainable way;
- continue to improve the security of energy supply and the flexibility of energy systems and infrastructures strengthening energy independence in Italy.

3. CSR in Italy



In 2002, the Ministry of Labour and Social Policy (in accordance with the definition of CSR and the sharing of the priorities carried out by the European Commission and contained in the Green Paper), formed a working group entirely dedicated to the development and promotion of the CSR_SC Project, proposed by the Government in 2003 and implemented in 2004, with the objective to establish a process of in-depth analysis, research and testing in order to establish a voluntary, simple and modular Social Statement⁶, to be adopted by enterprises, aimed at identifying their socially responsible behaviours.

Other goals of the Ministerial project included the following: ensure the diffusion of the social responsibility culture among enterprises; implement tools to adequately measure and evaluate the enterprise's social performance (related to CSR); promote and diffuse the best corporate practices and start a "follow-my-leader" mechanism for all the production chain, with particular reference to SMEs, so that the enterprises involved became the flywheel for others, thus creating a sort of network of trustworthy enterprises.

In order to spread CSR culture, thanks to the Italian Union of Chambers of Commerce, Industry, Crafts and Agriculture (Unioncamere) in 2003 the first CSR Offices were opened in 20 Chambers of Commerce in Italy, with the goal to extend, by 2006, the launch of such service in all 103 Italian Chambers of Commerce.

As regards the implementation of CSR measurement instruments, over the last twenty years there was an increasing consolidation of standards in the social and environmental area, concerning special instruments to manage and evaluate performance⁷: if on the one hand they helped a substantial number of enterprises to improve their management, on the other hand they gave rise to confusion and lack of clarity; this was often due to: lack of knowledge on CSR; multidimensionality⁸ of CSR, variety, diversity and non-consistency of said standards.

Imposing a binding standard would not have been a solution to this problem, as CSR is based on a voluntary approach, but instead creating a common model that would allow stakeholders (managers, workers, financial community, suppliers, clients, banks, public bodies, communities) to evaluate in a complete, correct and informed manner their corporate performance.

In collaboration with the Bocconi University of Milan, the "social statement" was drawn up and represented by the "social performance indicator" set, taking after a series of documents, among which the following: the GRI 2002 Sustainability Reporting Guidelines (August 312,2002), SA8000:2001, Commission of the European Communities, the Communication "Promoting core labour standards and improving social governance in the context of globalization", the Brussels 416 final COM(2001) Communication, and the

⁶ In 2002 the Ministry of Welfare commissioned to the Bocconi University a research project to draft a proposal for a CSR-SC Standard.

⁷ Section 6 of this course and topics regarding social reporting systems.

⁸ It is the case, for example, of established Standards that are incorrectly considered as "alternative" (typical example: SA 8000 on ethical sourcing, compared to the ISO 14001 and EMAS environment management systems) when they in fact cover particular aspects of corporate social responsibility and therefore must be considered as collateral.

Italian Banking Association (ABI) Guide lines for the drawing of the social balance sheet.

The approach indicated by the Ministry of Labour and Social Policy wanted to value CSR enterprise experiences with the final objective to encourage greater transparency and clarity with respect to all stakeholders.

However, on a more practical level, substantial difficulties have been recorded during the implementation of this instrument, which would require a system monitoring its correct management, both from the enterprises who joined and from an external body other than the companies.

The Social Statement was therefore filed, but its structure constituted the basis for the development of new survey on the degree of corporate Social Responsibility and self-assessment instruments. Some of the indicators provided for in the social statement are used also in the arrangement of the CSR Minimum Requirements self-assessment grid which is prepared at a regional level for Veneto (cf. paragraph 5 of this handout).

Always working to promote CSR and coordinate 61 Chamber Offices, active throughout all the Italian territory, in 2008 the Italian Union of Chambers of Commerce, Industry, Crafts and Agriculture (Unioncamere) updated the portal dedicated to Corporate Social Responsibility and added new information, thus introducing topics regarding Green Economy. The Portal contains information provided by CSR Chamber Offices, by Italian national newspapers, and by European institutions; a self-assessment tool on the companies' degree of corporate social responsibility and a collection of university dissertations on CSR are also available online.

National Corporate Social Responsibility Plan 2012-2014

On April 16, 2013, in the *Parlamentino* room of the Italian National Council for Economy and Labour (CNEL), the National Corporate Social Responsibility Plan 2012-2014 was officially presented, sent to the European Commission by the Directorate-General for the Third Sector and Social entities of the Ministry of Labour and Social Policy and the Directorate for the Industrial and competition policies of the Ministry of Economic Development. Italy resulted as the first among Member States to present its Action Plan⁹ to the European Commission.

National Plan and sustainable development

In 2017 the Ministry of Environment (Directorate-General for climate and energy, Environmental Certification and GPP) provided the Italian national Action Plan on sustainable production and consumption (PAN SCP) which aims at implementing the guidelines and national policies on circular economy, the efficient use of resources and the fight against climate changes. There are 6 areas of interventions, and specific action lines have been identified for each of them:

- 1) SMEs, processes and production clusters;
- 2) Agriculture and agro-industrial processes;
- 3) Construction and housing;
- 4) Tourism;
- 5) Large-scale retailing;
- 6) Energy consumption and sustainable behaviours.

Concrete lines of action aim at the integration of different areas of intervention and different aspects

⁹ Cf. paragraph 4 of this handout.



related to sustainability: elimination of those environmental impacts that are in conflict with the auto-regenerative abilities of natural systems, fight against climate change, closure of production and consumption material cycles, elimination of waste (energy, water, food), increase in the efficiency of the use of resources, reduction of waste and pollution, preference for an aware and “sober” life. Focus will be given to product labelling, green tenders, environmental certifications, which “must be developed together with organisational, social, and cultural innovations, shared social responsibility” and that are certainly considered unique tools to make the best stand out in the various sectors.

4. Benefits and conditions of a socially responsible behaviour: sustainability, obligations and perceived barriers

The adoption of “socially responsible behaviours” contributes to the creation of value and generates, in the medium-long term, a competitive advantage for those enterprises that invest in a CSR development policy of their own business activities. Therefore, CSR has not to be considered as a mere cost, but as an opportunity for development; if implemented in corporate governance, it can improve corporate performance¹⁰ and competitiveness while lowering its “risk profile”. This means going beyond the perspective of an immediate-benefit to adopt a medium-long term strategic vision. Social responsibility provides for the adoption of an enterprise policy, based on the Triple-Bottom-Line (Business Profit, Social Well-Being, Environmental Protections), which means believing and building corporate life on ethical, social, and environmental values in order to obtain greater competitiveness and well-being, and to become promoters of a higher standard of living while respecting the environment. The knowledge of best practice cases of CSR, carried out at a national and international level by an increasing number of enterprises (both multinational and SME) may lead to an in-depth analysis of the possible correlation between CSR and economic-financial performance. The 2017 analysis carried out by “Osservatorio Socialis”, based on a statistical survey conducted in 2016, registered an increase in the diffusion of CSR-related topics among enterprises; indeed, this factor is becoming essential for those enterprises which aim at being innovative.

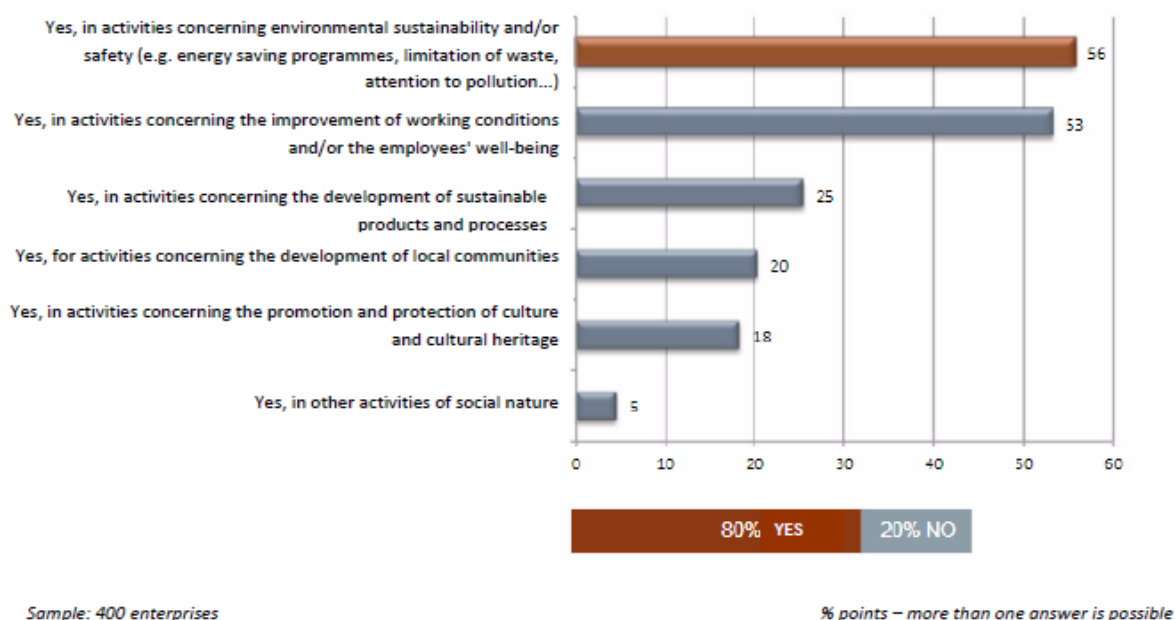


Figure 1. Enterprises' Investments in Social Responsibility

¹⁰ The performance of a company depends from various elements (assets) both tangible, either material or financial, (such as raw materials, machinery, plants, lands, and so on), and intangible (such as the value of knowledge and the ability to innovate, the consensus and trust from the various categories of stakeholders, the standing and – last but not least – the availability to contribute to the community wellbeing).



Enterprises decided to invest more in the engagement of their employees, in the protection of the environment, in the fight against waste, in the optimisation of energy consumption and in the waste cycle management. In fact, as Giorgio Cicco, HR Director of South Europe Baxter, explains

Working for future generations and creating value from a social and environmental point of view is the basis of our engagement in sustainability. A silver lining that guides Baxter's policy on CSR and that represents a fundamental pillar of the enterprise's activity. Responsibility towards future generations is a key point in carrying out our CSR activities. For years, we have been promoting a path focusing on young people's training, on their entrance in the labour market, on their growth in a multinational enterprise context and, last but not least, on internal confrontation, so that their point of view can contribute constantly to the improvement of our work¹¹.

The 7th Italian CSR report issued by "Osservatorio Socialis" has also highlighted the fact that the true promoters of Social responsibility, along with enterprises, are consumers, who in their choices prefer those enterprises committed to environmental and social issues. 6.1. Benefits of a socially responsible behaviour (enterprises):

4.1 The benefits deriving from a socially responsible behaviour can favour:

- **Organisation/enterprise:** improvement of risks and performance management; decrease of operative costs; higher quality of products and services; greater awareness of production processes/products and services distribution; better relationships with institutions; greater access to credit;
- **Leadership:** communication and sharing of values; improvement of the enterprise's standing;
- **Human resources:** a better work environment, safer and highly motivating; attracting qualified and motivated personnel, development of a sense of belonging; increasing productivity; greater attention to economic well-being and professional growth; greater balance between work and private life; involvement in decisional procedures;
- **Clients/consumer (end market):** development of a stable and long-lasting relationship with consumers/clients, based on trust and loyalty to the brand; attract new clients and increase sales;
- **Society and environment:** improvement of the enterprise's standing; decreasing the risk of boycott by third party organisations; lower pollution emissions and negative effects, safeguard and protection of our environmental heritage and correct use of natural resources;
- **Suppliers and partners:** reduction of transaction costs; greater fairness during negotiations; improved negotiation partnerships;
- **Benefits that favour citizens and end consumers (civil society):** awareness and ability to choose CSR-friendly products and services; reduction of energy consumption and relevant costs; improvement of one's personal quality of life.

The fulfilment of the aforementioned benefits implies the diffusion of a corporate culture aimed at communicating with stakeholders (internal and external) in order to create a trustful environment that guarantees the fulfilment of mutual interests and needs.

¹¹ <http://www.osservatoriosocialis.it/2016/06/22/vii-rapporto-csr-in-italia-numeri-da-record/>



4.2 Limitations imposed by the adoption of socially responsible behaviours:

Amongst the limitations that can be faced when adopting socially responsible behaviours, the following can be listed:

- The adoption of the organisation's values as guiding values when performing management and strategic choices;
- The respect of all national and community binding regulations;
- Transparency and openness to dialogue in order to define business policies based on both corporate and stakeholders' interests;
- Economic efficiency and eco-efficient management of production processes;
- Attention to all economic/social and environmental impacts that can be generated by the enterprise's production processes;
- Enhancing the relationship with the local community through a partnership with the Public Administration and civil society;
- Absence of pending criminal proceedings or of judgement cases before the courts for crimes against public trust or environmental safeguard.

4.3 Perceived limitations that prevent enterprises from adopting socially responsible behaviours:

Moreover, there is a general reluctance to change that prevents enterprises from adopting socially responsible behaviours:

- Daily commitment and use of resources to survive and be competitive in the national and foreign market;
- Lack or shortage of time and economic resources (indicator of a CSR experienced as an activity which is not linked to the business);
- Complex laws, regulations and rules;
- Activation costs;
- Lack of awareness on benefits at a business level and difficulty to forecast obtainable benefits and relevant return timings;
- Lack of interest from employees or high turnover of employees;
- Difficulty to "promote" to the external environment one's socially responsible behaviour.

5. Benefit Corporation

Since 2016 a new corporate legal form first introduced in 2010 in the USA has been spreading in various Countries as Benefit Corporation.

Italy is the first Country in the world, after the USA, to have introduced a specific law regulating B-Corps. The path to achieve such a goal lasted about ten years, when in 2006 a corporate global movement, the certified B Corp®, promoted an amendment in the statute and in the corporate business purpose. Since 2014, the certified Italian B Corp® promoted a political and legal project coordinated by Senator Mauro Del Barba – the first signatory of the Draft Law on Benefit Corporations, filed in April 2015 - which was developed by an international team of legal experts, entrepreneurs, and other stakeholders, following the USA-developed Benefit Corporation discipline. The Draft Law on Benefit Corporations then merged in the 2016 stability law.

Benefit Corporations are companies with a dual purpose: that of profit and common benefit. These are not part of the Third Sector as the following definition indicates they are “the set of private entities established for the non-profit pursuit of civil, solidarity, and socially useful purposes and that in accordance with the principle of subsidiarity and in conformity with the relevant articles and memorandums of association promote and achieve activities of general interest through voluntary and free work or through mutuality or production and exchange of goods and services.”

Benefit Corporations (Stability law of 2016, paragraphs 376-3864) instead, are those corporations that not only pursue the sharing of profits, but also one or more common benefit aims and operate in a responsible, sustainable and transparent manner in respect of people, communities, lands and environment, goods and social and cultural activities, bodies and associations and other parties of interest. Such corporations must indicate the specific aims of the common benefit they intend to pursue and the party/parties responsible for the activities enabling the achievement of those aims, integrating in their own business purpose, along with their profit objectives, the aim to have a positive impact on society and on the biosphere.

Non-compliance with the expected obligations can represent a breach of the duties provided for directors that are held liable in their quality, as set forth in the Civil Code. Instead, benefit corporations that do not pursue common benefit purposes are subject to the provisions concerning misleading advertising and to the provisions of the Consumer Code. The Italian Antitrust Authority (AGCM) is the body in charge of the surveillance and control of the activities of said corporations.

Every year benefit corporations draw up a report in which are listed:

- the description of specific objectives, of the modalities and actions carried out by the directors in order to pursue the common benefit purposes and of the possible circumstances that could have inhibited or slowed their pursuit down;
- The assessment of the impact generated using the external assessment standard with characteristics described in the relevant Annex, including specifically identified assessment areas;
- A section dedicated to the description of the new objectives the company intends to pursue in the following financial year.

6. Global Compact and the United Nations 2030 Agenda

The United Nations Global Compact is a strategic political initiative for those enterprises that engage in managing their business in an ethical manner, in accordance with the 10 universally accepted principles regarding four subjects: human rights, labour, environment and anti-corruption.

In January 1999, on occasion of his speech at the World Economic Forum in Davos, the UN Secretary-General Kofi Annan invited the world economy leaders to join the Global Compact initiative, (from now on referred to as GC), which aims at joining governments, enterprises, UN agencies, labour and civil societies organizations in order to promote corporate culture and citizenship on a global scale, and is based on 9 principles concerning human rights, labour and environment.



HUMAN RIGHTS	Principle I: businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and
	Principle II: make sure that they are not complicit, not even indirectly, in human rights abuses;
LABOUR	Principle III: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle IV: the elimination of all forms of forced and compulsory labour;
	Principle V: the effective abolition of child labour; and
	Principle VI: eliminate discrimination in respect of employment and occupation.
ENVIRONMENT	Principle VII: Businesses should support a precautionary approach to environmental challenges;
	Principle VIII: undertake initiatives to promote greater environmental responsibility; and
	Principle IX: encourage the development and diffusion of environmentally friendly technologies.
ANTI-CORRUPTION FIGHT (since June 2004)	Principle X: businesses should work against corruption in all its forms, including extortion and bribery.

The GC is the first global forum thanks to which enterprises that have a long-term strategic vision oriented towards social responsibility, innovation and accountability¹², can contribute to a new globalisation phase, characterised by sustainability, international cooperation, and partnership in a multi-stakeholder perspective, with positive impacts on human resources, on supply chain and value chain stages and on society.

The 10 principles are universally shared as they derive from universal agreements:

- ILO (International Labour Organisation) Declaration on Fundamental Principles and Rights at Work (adopted in 1998),
- United Nations Universal Declaration of Human Rights,
- Rio de Janeiro Conference on Environment and Development (Rio de Janeiro, June 1992) and
- United Nations Convention Against Corruption.

Enterprises joining the GC must become active promoters of the 10 principles by integrating them in their business strategies. Italy joined GC in 2003 after the decision was made by the Ministry of Foreign Affairs, by funding the project "Sustainable Development through the Global Compact", developed in collaboration with the Ministry of Labour and Social Policies, the Ministry of the Environment and Protection of Land and Sea, Ministry for Productive Activities, business organizations (Confindustria, Confapi, Confartigianato, Confcommercio) and the main trade unions organizations (CGIL, CISL, UIL) and by entrusting its realization to ILO in Rome.

The Italian project represents an innovative way to support and promote the GC as it addresses mainly small and medium enterprises (in particular those that operate or intend to operate in developing countries) with the aim, in the long term, to promote and enable projects carried out in partnership between enterprises and UN agencies/development agencies/NGOs and government bodies of the country in which the enterprise operates or intends to operate, which contribute to sustainable development through the execution of activities that respect universally shared principles and values.

The first Italian enterprise to join GC in 2001 was Eni.

6.1. 2030 Agenda

The 2030 Agenda, adopted in September 2015 by the United Nations General Assembly and entered into force in January 2016, substituted the *Millennium Development Goals (MDGs)* set in September 2000. The 2030 Agenda for sustainable development consists of **17 objectives** – the ***Sustainable Development Goals (SDGs)*** – and of **169 sub-objectives**. Such objectives address all Countries, regardless of their level of development, and were set through a co-partnership in the start-up phase of all UN Member States.

The new 2030 objectives, even if addressing different categories – governments and institutions, civil society, non-profit organisations - intend to be a kick-start, mainly for the business world. Enterprises should indeed engage in a direct involvement and give an important contribution through new models of responsible business, investments, innovations, technological developments and through the activation of

¹² Accountability is the responsibility of an individual or a number of parties for the results obtained by an organization (be it private or public) on the basis of their skills, ability and ethics.

multi-stakeholder collaborations. Enterprises should find the perfect balance between innovation and sustainability and this can be achieved by implementing three fundamental elements:

- **Leadership:** a strong commitment by the top-management to innovate an enterprise is necessary;
- **Collaboration:** enterprises must co-invest in innovative projects through a co-partnership between all stakeholders;
- **Transparency:** transparency is fundamental in order to create a trusted network and strengthen the relationships with stakeholders.

The 17 new goals are the following:

1. End poverty in all its forms everywhere;
2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture;
3. Ensure healthy lives and promote well-being for all at all ages;
4. Ensure inclusive and quality education for all and promote lifelong learning;
5. Achieve gender equality and empower all women and girls;
6. Ensure access to water and sanitation for all;
7. Ensure access to affordable, reliable, sustainable and modern energy for all;
8. Promote inclusive and sustainable economic growth, employment and decent work for all;
9. Build resilient infrastructure, promote sustainable industrialization and foster innovation;
10. Reduce inequality within and among countries;
11. Make cities inclusive, safe, resilient and sustainable;
12. Ensure sustainable consumption and production patterns;
13. Take urgent action to combat climate change and its impacts;
14. Conserve and sustainably use the oceans, seas and marine resources;
15. Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss;
16. Promote just, peaceful and inclusive societies;
17. Revitalize the global partnership for sustainable development;

