

Short Version

THE PROFIT OF VALUES

UNIAPAC - a Christian Vision of Corporate Social Responsibility - A form of management for successful businesses -

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Introduction

UNIAPAC (International Christian Union of Business Executives) is a federation of associations for Christian business leaders. Originally created in 1931, it is an international non-profit association with headquarters in Belgium and it brings together associations from 25 different countries.

Over the last decade the awareness of enterprises concerning their responsibility towards the society, embodied into what is now called Corporate Social Responsibility (CSR) is perceived by UNIAPAC as an opportunity to promote an economy that is more respectful of mankind, provided that man does indeed remain the main focus in CSR implementation.

“Being a Christian and doing business should by no means be a burden or give rise to blame; on the contrary, it should represent a commitment and a driving inner force towards moral integrity, responsibility, submission and social openness” (Pope Paul VI)

This concept and several other documents have stimulated our reflection and led us to use our practical business experience to create this document, calling for action.

The technological and economic transformation of business in the modern world has brought massive changes and as Christian business leaders we do have news to deliver towards more responsible ways of running enterprises. Executives like ourselves, are responsible for fostering the necessary culture (throughout the social arena, and especially in areas where the social environment is seriously dysfunctional), that brings to the workplace a greater sense of fairness, humanity and fraternity.

This document expresses CSR as a form of management for sustainable enterprises is a starting point for numerous initiatives to promote worldwide a CSR that fully respects the dignity of persons and their development.

UNIAPAC Associations aim to transform the way businesses are conducted so that the economy serves mankind at large

A - FOUNDATION AND INSPIRATION

UNIAPAC is a Christian movement. As such, it endorses a fundamental reference to one person, Christ. Spirituality is a concrete, personal and existential experience: the everyday encounter with Jesus Christ through His Spirit. The specificity of Christian behaviour comes from the interior vitality of our common human virtues (justice, solidarity) instilled by the theological virtues of faith, charity and hope. This spirituality extends the movement of Incarnation in our world and has had a huge influence on our civilization and human development, for instance with regards to the dignity of every human being.

With this in mind, CSR is very important because it deals with deep anthropological issues. It aims to heighten the responsibility of businesses in two basic anthropological relationships, the relationship with nature and the relationship with men in society. We would like to emphasize now how our relationship to Christ brings vitality to these two relationships.

Ecology. According to the Book of Genesis, the environment, in Christian spirituality, is a gift from God to the whole of humanity. Therefore, our first attitude towards the environment must be one of confidence, gratitude, respect and responsibility. Nature must be used to serve the good of humanity on the whole, in accordance with God's will. No good in the universe can replace God, however. All these specificities distinguish the Christian approach from deep ecology (ecosophy that considers humankind an integral part of its environment) or from a Promethean view of ecology.

Economy. From the Eucharistic perspective, the aim of human work and labour is to provide bread, the symbol of life, to all men. Through his work, not only does man transform the world of things, but he also shares parts of *himself* through the things he produces and exchanges and thereby enters into communion with his fellowmen. Like Christ, he becomes the bread of life for all men, so as to form one body with Him. The moral consequences of this transformation are enormous, for instance when we consider the universal destination of goods, and the human rights of labour.

Social relations. We already know that our social relations usually function according to the logic of the Master and the Slave. (Hegel, Marx, etc) But we also see in chapter 13 of Saint John's Gospel, how Jesus, as the Son of God goes about his social relations. He knows that He is the Lord, but even as such he nevertheless freely takes the position of servant at the feet of his disciples.

This is a radical inversion of the Master-Slave dialectic. The way that God loves every human being, is to be at his feet, to serve him. We all have talents and gifts, these are not destined however to domineer others, but to serve others; this is also a very clear message of non-violence which is close to Gandhi's philosophy of life.

It is in this way that spiritual experience illuminates the three P's of CSR: Planet, Profit, People. But it must be said that Christian Spirituality also breathes life into these social spheres. This is a breath that is filled with hope and confidence, knowing that our Lord Jesus Christ has risen from the dead.

B - OUR VISION ON CSR

1. Why Engage in Corporate Social Responsibility?

As Christians, nourished by constantly enriched Christian social thoughts, we believe that the economy, which is built on relations with others, must be based on ethical and moral principles that culminate in the respect of the human person, in his uniqueness as part of God's creation sharing His divine nature. Economy—in addition to its focus on production, trade and wealth—is directly associated with decision-making based on human conduct. Therefore, ethical oversight is necessary, in order to address the purpose of man and the means to achieve this purpose. Economic activity, understood as a set of actions aimed at meeting human needs using limited resources, is an activity carried out by individuals who must orient their efforts towards the serving of man. In short, man is the author, the centre and the purpose of all social-economic life.

As executives, from our experience, we believe that an economy and business inspired and motivated to serve man as an end in itself, are from a social perspective as well as an economical one more efficient in generating added value than an economy and business that is only guided by the financial interests of a few and that considers man as a tool to serve their individualistic interests.

We also recognise the essential role of leadership in conducting enterprises. Business leaders are the ones who orient companies toward specific ethical values and principles, lead their instigation, and help organisations sustain ethical conduct over time.

Everyone today is sensitive to the “three dimensions” (economic, societal and environmental) that should be considered in any business. However we have come to the conclusion that these three structural dimensions can only make sense when oriented around the “human person”. This is the distinctive characteristic of the vision of UNIAPAC on CSR. Place the human person at the centre of the economy. (the fourth dimension). “Responsibility” can only be applied to persons, and not to any structure or community, since an institution, a structure or a society is not the executor of moral acts. Therefore CSR can only be understood as the responsibility of all the persons involved in the enterprises (*i.e.*: all the stakeholders), beginning with those with authority, the executives. Business leaders who orient companies toward specific ethical values and principles, manage the implementation, and help enterprises sustain ethical conduct over time.

Key points:

- Successful enterprises do not only focus on building the world. This means that the ethical imperatives of CSR are rooted in the concept of the person not only understood as an individual but also as a member of a community.
- When international economy is organized in a fair manner, it provides the basis for the consolidation of peace based on solidarity and comprehensive development.
- Rules, regulations, measures are tools to help manage and protect the society and the weakest, but they need to remain tools and are not an end in themselves.

- Corporate Social Responsibility heavily relies upon interpersonal relationships nourished by training, experience sharing, evaluations, information exchange... rather than upon fixed administrative rules.

2. Basic Principles

For UNIAPAC, the basic principles for orienting the actions of socially responsible enterprises are those that emanate from Christian Social Thought. These principles do not change over time and their meaning is universal in nature.

Respect for the dignity of human beings and the promotion of their comprehensive development.

Each human person is unique, and intelligent, possessing free will, subject to rights and obligations, with a transcendent destiny, and therefore, eminent dignity, equal for everyone. Human beings are the origin, focus and purpose of all social and economic life and should be considered in their integrity.

Work: is part of the original state of man, and its purpose is to produce goods or services. Through work, man develops his skills, applies his intelligence and will.

From this very founding principle can be derived the following 5 principles:

1. Common Good.

This is to be understood as the social conditions which allow people, either as individuals or as groups, to reach their fulfilment more fully and more easily.

2. Universal Destiny of Goods.

Goods are destined to be used by all men; they are the shared inheritance of all the past, present and future inhabitants. This concept is sustained by: **Private property; Preference to the Poor; Poverty Alleviation.**

3. Subsidiarity. This is the principle by which higher-order entities are to allow lower-level entities to act in matters pertaining to them, assisting them to gradually increase production, and to temporarily compensate when they are facing difficulties.

4. Participation. The characteristic implication of subsidiarity is participation, which is expressed essentially by a series of activities by means of which the citizen, either as an individual or in association with others, whether directly or through representation, contributes to the cultural, economic, political and social life of the civil community to which he belongs.

5. Solidarity with everyone and especially with those disadvantaged or weak.

The above principles guide the constructing of a society worthy of man. Their application is permitted by three intimately-connected social values, which are inherent to the dignity of the human person and which promote his genuine development.

a) **Truth**, which human beings must constantly seek and respect.

b) **Freedom** a symbol of the supreme dignity of every human person.

c) **Justice**, the constant and unshakeable will to give each person what is due to them, and to open a door to solidarity and love

Peace: is the result of social coexistence. Justice and development are undoubtedly conditions for peace. It is founded on a correct understanding of the human person, and it is necessary to establish order on the basis of justice and charity. Peace is a value and a universal obligation

As business executives, we find ourselves called upon to apply these principles and live these values in a manner characterised by responsibility.

3. Our Concept of an Enterprise

From what has been described in the previous section, we can see a conception of enterprise that addresses diverse dimensions.

Enterprises are entities comprised of persons who are organized and who contribute economic and technological resources and knowledge for the production of goods and services that satisfy the needs of society. They generate economic and social added value that permit fair remuneration for those involved (the stakeholders) and the economic sustainability of enterprises over time. This process encourages the common good and encourages all those involved to be fulfilled as human beings. In particular, an enterprise allows these persons and their families to sustain a life respecting their dignity.

When CSR is planned, carried out and evaluated as a comprehensive strategy, it contributes to improving the competitiveness and comprehensive sustainability of enterprises. It promotes sustainable development, allows greater access to markets, stimulates the development of co-workers, and encourages relationships that promote synergy with other enterprises in the same branch and in the same productive chain. Above all, it promotes a favourable attitude on the part of society and its consumers towards enterprises. (see Annex A)

4. A Comprehensive Vision of an Enterprise's Objectives

We would like to emphasize that all economic and social processes are carried out in relation to human beings, and therefore the inter-dependence between such processes and the society must be acknowledged. This acknowledgement must start with families, for a human person needs a family to exist and develop.

When an enterprise recognizes that human beings are at the heart of these activities, the next step is for this to be reflected in each of its operations. When this does not happen, it is symptomatic of a lack of recognition for the fact that human beings by nature require a social life, and for the fact that productive activity depends on the interactions and decisions made by human beings. (See Annex B)

5. Our Definition of Corporate Social Responsibility

With view to the above, UNIAPAC considers Corporate Social Responsibility to consist of the following:

- *a form of management emerging from a personal, moral, conscious and coherent commitment of the businessmen and their related persons based on Christian social ethics,*
- *the aim of full accomplishment of internal and external objectives, taking into account the expectations of all the stakeholders involved, in economic, social, human and environmental terms,*
- *the profitable sustainable development of enterprises and society, demonstrating respect for the dignity of human beings, communities and the environment, thereby contributing to building the common good with social justice.*

Enterprises should be characterized by their capacity for serving the common good as a result of well-organized work, their research practices, their capacity for detecting and satisfying needs, their courage in taking investment risks, and the stable creation of

employment sources and economic and social added value chains that expand the capacity for generating and distributing wealth. In this way human rights are fully respected and promoted.

To put this another way : **the framework for CSR is the common good.**

As business executives, we are called upon to *promote economic and human development* in both enterprises and in society. This involves focusing on cooperation among all those within enterprises and maintaining a balance in satisfying the expectations of all the stakeholders involved, applying values as a way of conducting responsible management.

6. Personal Responsibility of Executives.

We recognize that each member of an enterprise is a person, has his own sphere of autonomy and therefore responsibility. Nevertheless, we stress the personal responsibility of the leader. We stressed that executives need to recognize the essential role of leadership in conducting business. Whatever the laws and rules, which indeed are crucial, as they set references, guide executives and protect the weakest in society from abuse, ethical behaviour can only exist within an enterprise where there is insistent and effective leadership.

It is business leaders who orient companies toward specific ethical values and principles, manage the implementation, and help enterprises sustain ethical conduct over time. Strictly speaking, "Responsibility" can only be applied to persons, and not to any structure or community, since an institution, a structure or a society is not the executor of moral acts. Therefore CSR can only be understood as the responsibility of all the persons involved in the enterprises (*i.e.*: all the stakeholders), beginning with those with authority, the executives.

7. Strategic Lines of Action

UNIAPAC's conception of an enterprise and vision is focused on the comprehensive development of the human person, and therefore the choice of our lines of action is based on the principle of respect for human dignity, which translates into respect for human rights and into the need to focus all business operations on the human person, while emphasizing the impact of these operations on relationships and commitments with the various stakeholders.

We have identified eight groups of stakeholders :

- 1. Shareholders and investors**
- 2. Persons making up the enterprise and their families¹**
- 3. Suppliers**
- 4. Distributors, Clients and Consumers**
- 5. Governments**
- 6. Community-Society²**
- 7. Competitors**
- 8. Future generations³.**

The following lines of action have been defined, for the actions and relationships of enterprises with their stakeholders, in order to address them as persons in their entirety

- *Ethics Truth and Confidence (Spiritual Needs)*
- *Quality of Life (Human Needs)*
- *Generation and Distribution of Wealth (Material Needs)*

The new business culture affirms that the most valuable element in enterprises is the individuals that make up the enterprises. It is vital that training and education programs are continually set up, in order to allow for the development of these individuals.

Annex A

Contribution to the Development of the Virtuous Circle :

CSR Virtuous Circle Contribution to Development



Companies that demonstrate social responsibility are competitive and more humane entities, create more jobs and better salaries; promote a stronger internal market, reduce poverty; stimulate sustainable economic growth, more fiscal revenue, better government investments in infrastructure that generate the national competitiveness, the quality in education, research and development, and the government spending that help reduce inequality. It is based on sustaining amongst citizens a culture of participation, transparency and accountability.

“Society problems will be solved as corporate problems are solved” Peter Druker

ANNEX B

