

The Third Conference on

Ethics in Business

Putting Corporate Social
Responsibility into Practice

27 October 2023
Sacred Heart Major Seminary
Victoria, Gozo

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President, The Gozo Business Chamber

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Introductory Message from the President of The Gozo Business Chamber

It is with great pleasure and anticipation that I am introducing the 3rd Ethics in Business Conference organised by the Gozo Business Chamber, in collaboration with the Diocese of Gozo, the Centesimus Annus Pro Pontifice Foundation, and Bank of Valletta. This year's conference holds particular significance as it delves into the theme of Putting Corporate Social Responsibility into Practice. In a world where ethical business practices are of paramount importance, we hope that this conference will prove to be a catalyst for transformative discussions and actions.

As we embark on this journey of exploration into corporate social responsibility (CSR), it is fitting to acknowledge the profound influence of Catholic Social Teaching (CST) in shaping our ethical compass. CST offers a rich tapestry of principles that underscore the importance of human dignity, solidarity, and the common good. It would be safe to say that CST provides inspiration and guidance to navigate the intricate intersections of business, ethics, and society. These dimensions are not exclusive to each other, but complement each other.

Catholic Social Teaching reminds us that businesses have a moral responsibility that extends beyond mere profit generation. They are called to contribute positively to the well-being of their employees, the communities they operate in, and the environment that sustains us all. The principles of subsidiarity, solidarity, and preferential option for the poor are fundamental pillars of CST that provide invaluable insights into how businesses can fulfill their ethical obligations. If we had to align our actions with the principles of Catholic Social Teaching and incorporating CSR into the heart of our enterprises, we can build a more just, compassionate, and sustainable business landscape that benefits all.

Our conference with the title 'Putting Corporate Social Responsibility into Practice', seeks to bridge the gap between theory and action. We will explore concrete strategies, share success stories, and engage in thoughtful dialogues that can help businesses translate their CSR commitments into tangible and sustainable practices.

We will also see how good CSR practices can effectively benefit the community in concrete terms.

The Gozo Business Chamber, together with our partners, is honoured to serve as a platform for these essential conversations, uniting business leaders, and advocating ethical business practices.

As we embark on this journey together, let us remember the timeless words of Pope Francis: "business is a noble vocation, directed to producing wealth and improving the world" (Laudato Si', 129). With these words in mind, let us engage on this conference with enthusiasm and commitment to drive positive change, for the betterment of our businesses, our communities, and our world.



Joseph Borg

President, The Gozo Business Chamber

ABSTRACT & AGENDA

Abstract

by Daniel Borg

Introduction

Corporate Social Responsibility (CSR) is a much-discussed concept. Nonetheless the underlying motivations which should lead a business to do good within a community are very much debatable. If this is simply a profit driven, or a white-washing exercise to divert the spotlight from other activities which are causing more harm than good, then these activities are very much questionable within the context of the community in which they are being undertaken.

To this end it is important that we understand what we mean by CSR, and to delineate the motivations which should lead a business entity to perform certain initiatives. In this context Catholic Social Teaching (CST) has much to offer. However, it is important to understand the pivotal role played by businesses to assist NGOs, and the positive impact from a mutual beneficial relationship. This has become all the more important in the aftermath of the COVID-19 pandemic as many NGOs, especially those offering services within the community, suffered considerably because of the lack of financial resources and the lack of people who would offer their work voluntarily.

1. Corporate Social Responsibility: A Definition

The United Nations Development Organisation (2023) defines CSR as:

a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (“Triple-Bottom-Line- Approach”), while at the same time addressing the expectations of shareholders and stakeholders.

There have been various theories which have tried to explain this concept. More than that they have tried to explain the motivations which spur businesses to act in a responsible manner towards their stakeholders.

Garriga & Mele' (2004) group them into four main categories: (a) instrumental theories, which focus on the maximisation of profits and are therefore based on the fulfillment of one's self-interest; (b) political theories which focus on "interactions and connections between business and society and on the power and position of business and its inherent responsibility" (Garriga & Mele' 2004, p. 55); (c) integrative theories which look at how businesses integrate social demands in their operations, in such a way that they operate in accordance with social values; and (d) ethical theories which are "based on principles that express the right thing to do or the necessity to achieve a good society" (Garriga & Mele' 2004, p. 60).

The common good approach, which is a reference point in CST, is part of the ethical theoretical approach. Based on this approach businesses should act based on what is right, and in their actions try to achieve the common good. But why should businesses act in such a manner, in the first place?

2. 'Everything in the World is Connected' (Laudato Si', 16) : The implications of Catholic Social Teaching

Cremers (2016) highlights three main implications of CST on CSR. These are:

- Personal responsibility includes also social responsibility. This means that businesses should not only generate personal wealth, and profit for themselves but contribute actively to society and the common good;
- CSR implies that the needs of the most vulnerable within our society should be taken care of; and
- That those who control businesses and organisations have a responsibility towards others, and not simply to serve their personal interest or of those who own their organisation.

An important consideration put forward by Cremers (2016, p. 77) is that corporate social responsibility means that social and environmental considerations should start at the beginning of any consideration about business propositions.

However, an important element that emerges from CST is that we have a responsibility in all that we do, as all our actions impact society in one way or the other. In the encyclical *Laudato Si'*, in highlighting the importance of our actions in protecting the environment, Pope Francis remarked that we are all inter-connected. This element of inter-dependence was already earmarked during the Second Vatican Council. In fact the Pastoral Constitution on the Church in the Modern World *Gaudium Et Spes* (1965) had highlighted how:

Every day human interdependence grows more tightly drawn and spreads by degrees over the whole world. As a result the common good, that is, the sum of those conditions of social life which allow social groups and their individual members relatively thorough and ready access to their own fulfillment, today takes on an increasingly universal complexion and consequently involves rights and duties with respect to the whole human race. Every social group must take account of the needs and legitimate aspirations of other groups, and even of the general welfare of the entire human family (*Gaudium Et Spes*, 26).

In this context it would be good to bring to the fore the principle of 'social mortgage' and the 'universal destination of goods' which were highlighted by Pope John Paul II in his encyclical *Sollicitudo Rei Socialis* (1987). This concept was again reiterated by Pope Francis in his encyclical *Laudato Si'* (2015).

In the encyclical *Sollicitudo Rei Socialis* Pope John Paul II highlighted that:

the goods of this world are originally meant for all. The right to private property is valid and necessary, but it does not nullify the value of this principle. Private property, in fact, is under a "social mortgage," which means that it has an intrinsically social function, based upon and justified precisely by the principle of the universal destination of goods of economic initiative (*Sollicitudo Rei Socialis*, 42).

Again, Pope Francis in his encyclical *Laudato Si'* highlighted how the:

principle of the subordination of private property to the universal destination of goods, and thus the right of everyone to their use, is a golden rule of social conduct and "the first principle of the whole ethical and social order" [involving] a social perspective which takes into account the fundamental rights of the poor and the underprivileged (*Laudato Si'*, 93).

This means that companies and businesses have a social responsibility. In his encyclical *Caritas In Veritate* (2009) Pope Benedict XVI highlights that:

business management cannot concern itself only with the interests of the proprietors, but must also assume responsibility for all the other stakeholders who contribute to the life of the business: the workers, the clients, the suppliers of various elements of production, the community of reference. (40)

As indicated by Pope Benedict XVI in this same encyclical “every economic decision has a moral consequence” (37). Motivated by a sense of ‘solidarity’, which he defines as “first and foremost a sense of responsibility on the part of everyone with regard to everyone” (38), economic life should have as its primary focus that of working towards the common good.

This sense of responsibility leads business leaders’ actions towards other stakeholders to be motivated by a sense of justice, recognition, care, and accountability. Moreover, within this context, the responsibility of an entity would not limit itself only to the economic field, but would be extended to include also ecological, political, social, and human considerations (Pless 2007, p. 451).

3. Putting Corporate Social Responsibility into Practice: The Responsibility of Businesses

Though businesses and NGOs have different missions and objectives, businesses are considered as key partners for non-profit organisations to leverage key resources, to be able to provide their services (Moshtari & Vanpoucke 2021). This discourse becomes more relevant within the context of the COVID-19 pandemic.

In a research report entitled “Europe-wide NGO Pandemic report” (2021), which mapped the effects of the COVID-19 pandemic on NGOs working in the youth sector, 45.1% highlighted that they were negatively affected by the pandemic. This resulted in reduced operations and mild downsizing. On the other hand 14.8% stated that they were heavily impacted. This resulted in a significant reduction of operations and downsizing.

Not all NGOs have been impacted in the same manner during the COVID-19 pandemic (Waniak-Michalak et al, 2022). However, some NGOs especially those operating in the social sphere, which require significant financial resources, and/or which rely on a considerable input from voluntary work activities, suffered

considerably. The relationship of businesses with NGOs is in fact not only restricted to providing financial assistance. Voluntary work within these NGOs, through targeted company activities, is also another important method of support. Such organised company activities provide multiple benefits, including exposure to employees who have not previously experienced involvement in voluntary work. They also provide exposure to the respective NGO and its work. During the COVID-19 pandemic such activities were significantly restricted, leading to a loss in exposure, which is difficult to quantify.

This conference should serve as a platform whereby awareness on the role of businesses within society is discussed, and its importance rediscovered. This does not necessarily mean that such role will remain the same in the future.

Conclusion

CSR is seen as an important step to foster a closer collaboration and relationship between businesses and NGOs (Van Wassenhove 2006). However, such actions would be fruitless if they are simply used to raise the business profile of an entity. Actions to this end must be structured in such a way as to translate into concrete initiatives which have a beneficial impact on the community. They must also be accompanied by a long term vision of what these actions want to achieve within the community of reference.

While this conference will seek to address the mutually important relationship between businesses and NGOs, it will also discuss on what should motivate actions under CSR, and how can these actions be structured in such a way as to have a positive impact on both businesses and NGOs.

To this end this conference will seek to address some of these questions:

- What should motivate businesses to undertake actions under CSR?
- Are businesses in a position to accept and realise the responsibilities they share as members of a given community?
- How can businesses work in such a manner as to understand the needs of their community, and contribute positively to these needs?
- How will it impact businesses acting in an ethical manner when undertaking initiatives considered as part of their CSR?

This Conference will try to address these issues and to stimulate a healthy debate on how businesses can actually make a difference in society.

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Agenda

15:30 - 16:00

Registration

16:00 - 16:05

Introduction to the 3rd Ethics
in Business Conference

Daniel Borg
Chief Executive Officer
The Gozo Business Chamber

16:05 - 16:10

Opening Remarks

Joseph Borg
President
The Gozo Business Chamber

Putting Corporate Social Responsibility into Practice

16:10 - 16:35

Marisa Xuereb

The impact of CSR on the community
Audiovisual interventions featuring

16:35 - 16:40

Fr Michael Galea
Director, Dar Arka

16:40 - 16:45

Noel Xerri
CEO, OASI Foundation

Panel Discussion

16:45- 17:10

Dr Gordon Cordina
Chariman, Bank of Valletta

Godfrey Swain
Board Member, Bank of Valletta

Paul Curmi
Head, Document Management Services
(Gozo) at MaltaPost plc

17:10 - 17:25

Question & Answer Session

17:25 - 17:30

Closing Speech

Mgr Anton Teuma
Bishop of Gozo

SPEAKER PROFILES

Daniel Borg

CEO, The Gozo Business Chamber



Daniel Borg graduated with a Bachelor of Commerce (Honours) in 2004 in Public and Private Sector Administration, and a Master of Arts in Public Policy in 2013. Between 1995 and 2000 he also studied philosophy and theology at the Sacred Heart Major Seminary in Gozo. Prior to occupying the post of CEO at the Gozo Business Chamber, Daniel Borg occupied various posts within the public sector, and the Government of Malta throughout his career: research analyst within the Management Efficiency Unit (Office of the Prime Minister) between 2004-2006, Policy Analyst within the Malta Communications Authority (2006 – 2011), and Policy and Senior Policy Analyst within the Ministry for Gozo (2011 – 2019). Daniel Borg was also visiting lecturer in Public Management at the Department of Public Policy within the University of Malta between 2014 and 2017. Daniel has also published papers on cultural heritage and tourism in international academic journals and presented these papers abroad. His articles and interventions on economic development in Gozo were published in various local papers and publications. He is currently a member of the technical committee of INSULEUR (Network of the Insular Chambers of Commerce and Industry of the European Union), and a board member (representing the Gozo Regional Committee) of the Gozo Regional Development Authority. Daniel Borg is also active in the voluntary sector within his local parish especially in the pastoral work leading to the preparation of couples for marriage and has contributed actively through various interventions on the encyclical letter 'Fratelli Tutti' by Pope Francis, and on various thematics related to Pope Francis' teachings.

Joseph Borg

President, The Gozo Business Chamber



Joseph Borg studied philosophy and theology at the Sacred Heart Seminary, Victoria, Gozo, and obtained a Licentiate from the Lateran University in Rome in 1984. Throughout the years Mr Borg has held a number of executive positions, including director with Francis X Borg Co. Ltd., and managing director of the same firm, the family owned furniture manufacturing company.

Joseph also served as a director on the board of the Malta Development Corporation from 1989 to 1992. He was involved in the Gozo Committee of the Malta Federation of Industries, from 1988 to 1992 as its secretary, and then as its Chairman from 1992 to 1993. In this post he also served on the Council of the Malta Federation of Industries. Mr Borg was also a director of Bank of Valletta plc.

Joseph Borg was also Chairman of Gozo Channel Co. Ltd. from July 2005 to July 2008. He has also been a member of the council and secretary of the Gozo Business Chamber from 1999 to 2005. He was again elected to the Council of the same Chamber in January 2010. In January 2012 he was nominated Vice-President of the same Chamber. From October 2018 he became President of the Gozo Business Chamber and also President of INSULEUR from December 2018. Joseph Borg is also the Chairman of the Gozo Regional Committee which groups all stakeholders within the island of Gozo, and represents the same Committee within the Malta Committee for Economic and Social Development.

Mr Borg serves in a number of voluntary organisations in Gozo amongst others as director of the OASI Foundation (Foundation for Drug and Alcohol rehabilitation) since its inception. He is also a member of the Centesimus Annus pro Pontifice Foundation since 2009.

Marisa Xuereb



Marisa Xuereb is an economist who has worked in the manufacturing industry for the past 26 years. She served as President of the Malta Chamber of Commerce, Enterprise and Industry between 2021 and 2023, and as Director of a number of both public and private entities over the course of her career.

She is currently Chief, Logistics and Distribution, Global Supply Chain Network of the Playmobil Group. Prior to this role she was Managing Director at Raesh Quarz (Malta Ltd), where she currently serves as a non-executive director. She is also presently the Chair of the Board of Directors of Epic Communications Ltd and is also a non-executive director at APS Bank plc, Malta.

She represented the Malta Chamber of Commerce and Industry (MCCI) on Business Europe, and the Malta Council for Economic and Social Development. She also presently represents MCCI at Eurochambres. She also acts as a Governor nominated by the MCCI at the Malta College of Arts, Science and Technology (MCAST), and Education Malta, a public, private partnership between the Chamber and the Ministry for Education. She also served as Director nominated by the MCCI on the Malta Council for Science and Technology, Malta Enterprise, Malta Life Sciences Park Ltd, and Malta Industrial Parks Ltd.

Dr Gordon Cordina

Chairman, Bank of Valletta



Dr Gordon Cordina is a leading economist in the Maltese Islands, with a professional experience spanning 25 years covering banking, policy-making, academia and private sector consultancy. He is a graduate of the University of Cambridge and the University of Malta. His main area of academic interest is the growth and macroeconomic dynamics facing economies that are prone to heightened risks.

Gordon has several years of Board and Risk Committee experience in major financial institutions in Malta, amongst which at Bank of Valletta. He served as Manager of the Research Department of the Central Bank of Malta, Director General of the National Statistics Office of Malta, Head of the Economics Department of the University of Malta and Economic Advisor to the Malta Council for Economic and Social Development. Through the private consultancy firm he co-founded in 2006, he is involved in a number of local and international research projects and consultancy assignments with institutions including the EU Commission, Government ministries and authorities, NGOs and private sector entities. Gordon is a visiting senior lecturer at the University of Malta.

Godfrey Swain

Board Member, Bank of Valletta



Godfrey Swain presently serves on the Board of Directors of Bank of Valletta plc, Mapfre MSV Life plc and Mapfre Middle Sea plc where he also serves as Chairman of the Audit committee. He was previously an international banking executive serving as CEO of Myanmar Citizens Bank based in Yangon, Deputy CEO of Vietnam International Bank based in Hanoi and previously at HSBC for 20 years as Managing Director and Country Head of Retail Banking and Wealth Management for HSBC Japan and Vietnam based in Tokyo and Ho Chi Minh City respectively and a member of the Hong Kong based HSBC regional EXCO team for Asia Pacific. At HSBC Malta he served as Head of Retail Banking and founding CEO of HSBC Life Assurance Malta.

Godfrey Swain is the spokesperson for the Għal Għawdex Forum, he is a member of the national council and executive committee of Malta's National Trust, Din L-Art Ħelwa and the founding head of Din L-Art Ħelwa Għawdex.

Paul Curmi

Head, Document Management Services (Gozo)
at MaltaPost plc



Paul Curmi has been managing for the past seven years MaltaPost's Document Management Centre in Xewkija (Gozo) with special focus on the employment of persons with disabilities. Prior to joining MaltaPost plc. Paul worked in the banking sector, where he accumulated more than 40 years of experience specialising in commercial and retail banking. He also occupied the role of HSBC Area Director for Gozo.

He sat in various government committees and bodies, where he also acted as chairman of Gozo Channel Company, the state-owned company which operates the ferries operating between Gozo and Malta. Paul has throughout the years provided a very valuable input in the voluntary sector, occupying various roles in religious, social and sports organisations, and overseeing the formulation and implementation of various projects and initiatives.

Mgr Anton Teuma

Bishop of Gozo



Fr Anton Teuma was born on January 11, 1964. He studied philosophy and theology at the Diocesan Major Seminary (1981–1988), and was ordained priest on June 25, 1988. He furthered his studies at the Salesian Pontifical University, from where he obtained his Bachelor's degree in Educational Sciences and his Masters degree in Pedagogical Methodology (1988–1995).

Fr Anton stayed in Rome up till 1997. During these years he carried out his priestly ministry as Parish Vicar of St Ignatius of Antioch Parish (1988–1995); external Spiritual Director of the Pontifical Roman Seminary (1993–1995); Spiritual Director at the Pontifical Roman Seminary (1995–1997); priest in charge of and Spiritual Assistant to the Comunità Eucaristiche of the Diocese of Rome (1996–1997).

In 1997 he was appointed Rector of the Sacred Heart Seminary in Gozo by Bishop Nicholas Cauchi, a role he served up till 2007. Between September 2007 and June 2008 he spent a sabbatical year in the Holy Land. During this year he obtained a Diploma in Biblical Formation from the Franciscan Biblical Institute of Jerusalem, and helped in the pastoral assistance given to pilgrims at the Basilica of the Holy Sepulchre. From 1998 to 2016 he was in charge of the Comunità Eucaristiche of the Gozo Diocese carrying out also the role of their Spiritual Assistant. In 2008 he was nominated as the Bishop's Delegate for Family Pastoral Care, and in 2013 he was appointed Director of the Diocesan Family Institute, and lecturer at the Diocesan Major Seminary

During these years Fr Anton also completed a Bachelor's degree in Sciences of Formation at the Institute for Formators within the Institute of Psychology of the Pontifical Gregorian University (2016). He also obtained a post-graduate diploma in Systemic Family Psychotherapy at the Institute of Family Therapy, Malta (2018).

As from 1997, he was also a member of the Bishop's College of Consulters, the Presbyteral Council and the Diocesan Pastoral Council.

He has published two books and various articles on family, priestly formation and biblical themes. He was appointed bishop of Gozo by the Holy See on the 17th June 2020, and was ordained on the 21st September 2020.

The Gozo Business Chamber
would like to thank the following:



GOVERNMENT OF MALTA
MINISTRY FOR GOZO



THE GOZO BUSINESS CHAMBER

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