

## Speech by H.E. Marie Louise Coleiro Preca, President of Malta, at the Launch of the CORE Platform (Corporate Citizenship for Responsible Enterprises) at San Anton Palace

It is with great pleasure that I welcome you today for the launch of the Corporate Citizenship for Responsible Enterprises (CORE) Association.

Corporate Social Responsibility is not a new concept for Malta. For many years, Maltese companies have embraced the philanthropic arm of their social responsibility with verve and enthusiasm.

More recently, the wider context of Corporate Social Responsibility has featured more prominently among businesses in Malta, spearheaded by the Malta Chamber of Commerce, Enterprise and Industry, and supported by many companies represented here today.

In 2011, the Chamber and Bank of Valletta launched a joint CSR initiative that included a profiling exercise of the Malta Chamber members and their CSR initiatives, as well as an analysis of various practices and their resulting benefits to local business.

The results of the studies were encouraging. 88% of companies were found to be actively engaged in CSR. Furthermore, 79% of those companies practising CSR reported that they had experienced benefits of incorporating CSR in the company's business conduct.

Another Corporate Responsibility Practices Survey carried out in 2013 by Price Waterhouse Coopers, found that over 50 per cent of local companies showed concern over water and energy consumption, health and safety, pollution and waste management.

Specifically, results showed that 96% of participants have invested in energy-saving measures, 36% of companies have invested in renewable energy technology, and 52% have implemented measures to reduce water consumption.

The research also showed that 60 per cent of the Maltese companies surveyed have a CSR policy or programme in place.

Most companies have made efforts to formalise CSR policies by assigning the responsibility to specific teams. In fact, 48 per cent of the companies claimed to have a department responsible for CSR.

Companies have come to realise their responsibility to move beyond their legislative obligations, integrate social and environmental concerns into their business activities, and in their interactions with their stakeholders.

Today, companies also realise that responsible entrepreneurship is a critical ingredient to build a sustainable business in today's world.

This is the principle behind Corporate Social Responsibility. Companies are encouraged, whilst still driving towards achieving profitability, to take into consideration the environment and the community, in order to achieve a higher level of sustainability, and give better value back to the community in which they operate.

Corporate Social Responsibility not only enhances long term business viability and secures business growth, but it goes beyond that.

Companies embracing Corporate Social Responsibility are showing their concern, not only for their profit, but also for people and for the planet.

The concern for the planet is strongly outlined in one of a series of articles on CSR penned by Andre Fenech, Malta Chamber Policy Development Manager, called *'Long term investment through Green CSR'*, where he states:

*'It seems that companies desire to appear 'green' with their stakeholders, for the simple reason that such initiatives are welcomed by employees, consumers, investors, regulators and the general public'.*

The launch of the CORE Association comes at an opportune time as, on the global stage, the upcoming United Nations Summit has included Corporate Social Responsibility as one of its post-2015 Sustainable Development Goals. The goal states:

*"all countries should consider ...requiring companies to undertake mandatory economic, environmental, social and governance reporting, accompanied with regulatory changes that ensure that investors incentives are aligned with the sustainable development goals".*

On a European level, a multi-stakeholders Forum was established to promote dialogue, partnership and constructive basis for action in this regard.

Mark Harwood, in his publication *'Corporate Responsibility in Small States like Malta: a luxury companies can ill afford?'* places an onus of responsibility on the Government as an employer with regards CSR. He states:

As the largest single employer in Malta, and as provider of services that have huge social and environmental consequences, including the provision of health and education services, the Government should lead by example, adopting CSR practices within its operations.

The advantages for companies embracing Corporate Social Responsibility are many.

Companies with Corporate Social Responsibility have high positive impact on their employee wellbeing and motivation.

Companies perceived to have strong CSR commitments often find it easier to recruit employees, have high retention levels, resulting in a reduction in turnover, and associated recruitment and training costs.

Consumers are drawn to companies embracing Corporate Social Responsibility, as they have a reputation of being a good corporate citizen, and enjoy positive comments gained from people through word of mouth and publicity.

A company considered to be socially responsible, can benefit both by its enhanced reputation with the public, as well as its reputation within the business community, increasing a company's ability to attract capital and trading partners.

Corporate Social Responsibility is also about achieving long-term results and business continuity, in a community that appreciates that it is being cared for.

The last decade was marked by a growing demand by communities on companies to reflect on the responsibility of their conduct.

Facing major societal challenges that go from inequality, inequity, injustice in Europe to global challenges of conflict, poverty and climate change, that bear consequences to our countries and societies, companies have more than ever to assume their role as "responsible citizens" in order to, collectively, address those major challenges.

In general, a new code of conduct is emerging, based on collaboration, tolerance and respect of diversity, which ascertains the limits of market mechanisms based on free competition.

It calls for an evolutionary approach to solve problems by applying science and technology, while attaching importance to social and public values.

Social challenges have a strong mobilizing effect, which would allow unprecedented gathering of competences and resources, beyond institutions, sectors and disciplines boundaries.

There are mainly two approaches; one is philanthropic, like donation to NGOs, such as, to mention an example, Bank of Valletta's Piggy Bank Campaign that collects money for the Malta Community Chest Fund.

The other complimentary approach is through innovative businesses, and collaborating strategically with various stakeholders like international organizations, NGOs, and communities, among others.

It is nowadays appreciated that, being a good company today means much more than strong financial performance; it means valuing employees and making contributions to improving public health and the environment.

It means combining what is good for business with what is good for people, communities of the world, and the whole planet.

The CORE Association being launched today aims to create a platform for dialogue, exchange, sharing of good practices, and mutual learning between all the stakeholders related with CSR and sustainable development policies and practices, as well as with international partners.

I am pleased to see the facilitation work invested in the creation of the present association, has given positive fruits.

Healthy workplaces and social responsibility are not just pleasant words to use when the occasion calls. They are central values of a society that wants to feel proud of what it is, and to create its future.

There is no market and there is no democracy that can survive without them, and they are essential to social justice in our country.

My heartfelt thanks to you all and I augur that the CORE platform will bring about positive change in people's lives.