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**NATIONAL ACTION PLAN  
ON CORPORATE SOCIAL RESPONSIBILITY**

**2012-2014**

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## I. The national strategy

The international monetary crisis focused the attention on the importance of inclusive and stable sustainable growth, based on fighting poverty, respecting human rights, labour and environment. At the same time, in answer to the competitive challenges in the access to prime matters, knowledge and financial resources, it is necessary to avoid unfair practices and promote quality employment, technological innovation and efficiency in resource usage.

The consequences of the crisis undermined citizens' and enterprises' trust in future perspectives and it is therefore necessary to strengthen the relationship of trust and mutual exchange among public administration, businesses, as main economic actors, and society, growingly affected by the negative effects of the crisis.

In answer to the crisis, **at European and international level**, Governments have valorised and re-introduced initiatives and tools favouring corporate social responsibility, ranging from the renewed European Strategy for Corporate Social Responsibility (CSR)<sup>1</sup> to UN and OECD orientations.

In this framework, the Italian **Government strategy** stresses the **importance of enterprises' role in society and the responsible management of economic activities as vehicle for the creation of value, with mutual advantages for businesses, citizens and communities**. This conviction is supported by two typical features of Italian enterprises: the ability of rooting themselves in, and relating to, the territory where they operate and the social dimension in terms of industrial relations and social commitment. These factors represent an asset of our enterprises, at risk of going to waste under pressure from international dynamics, and something our Government aims to valorise and support through strategic actions shared with all stakeholders.

As well as having a positive fallout on workers and on the local area, a correct **strategic approach to CSR** implies an advantage for enterprises' competitiveness, in terms of risk management, cost reduction, access to capital, customers' relationships, human resources management and innovation capacity. Acting on issues of sustainability in the relationship with internal and external stakeholders, businesses can foresee, and better respond to, the expectations of society and anticipate transformations in the contexts where they operate, distinguishing themselves, above all through innovation, from other international competitors and can thus access new resources, new markets and new perspectives of growth.

The role of CSR as a qualifying element of Italian company processes and productions is thus acknowledged in the frame of national policies for growth and employment, favouring the persistence of businesses on the middle to long term in the global markets. The "Made in Italy" concept can strengthen and distinguish itself on the markets through investments in human resources and knowledge, industrial relations, environmental protection, relationships with the territory and stakeholders, fight against corruption – all fundamental elements of CSR.

Being understood that **CSR concerns the voluntary business conducts**, going beyond the mere respect of legal obligations, **the Government**, with its action, **can create a more favourable context** to voluntary business conducts and third sector activities, **to favour the attainment of public goals** oriented towards the development of the economy, the society and the protection of the environment.

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<sup>1</sup> Communication from the Commission to the European Parliament and the Council COM (2011) 681 final.

**The National Action Plan** is implemented under the guidance of two **lead Administrations**, i.e. the **Ministry of Labour and Social Affairs** and the **Ministry of Economic Development**, in compliance with the autonomies and prerogatives of (central, regional and local) public Administrations and businesses, trade unions, third sector, active citizenship and civil society organisations, contributing to the attainment of its objectives. Such leading role lies within a vast action, long in operation, of national public administrations, at central and local level, supported by businesses' activities and stakeholders' initiatives, which accompany State actions.

The National Action Plan is therefore **based**, essentially, on **what was already implemented at national level and, valorising best practices, aims at providing shared orientations for future actions.**

Given the **multidisciplinary and integrated nature of CSR** it is necessary to proceed with a **synergic action** among institutions – at the different sectorial and local levels. Businesses, but also stakeholders (unions, workers, consumers, third sector organisations, civil society) have naturally a key role, since through active involvement and co-participation (the so-called **multi-stakeholders approach**) they can encourage processes in operation. At the same time, the involvement of the financial sector is necessary to encourage access of businesses, in particular the small and medium-sized enterprises (SMEs), to capital and to credit.

In the definition and implementation of the Plan, a particular attention is devoted to **SMEs**, which often do not have adequate financial resources and knowledge, but are crucial to the attainment of Government goals, given their number, their roots in the communities, their links with large enterprises in the supply chain and the growing role they take on in the internationalisation of productions.

The **contribution of social enterprises and third sector**, active citizenship and civil society **organisations** is also acknowledged, given their attention to the territory and the direct relationship with the community.

In defining the contents of interventions the **whole business life cycle** has been taken into account - from the definition of business strategy, actions and investments, to the financial and extra financial reporting of activities. Moreover, actions are foreseen aimed at reinforcing the contexts where businesses operate to strengthen citizens' trust, promote the contribution of market forces, project their actions on an international dimension. In more detail, the Action Plan is organised according to the following objectives:

***Objective A: Increasing the culture of responsibility among enterprises, citizens and local communities***

With the joint growth for enterprises and society in view, the level of knowledge and awareness about CSR needs to be increased, promoting the creation of a shared and participative culture in answer to the needs of the different actors involved, in particular enterprises and citizens. This objective is achieved through two priority lines. The first is geared to disseminate the conviction among enterprises and young people of the importance of a “strategic” approach to CSR in company management, a fundamental step for the success of any practice of responsibility. The second one aims to render citizens and consumers aware about the responsible practices of enterprises, to avoid unfair conducts from the latter (e.g. green and social washing) and to reinforce the relationship of trust between Public Administration, enterprises and citizens.

***Objective B: Supporting CSR-adopting enterprises***

Acknowledging that the appropriate practices of CSR, based on best standards and international tools, produce, in the medium to long term, a competitive advantage for enterprises, workers and the society as a whole, the public support action should encourage the adoption of CSR by the for-

mer, in particular SMEs, not always able to find the financial and immaterial resources needed for initiating and continuing over time a path to sustainability. Interventions can be of various nature (incentives, rewards, simplifications) and – as indicated by the European Commission – aim to support the actions which “create” social and economical “added value”, both for the owners/shareholders and for stakeholders and the society as a whole. This includes actions aimed at preventing and mitigating the potential negative effects of economic activities on the environment, on workers, and on society, generating an overall positive impact.

***Objective C: Contributing to the enhancement of “market rewards” for CSR***

A key aspect in the adoption of responsible business conduct is represented by the balance between sustainability and financial return of the activities, return helped by the market appreciation of virtuous enterprises. The market incentives for CSR can be represented by the private demand of consumers, the public demand through tenders and the improvement of the access to capitals and credit. Through public action, therefore, it is intended to act on these levers to favour the economic reward of CSR.

***Objective D: Promoting initiatives of social enterprises and third sector, active citizenship and civil society organisations***

At the core of the economy of the organisations carrying out not for profit activities, there is the principle of “reciprocity”, constituting one of the pillars of civil society organisations and to be understood as a cooperative relationship among people belonging to the same community. The third sector ensures sustainability of development processes in the long run, because of its commitment to removing obstacles that generate social insecurity in vulnerable and excluded subjects. To have greater and more efficient and effective influence, the third sector has to reinforce its efficiency, find new sectors in the market and new funders. At the same time, it is crucial it relates with for profit enterprises. The priority lines of action are strictly linked to this last point of view: it is fundamental that third sector organisations, in particular social enterprises and social cooperatives, relate to for profit enterprises and offer to potential investors the utmost transparency by demonstrating their activities, their projects, the destination of funds received and by adopting social reporting.

***Objective E: Encouraging transparency and disclosure of economic, financial, social and environmental information***

It is necessary to contribute to the improvement of clarity and completeness of the information provided by enterprises on CSR, as this is an important element in relations with Government, stakeholders, financial community, workers and society. Moreover, a correct system of reporting allows businesses to measure the advantages of CSR, otherwise hard to perceive since often they consist of immaterial assets. We are referring to, in particular, in addition to transparency of financial information and information related to company assets and governance facilities, to extra-financial information, linked to social and environmental company performances.

The intent is therefore twofold: on one hand, to support and render coherent the reference framework and the indicators used; on the other hand, to help enterprises, especially SMEs, to adopt forms of extra-financial reporting, which take into account the social and environmental aspects of economical activities.

***Objective F: Promoting CSR through internationally recognized instruments and international cooperation***

International governmental commitments regarding the promotion of responsible business conduct are diverse, primarily within OECD, UN and G20, and through initiatives of economic cooperation and development and international solidarity. Through this objective, the intention is to intensify the governmental action in the promotion and dissemination of international standards and orientations

and to attract businesses towards the adoption of internationally recognized CSR tools in the activities of international cooperation.

## II. The reference framework

### 1. European strategy

The National Action Plan lies within the framework of the renewed European strategy for CSR “*A renewed EU strategy 2011-2014 for Corporate Social Responsibility*”<sup>2</sup> and contributes to its implementation.

European strategy stems from the indications on CSR included in **Europe 2020**, in the **Flagship initiative for industrial policy** and in the **Single Act for the Internal Market**.

It revolves around the three priorities for growth of Europe 2020 that trace the framework of European economy for the 21<sup>st</sup> Century:

- Smart growth: developing an economy based on knowledge and innovation;
- Sustainable growth: promoting a more efficient, greener and more competitive economy;
- Inclusive growth: promoting an economy with high levels of employment favouring social and territorial cohesion.

The Commission, exhorted by the European Parliament and Council, re-launched the issue of corporate social responsibility, included in European policies since the 2001 Green Paper<sup>3</sup> and developed with the Communication of 2006<sup>4</sup>.

By renewing the efforts to promote CSR, the European Commission intends to create favourable conditions for sustainable growth, corporate responsible conduct and a creation of occupation lasting in the medium and long term. The goal of the European strategy is to strengthen current policy, reaffirm Europe’s global influence in this sector and also to lead and coordinate the action of Member States in order to reduce the risk of divergent approaches.

The Commission puts forward a new definition of CSR as “**the responsibility of enterprises for their impacts on society**”. Confirming the intentional nature of the action of enterprises in this field, it invites enterprises to have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy, in close collaboration with their stakeholders, with the aim of:

- maximising the creation of shared value for their owners/shareholders and for their other stakeholders and society at large;
- identifying, preventing and mitigating the possible adverse impacts of enterprise action on society.

The Commission itself recognises that respect for applicable legislation and for collective agreements between social partners is a necessary prerequisite for meeting that responsibility. Some particular categories of enterprises are identified, specifying that for most small and medium-sized enterprises, especially micro-enterprises, the CSR process is likely to remain informal and intuitive.

Moreover, certain types of enterprise, such as cooperatives, mutuals and family-owned businesses, have ownership and governance structures that can be especially conducive to responsible business conduct. The role of volunteering is also important, therefore EU institutions encourage enterprises, within CSR, to support financially volunteering initiatives.

The initiative of the Commission on CSR is complementary to the Communication of the Commission on social business<sup>5</sup> adopted on the same date, which contributes to valorise the added value

<sup>2</sup> Communication from the Commission to the European Parliament and the Council COM (2011) 681 final. Brussels, 25.1.2011.

<sup>3</sup> COM (2001) 366.

<sup>4</sup> COM (2006) 136 Implementing the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on Corporate Social Responsibility.

these enterprises have for local communities. Although they have many elements distinguishing them from the “for profit enterprises”, the “social not for profit enterprises” offer generally a particularly high level of social and environmental responsibility, coupled to a financial impact that should not be disregarded.

**European strategy is implemented in the first phase through the Action Plan of the European Commission for 2011-2014 that revolves around the following lines:**

- **Enhancing the visibility of CSR and disseminating best practices;**
- **Improving and tracking levels of trust in business;**
- **Improving self- and co-regulation processes;**
- **Enhancing market reward for CSR;**
- **Improving company disclosure of social and environmental information;**
- **Further integrating CSR into education, training and research;**
- **Emphasising the importance of national and sub-national CSR policies;**
- **Better aligning European and global approaches to CSR.**

## **2. The international evolution of CSR and Government commitments**

Enterprises adopt new and complex ever-changing models of growth with a growing distribution of the value-chain at global level and operate in very diverse local contexts as regards the protection of rights, environmental and local situations.

The international trends insist on responsible standards of conduct that enterprises can refer to in their global action, avoiding damages to the population and the environment and mitigating the imbalances in the international system, that do not allow to operate on a level playing field. This is even more important in the light of the **recent international economical and financial crisis demanding from Governments a greater common commitment for fair, sustainable and inclusive development.**

As for human rights, at the core of the Government commitment is the **United Nations** framework on human rights and enterprises **“Protect, respect and remedy”** (2008) with its operational guidelines **“Guidelines on Enterprises and Human Rights”**<sup>6</sup> (2011), both approved by the Human Rights Council of the UN. The UN principles are based on three fundamental pillars: the duty of the States of guaranteeing the protection of human rights from violations by third parties, businesses included; the corporate responsibility in respecting human rights and the access to judicial and extra-judicial mechanisms of guarantee and reimbursement for victims.

The issue of **enterprises and human rights will be the focus of a dedicated National Plan**, drawn under the guidance of the Ministry of Foreign Affairs, involving Central and regional Administrations in their respective fields of responsibility, and based on the UN framework.

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<sup>5</sup> “Social Business Initiative. Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation” COM(2011) 682 final.

<sup>6</sup> Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework: <http://www.business-humanrights.org/SpecialRepPortal/Home/Protect-Respect-Remedy-Framework>



As for the protection of labour rights, the Government is committed to respect and promote the **fundamental ILO Conventions and the ILO Tri-partite Declaration on multinational enterprises**.

The UN Conference on Sustainable Development (UNCSD), known also as **Rio+20** (20-22 June 2012) acknowledged for the first time the concept of “green economy”, considering it one of the main tools for economical and social growth and, especially in developing countries, as one of the ways for fighting poverty. Rio+20 gave then a decisive input to Governments, but also to enterprises and other stakeholders, in order for them to cooperate all together for the adoption and putting into practice of green economy policies that, in such way, become a significant element of future CSR.

At UN level there is an intense effort on many fronts to redraw the so-called **Post-2015 Development Agenda** that includes the revisiting of the Millennium Development Goals (MDGs), but will also include some new Sustainable Development Objectives.

The **OECD Guidelines for multinational enterprises**, an integral part of the OECD Declaration on international investments, are directly devoted to the issue of corporate social responsibility. It is the only intergovernmental, multilateral and complete code for responsible conduct that OECD Governments, as well as nine not OECD Governments<sup>7</sup>, committed themselves to, in order to promote the positive contribution of multinational enterprises – even small-sized ones within limits of their capacity – to environmental, social and economical progress in the whole world. The Guidelines were updated with the stakeholders’ involvement and approved by the OECD Ministerial of 2011, to respond to changes in the international investment framework and reinforce its role of leader tool at international level. The considerations concern all sectors of business life – disclosure of information; human rights; employment and industrial relations; environment; fight against instigation to corruption and concussion; consumers’ interests; science and technology; free competition; tax regimes. All these issues are articulated considering the highest international standards, UN human rights principles and ILO labour principles.

International multilateral standards and initiatives, such as the ten principles of the **United Nations Global Compact (GC)**, the ***Extractive Industries Transparency Initiative*** and **ISO 26000 standard** constitute additional reference points.

The GC encourages enterprises all over the world to create an economic, social and environmental framework apt to promote a healthy and sustainable economy, granting to all the opportunity of sharing its benefits. The ten principles of the Global Compact ratify the fundamental rights regarding human rights, labour standards, environment protection and fight against corruption.

The ***Extractive Industries Transparency Initiative*** is a global standard geared towards transparency in payments and transactions regarding prime matters. The standard operates through a multistakeholders approach and transparency is required by both enterprises and governments benefitting from payments.

The ISO 26000 standard is borne out of a long labour carried out in five years by the ISO/TMB/WG on "Social responsibility" with a “multi-stakeholder” approach, with the intent of helping organisations – regardless of their size – to contribute practically to sustainable growth. The

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<sup>7</sup> Argentina, Brasil, Colombia, Egypt, Latvia, Lithuania, Morocco, Peru, Romania, Tunisia.

See <http://www.oecd.org/daf/internationalinvestment/guidelinesformultinationalenterprises>; <http://pcnitalia.mise.gov.it>

Italian position was represented by the UNI Technical Commission<sup>8</sup> named “Social responsibility of organisations”.

The action of the Italian government in fighting corruption within the working **group against corruption of the G20**, set up in 2010, is also important. The group intends to promote UN and OECD tools to fight international corruption, prevent corrupt officials from accessing the financial system, fight money laundering and fiscal paradises, reinforce intergovernmental mechanisms, improve protection of injured parties and exchange best practices.

### 3. The local dimension of CSR

In accordance with the division of competences between the State and the Regions, the Action Plan includes the action of central and regional authorities and of other local administrations.

The CSR highlights internal and external relations of the enterprises towards stakeholders and the local area. In this dimension, in virtue of the knowledge of specific company situations and of the constant dialogue between institutions and enterprises, specific issues and problems at local and regional administration level can be dealt with efficiently. In this respect we can talk about Territorial Social Responsibility (TSR), whereby public policies promote synergies and partnerships. The interdependence between actors and local communities is a necessary element, allowing also to promote not only economic and commercial, but also social and cultural processes of internationalisation of the local area.

**Italian Regions** provided a contribution for the definition of priorities and the identification of the actions of the Action Plan.

The Regions contribution was validated by the XI Political Commission “Productive activities” and by the IX Political Commission “Education, Training, Labour, Research and Innovation” of the Conference of Regions and Autonomous Provinces. Such contribution was arranged following what agreed with representatives of the Ministry of Labour and Social Affairs and Ministry of Economic Development and with the representative of the Regions at the National Contact Point for the Dissemination of the OECD Guidelines, in the joint inter-regional technical coordination (IX and XI Commission) of 16 May 2012.

Regions proceeded to a recognition on activities on regional level, providing details on the typologies of the most significant interventions (implemented in the past 5 years, being implemented, or being defined) and on best practices, as reported in the attachments<sup>9</sup>.

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<sup>8</sup> UNI - Ente Nazionale Italiano di Unificazione (Italian Standards Organization) – is a private non-profit making organization founded in 1921 and recognized by the State and the European Union. Its mission is to study, develop, approve and issue the voluntary technical norms – the so-called “UNI norms” – in industrial, commercial and services sectors (apart from electrical and electro-technical). UNI members are enterprises, professionals, associations, public bodies, research centres and schools. UNI represents Italy in the European (CEN) and global (ISO) standardization organisations.

<sup>9</sup> Attachments 1 and 2 of the National Action Plan.

The **fields** of CSR interventions by Regions are entrepreneurship and labour and, less so, education, training, social policies, international activities and social enterprise.

As for the institutional framework, interventions on CSR realised by Regions and Public Administrations have their normative references in the **regional/provincial laws**, especially from the year 2005 onwards. These are laws regulating diverse aspects or labour relations in general, and/or containing measures for growth, local development, arts and crafts valorisation, mutual cooperation promotion. These may also discipline social service systems. Within these laws, almost everywhere, specific articles on CSR were included. Only in two cases they are regional laws regulating *ad hoc* the CSR issue: for the Umbria Region, through the provision of interventions for the certification of quality systems, environmental protection, safety and ethics of Umbrian enterprises (Regional Law 21/2002) and the institution of a Register of enterprises having a certificate of conformity to the SA 8000 standard (Regional Law 20/2002 and 27/2002); for the Tuscany region, through provisions promoting CSR (Regional Law 17/2006). Moreover, in three cases (regions of Emilia Romagna, Lombardy and Tuscany) CSR represents one of the priorities to achieve, pursued also in the Regional Statute.

Furthermore, in almost all cases (with the exception of the Trento Autonomous Province), CSR is an expressly quoted issue in **many regional planning acts**. In fact, in 8 cases CSR is referred to in operational programmes co-financed by the Structural Funds: either in the Operational Plan ESF (4 Regions), or in the Operational Plan ERDF (1 Region) or in both (3 Regions). In 7 cases CSR is also, or only, provided for in other documents, such as: annual or multi-annual plans and programmes of economic and productive development; annual or multi-annual plans on labour policies, strategic documents, action plans, regional green papers, memoranda of intents.

If the **financing source** is taken into consideration for all of the mentioned initiatives (on the whole 55 initiatives already implemented, being implemented or being developed), what emerges is that Regions implement what provided in their normative and programme documents on CSR, mainly through the use of own funds (57%) and EU funds (43%), in particular ERDF and EFS, followed by initiatives on EU programmes, such as MED or SEE or other EU calls.

In 2012 the inter-regional project “*Creation of a network for the dissemination of corporate social responsibility*” was launched. Thirteen Italian regions, the Ministry of Labour and Social Affairs and the Ministry of Economic Development adhered to it. The project has as its main aim increasing the dissemination of corporate social responsibility among businesses through a process of exchange and mutual learning between public administrations on the approaches and programmes of interventions adopted, on experiences implemented, on the main problems linked to intervention tools. Such a project will contribute to the implementation of the priorities of the Action Plan and to the integration of the actions among the different levels of government.

The Action Plan will contribute to defining the intervention measures that could be financed with the Structural Funds within the next planning of European Cohesion policy 2014-2020.

Within regional policies a focused attention will be given to Southern Regions that will be involved in joint projects and exchanges of experiences with the Central and Northern Regions.

#### 4. Other involved stakeholders

The action of the Administration is accompanied with the action of other stakeholders involved in processes of responsible conduct.

**Businesses** are at the core of policies for the promotion of CSR and they are its main engine. In such direction the **trade associations** have a key role in giving their associates the strategic basis and useful tools, in particular with reference to SMEs. Also the chambers system through **Unioncamere (the public body representing the Italian Chambers system)** and the **Chambers of commerce** helps businesses with information and training activities.

On the labour front, national **trade unions** are active in promoting agreements and understandings aimed at improving working conditions and valorisations of workers' contribution to national production.

Among the nongovernmental organisations, **third sector, active citizenship and civil society organisations** assume special relevance. Their networks and coordinating organisations have great relevance both at national and international level.

Lastly, the **financial system** contributes through the actions by the Forum for sustainable finance, by banks, also through ABI – Associazione Bancaria Italiana (Italian Banking Association), and by ethical finance.

### III. The 2012 – 2014 Action Plan

#### *Field of intervention*

For a **definition of CSR** the reference is to the Communication of the European Commission, namely “**the responsibility of enterprises for their impacts on society**”<sup>10</sup> based on the conviction that dealing with the CSR issue is in the best interest of enterprises and society.

In line with international trends and with the European strategy, **fields** of businesses life **covered by CSR** can be **synthetically** summarised in<sup>11</sup> :

- Respect for human rights;
- Development and safeguard of equal opportunities;
- Labour, employment and working conditions, whereas they are not covered by national laws and agreements (e.g. positive actions for social inclusion, training and vocational re-training of workers, health and safety on the workplace, life/work balance; but also, in poorly regulated foreign contexts, actions related to respect of internationally recognized workers’ and minors’ rights);
- Protection of the environment and efficient usage of natural resources (e.g. reduction of gas emissions, energetic efficiency, pollution prevention);
- Fight against corruption and illegality;
- Consumers’ protection;
- Community development;
- Good tax governance (transparency, information exchange and loyal tax competition);
- Development and transferral of knowledge benefiting stakeholders and local communities.

The promotion of CSR in the supply-chain and transparency in the disclosure of financial and non-financial information are recognized as important **transversal actions**.

Moreover, the Commission adopted a Communication on EU policies and **volunteering**, where it recognises corporate volunteering as an expression of corporate social responsibility<sup>12</sup>; both the public and the private sector can play an important role in promoting voluntary activities as an expression of their social responsibility, contributing to the development of the local community and, at the same time, improving the climate of trust and gratification at work, benefitting productivity.

Special attention will be devoted to **social enterprises** i.e. enterprises providing social services and/or goods and services to socially excluded or vulnerable subjects and/or businesses whose modalities of production of goods and services try to achieve a social goal (e.g. social and professional integration of the disadvantaged).

In that respect it is necessary to highlight that CSR has a **multidisciplinary nature** and requires a **strategic and organic** integration in the company life as a whole, although it can be declined in operations of major or minor intensity, in relation to the different fields described above.

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<sup>10</sup> COM (2011) 681.

<sup>11</sup> The reference to the fields is an indication and is not necessarily exhaustive of the possible actions which can be put into place.

<sup>12</sup> COM (2011) 568.

As specified also by the European Commission, enterprises, on a voluntary basis, should integrate CSR in their commercial operation – including partnership relations and in the supply chain directly linked to the activities, products or services of the enterprise – and in their own company strategy, in close cooperation with their stakeholders.

**Enterprise actions** should aim at:

- maximising the creation of shared value for their owners/shareholders and for their other stakeholders and society at large;
- identifying, preventing and mitigating their possible adverse impacts on the direct stakeholders and on society.

In the light of the multidisciplinary nature of CSR and of the variety of the actions that enterprises can put into place, to implement the actions of the Plan the Administrations and other public subjects could resort to tools considered more apt for achieving the established objectives, also adopting a **mix of typologies of intervention and an integration among the different actions**.

The efficiency of both public and private action is enhanced by the **multi-stakeholder approach** based on the active involvement of all social forces. Activities should be managed coherently to the stakeholders' expectations and needs. This constitutes a **transversal approach to the implementation** of the Plan.

Given the Italian production structure, it needs to be considered that the responsible conduct application scope will be adapted in conformity to the **size of the enterprises**. CSR originally developed in large companies – especially multinationals – and in publicly listed companies. This holds true also at national level, where these practices of conduct are more likely to be found within large sized companies. Nevertheless, in the past years, there are many smaller sized enterprises, especially medium sized, that geared towards those issues, while it is generally recognized that for the micro-enterprises the process is doomed to remain informal.

Considering the reduced human and financial resources, the national strategy devotes special attention to **SMEs**. In this view, besides supporting actions of the individual enterprises, in the actions of the Action Plan, special attention will be given to support and help actions for **aggregations of enterprises** (e.g. enterprises<sup>13</sup> and productive districts networks) to overcome limits posed by the dimensions of the individual enterprises and enhance the impact of the actions in the supply and production chains.

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<sup>13</sup> Legislative Decree of 31 May 2010 n. 78 Urgent measures for the financial stabilization and for economic competitiveness. Converted, with modifications, by Law n. 122, 30 July 2010.

**Table 1- Summary of the objectives, priorities and interventions 2012 - 2014**

<b>A. OBJECTIVE - INCREASING THE CULTURE OF RESPONSIBILITY AMONG ENTERPRISES, CITIZENS AND LOCAL COMMUNITIES</b>		
<b>PRIORITIES</b>	<b>ACTIONS</b>	<b>INTERVENTIONS 2012-2014</b>
1. Dissemination of CSR as integrated and strategic company approach	a) Information and training actions for enterprises and dissemination of best practices	<p>Creation of a multi-stakeholder group at the Ministry of Labour and Social Affairs</p> <p>Participation to European multi-stakeholder platforms</p> <p>Public-Private sectorial and/or territorial structured partnership for the achievement of shared objectives</p> <p>Partnerships between trade unions – enterprises for the definition of framework agreements for the promotion of CSR also in the sub-supply chain</p> <p>Multimedia tools, events, seminars and thematic/sectorial workshops to disseminate the strategic culture of CSR and best practices</p> <p>Training actions for enterprises, institutions and stakeholders</p> <p>Awareness raising actions on technical chains and districts for the development of joint projects</p> <p>Creation and implementation of the CSR/Third Sector channel in the SIONP - Non profit organisations information system of the Ministry of Labour and Social Affairs</p>
	b) Integration of CSR into education, training and research	<p>Initiatives for connecting schools – universities – businesses on CSR-related issues, promoting public-private partnerships and trade unions, social cooperatives and social enterprises participation</p> <p>Initiatives for the continuing education of workers in coordination with the bilateral bodies and the inter-professional funds for continuing education</p> <p>Coordination of the national action with the “Youth in Action” and “Lifelong Learning” European programmes</p>
2. Raising citizens’ awareness and avoiding unfair practices	a) Visibility tools for responsible enterprises	<p>Actions for the valorisation and visibility of virtuous enterprises (awards, registers, etc.)</p> <p>Valorisation and support for the implementation in Italy of the “European CSR Award”</p>
	b) Actions to improve consumers’ level of trust	<p>Efficient application of norms on unfair practices</p> <p>Reinforcing consumers’ protection</p> <p>Dissemination and application of the “legality rating”</p> <p>Fight against transfer pricing and fiscal heavens</p> <p>Promotion of best practices in legality issues of the private sector, third sector organisations and with other stakeholders</p> <p>Coordination State-Regions to strengthen the fight against illegality</p>

		and against mafia infiltrations in public procurement
	c) Improvement of self- and co-regulation processes	<p>Actions supporting self- and co-regulation processes</p> <p>Identification of independent monitoring and control mechanisms</p> <p>Definition of framework agreements among social partners</p>
	d) The contribution of public administrations: transparency and legality	<p>Dissemination and application of principles, norms and good practices of transparency and legality in Public Administration</p> <p>Promotion of best practice on legality and fight against corruption</p> <p>Coordination State – Regions to enhance the fight against illegality, corruption and mafia infiltration in public procurement</p>

#### **B. OBJECTIVE - SUPPORTING CSR-ADOPTING ENTERPRISES**

<b>PRIORITIES</b>	<b>ACTIONS</b>	<b>INTERVENTIONS 2012-2014</b>
1. Public administration support	a) Incentives, tax relief, rewards and simplification	<p>Definition of indicators, criteria and assessment mechanisms to reward enterprises in the access to public funding or forms of administrative simplification in line with the international instruments under-signed by the Government</p> <p>Employment of stable instruments for the financing of the initiatives (such as for example measures included in the European structural funds programming, regional funds for labour flexibility, etc.)</p> <p>Incentives to SMEs to support investments in CSR</p> <p>Rewards and simplification mechanisms for accessing public funding and authorization procedures</p> <p>Project monitoring and control procedures</p>

#### **C. OBJECTIVE - CONTRIBUTING TO THE ENHANCEMENT OF “MARKET REWARDS” FOR CSR**

<b>PRIORITIES</b>	<b>ACTIONS</b>	<b>INTERVENTIONS 2012-2014</b>
1. The contribution of the financial world	a) Promotion of initiatives for sustainable investments and credit	<p>Initiatives to favour transparency of information by financial institutions and investment funds</p> <p>Promotion of due diligence in the financial sector also based on OECD contributions on the issue</p> <p>Collaboration in initiatives of the banking sector and investment funds to increment the share of financial resources invested in “virtuous” enterprises</p> <p>Promotion of the “Charter of Sustainable and Responsible investment of Italian finance”</p>
	b) Ethical finance	<p>Promotion of ethical finance principles</p> <p>Support to the initiatives for the funding of third sector organisations</p> <p>Support and promotion of micro-credit initiatives of the banking sector</p> <p>Gathering, dissemination and publication of best practices and success examples of enterprises and/or Third Sector, active citizenship and civil society organisations partnerships</p>



2. Public procurement	a) Promotion of public procurement integrating environmental and social criteria	<p>Integration of national and regional initiatives for the definition of environmental and social criteria into public procurement</p> <p>Promotion of the application of social and environmental criteria in public procurement</p> <p>Definition of a quality system for enterprises and self-employed workers, with reference to the protection of health and safety on the workplace</p> <p>Guidelines for the inclusion of social clauses regarding people with disabilities in the public procurement procedures of public administrations within the CSR+D European project</p>
3. Consumers	a) Consumers networks and fora	<p>Consumers awareness raising campaigns</p> <p>Promotion of the enterprises – consumers dialogue and consumers networks</p>
<b>D. OBJECTIVE - PROMOTING INITIATIVES OF SOCIAL ENTERPRISES AND THIRD SECTOR, ACTIVE CITIZENSHIP AND CIVIL SOCIETY ORGANISATIONS</b>		
<b>PRIORITIES</b>	<b>ACTIONS</b>	<b>INTERVENTIONS 2012-2014</b>
1. Promotion of social and financial potential of third sector organisations	a) Dissemination of CSR to third sector organisations and support to dialogue with enterprises	<p>Promotion of enterprises – third sector, active citizenship and civil society organisations dialogue (focus on social enterprises and social cooperatives)</p> <p>Promotion of training activities on transparency (reporting, social and sustainability budgeting, etc.)</p> <p>Promotion of experiences of “CSR – Volunteering helpdesks” in Volunteer Support Centres</p> <p>Digital publication of best practices of partnerships among enterprises and/or third sector organisations, in particular social enterprises, social cooperatives, organisations in the field of international cooperation and solidarity</p>
<b>E. OBJECTIVE - ENCOURAGING TRANSPARENCY AND DISCLOSURE OF ECONOMIC, FINANCIAL, SOCIAL AND ENVIRONMENTAL INFORMATION</b>		
<b>PRIORITIES</b>	<b>ACTIONS</b>	<b>INTERVENTIONS 2012-2014</b>
b) Enterprises’ information, transparency and reporting	a) Dissemination and coherence of the indicators reference frameworks	<p>Promotion of disclosure and transparency of financial and extra-financial information</p> <p>Connection of national initiatives on indicators and reporting</p> <p>Tools and support for enterprises for implementing the reporting standards, taking into account sector and size specificities</p>
	b) Support for the adoption of sustainability standards and extra-financial reporting	Public support to the adoption of forms of CSR financial and social reporting by SMEs and in the Third Sector, active citizenship and civil society organisations (in particular social cooperatives and social enterprises)
<b>F. OBJECTIVE - PROMOTING CSR THROUGH INTERNATIONALLY RECOGNIZED INSTRUMENTS AND INTERNATIONAL COOPERATION</b>		
<b>PRIORITIES</b>	<b>ACTIONS</b>	<b>INTERVENTIONS 2012-2014</b>
1. OECD Guide-	a) Application of	Dissemination and implementation of the OECD Guidelines at na-

lines for multinational enterprises	OECD Guidelines	<p>tional and international level, in coordination with the Administrations, Internationalisation Agencies, enterprises, trade unions and other stakeholders</p> <p>Promotion of human rights protection in connection with national and international initiatives</p> <p>Experimentations on due diligence in the value chain for enterprises in the different economic sectors, with special attention to SMEs</p> <p>Production of toolkits and other operational instruments for enterprises, to disseminate also through Italian embassies</p> <p>Participation to OECD initiatives for the proactive agenda and to the outreach initiatives of the Guidelines</p> <p>Collaboration with institutions and stakeholders for the implementation of the National Action Plan on CSR</p>
2. Promotion of international standards and initiatives	a) UN Global Compact	<p>Promotion of the voluntary adhesion of enterprises and third sector organisations to the Global Compact</p> <p>Consolidation and dissemination of best practices</p> <p>Active participation to the GC processes</p>
	b) ISO 26000	<p>Promotion of the voluntary adhesion of enterprises and third sector organisations to the ISO 26000 standard</p> <p>Definition with INAIL (Italian Workers' Compensation Authority) support, of simplified guidelines for SMEs and diversified by sector on issues of health and safety on the workplace, with the contribution of the social partners</p>
	c) Extractive Industries Transparency Initiative	<p>Support to the EITI initiative for the definition of a minimum global standard</p> <p>Coordination with OECD Guidelines and UN Global Compact</p>
	d) G20 Anti-corruption working group	<p>Support to international initiatives against corruption through laws and regulations and assistance to enterprises</p>
3. International cooperation	a) Attracting enterprises towards the priority countries for Italian cooperation	<p>Initiatives for the co-participation of enterprises to the objectives and actions of international cooperation development and solidarity</p> <p>Promotion of partnerships among enterprises, nongovernmental international cooperation organisations and international solidarity and third sector, active citizenship and civil society organisations</p> <p>Promotion of synergies between responsible internationalisation business actions and economic and social development cooperation movement through national institutional networks (Embassies, Internationalisation agencies, Chambers of Commerce, etc.)</p>

## **A. *OBJECTIVE: Increasing the culture of responsibility among enterprises, citizens and local communities***

### **1. Dissemination of CSR as integrated and strategic company approach**

A first important aspect to highlight in the adoption of practices of social responsibility is that their effectiveness derives from the approach adopted in company management. A CSR management limited to certain business areas and not integrated in the whole of the company management and organisation, through a strategic approach, does not produce the expected outcomes in terms of added social value and financial return. As stated by the European Commission itself, **a long-term strategic approach to CSR** allows exploring the opportunities for developing innovative products, services and business models that contribute to societal wellbeing and lead to higher quality and more productive jobs<sup>14</sup>.

There are many scientific analyses and field practical case studies aiming at defining the **link between corporate responsible conduct and competitiveness**, whose general findings need to be disseminated to provide an incentive to responsible conduct as engine of competitiveness for enterprises, trying to enhance its attractiveness for enterprises by pinpointing the advantages of being responsible<sup>15</sup>.

To contribute to the dissemination of CSR, businesses need to be informed and their awareness raised also through the use of experiences and best practices. At the same time, investment on new generations of businesspeople, managers and workers is needed. Virtuous enterprises need to be actively involved in training processes, in deed, through storytelling, the responsible enterprise can rebuild and demonstrate effectively, credibly and according to facts, the existence of said link.

Ever more often, companies at the forefront in the adoption of socially responsible behaviours identify and involve their *stakeholders*, who are those (workers, consumers, NGOs, public administration and local communities' representatives) having an interest in any of the activities or decisions of the company. The stakeholders' identification and involvement process is, nevertheless, often difficult to put into practice for a large part of the Italian business system, both for its very innovative scope and for the costs involved for the company. **A public action of information and awareness raising can promote the dissemination of a multistakeholder approach** in the adoption of socially responsible initiatives, in line with what provided for by the main international tools. This produce an increase, in quality and quantity, of the contribution of Italian enterprises in the field of social responsibility.

#### **a) Information and training actions for enterprises and dissemination of best practices**

Since the 2001 Green Paper of the Commission<sup>16</sup>, many **awareness raising actions** were put into place in Italy, both by the central and regional administration, as well as by other subjects, such as: Chambers of Commerce, Universities, Trade Associations and banking system, trade unions and civil society organisations. Such actions have concerned the information activities, training inter-

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<sup>14</sup>COM (2011) 681.

<sup>15</sup> See on that: "Does Corporate Responsibility Pay Off?", presented in 2011 by the Faculty of Economics of Wien to the European Commission. We mention as an indication the following research works realised by the Ministry of Economic Development in collaboration with Universities, research centres and institutes, such as: "The competitive edge of social responsibility in SMEs", Philanthropy Study Centre; "Measuring to manage and create value for stakeholders: the state of the art and future perspectives in CSR assessment", Bocconi University; "Enterprises' networks as privileged instrument for the dissemination of System Sustainability", LUISS Guido Carli University. All the research is available on the website: <http://pcnitalia.mise.gov.it>.

<sup>16</sup> COM(2001)366

ventions and dissemination of best practices. The whole of these actions allowed for the dissemination of core concepts and main reference tools, in particular to SMEs.

For the dissemination of ethical and responsible conducts among enterprises and in the system, public action in 2012 – 2014 will focus on the creation of shared values implying, as a consequence, the assumption of a real **multi-stakeholder policy**, the revision of governance models and a rethinking of contents and instruments overcoming the unilateral approach by the individual companies, with special attention to the **chain** and the **public – private sector dialogue**.

Regions and central administrations deem important the continuous commitment to put into place a multistakeholder network system for the dissemination of CSR, in agreement with the Chambers of Commerce, business organizations, trade unions and other stakeholders. This is the framework to indicate the management CSR approaches and tools in the individual technology chains and districts, through workshop activities aiming to plan CSR interventions in partnership between enterprises and between enterprises and public institutions, strongly coherent with the local culture.

The **Ministry of Labour and Social Affairs** intends to pursue the creation of a **multi-stakeholder working group** together with interested central and regional administrations, most relevant stakeholders such as for example the ABI – Associazione Bancaria Italiana (Italian Banking Association), Confindustria (Confederation of Italian Industries), Cgil, Uil and Cisl Trade Unions, INAIL - Istituto Nazionale Assicurazione contro gli Infortuni sul Lavoro (Italian Workers' Compensation Authority), Unioncamere, Adiconsum, Fondazione Sodalitas, Impronta Etica, network and coordination of the third sector, active citizenship and civil society organisations, because through dialogue, ways can be found to ensure the eradication of child labour, black market economy and gender-biased unequal treatment, as well as the respect of workers' rights in the sub-supply chain. The working group will be open to stakeholders particularly active on CSR actions. The proposal from the European Commission to “Create in 2013 multistakeholder CSR platforms in a number of relevant industrial sectors, for enterprises, their workers and other stakeholders to make public commitments on the CSR issues relevant to each sector and jointly monitor progress” is also embraced.

The development of **public-private sector partnerships**, moreover, is instrumental to stimulating a greater impetus to the global process of sustainable development and to face the economic crisis, implementing virtuous processes of accountability. The **public-private sector partnership** can be a successful tool to overcome the social and environmental challenges posed by the current context. Challenges requiring ever more differentiated and specific skills and know-how and which can be better dealt with if different actors contribute with their competences to the achievement of a common goal.

Some of the projects implemented show that cooperation between public and private subjects can represent a lever of success to develop common and shared solutions to current environmental problems and for the creation of values and benefits both internal, for partners, and external, for the community and the territory. **Impronta Etica**, a non-profit making association for the promotion and development of corporate social responsibility, created in 2001 on the initiative of some Emilia-Romagna cooperative enterprises, implemented various activities in this direction. The GAIA project, coordinated by the Municipality of Bologna (started in October 2010) is a European project financed by the LIFE+ Fund. Its aim is to contribute to the fight against climate change through the creation of public-private partnerships for the realization of urban green areas. Impronta Etica is a project partner, together with Unindustria - Unione degli Industriali e delle imprese (Association of Manufacturers and Enterprises), IBIMET - Istituto di Biometeorologia (Biometereology Institute) of the CNR - Consiglio Nazionale delle Ricerche (National Research Council) and CITTALIA - Fondazione ANCI Ricerche (research foundation of the National Association of Italian Municipalities). The Microkyoto Enterprises Protocol was signed in 2008 and ended in 2012. It engaged collaboration of the Bologna Province, CNA- Confederazione Nazionale dell'Artigianato e della Piccola e Media Impresa (National Confederation of the Craft Sector and Small and Medium Enterprises), Impronta Etica, Unindustria and (from 2010) Legacoop - Lega Nazionale delle Cooperative e Mutue (National League of Cooperatives and Mutuals). The project was developed with the aim of contributing to achieve the goals of the Kyoto Protocol. The roughly 100 enterprises, adhering (voluntarily and without financial reward) to the project, implemented, with the support of the Province and the Associations of Enterprises, an audit, followed by an energy-saving programme, to identify actions to carry out in order to obtain a reduction of the emissions. The enterprises' plan was later monitored.

It is also necessary to support enterprises with **initiatives of assistance** and **operational guides** that can help and support the enterprises to better initiate their actions. The support and orienteering tools for enterprises in this field are of various nature and typology, according to the intended objectives. Such instruments, to be supported on a public level, must be developed in accordance with the tools and practices already in operation at the United Nations, OECD (see chapter on international orientation) and the work of the European Commission. It is also necessary to consider the international approaches for the different production sectors developed by the business sector.

**Central Administrations** put into place various sectorial initiatives on the environment, the fight against corruption. A special role was played by the Ministry of Labour and Social Affairs on issues of labour and employment and by the Ministry of Economic Development, in relation to the implementation of the OECD Guidelines on responsible business conduct.

Since 2006, INEA (National Institute of Agrarian Economy), under a grant by the Ministry of Agricultural, Food and Forestry Policies, has developed an articulated set of instruments in favour of enterprises and those working in the field including the Guidelines for "Promoting corporate social responsibility of agricultural and food farming enterprises" and the collection of best practices in the sector: 'Italian experiences on social responsibility'

**Regions** and the other local **Administrations** have also implemented various activities. Some examples are presented below:

The **CSR-Piemonte** project, initiated in 2009 in collaboration with the Piemonte Unioncamere, led to the creation of a web area ([www.csrpiemonte.it](http://www.csrpiemonte.it)), to the organisation of seminars, workshops, local ateliers, meetings and initiatives for the dissemination of best practices.

The **Toscana** Region realised “**Fabbrica Ethica**”, a multimedia platform to summarise all the initiatives of the region on CSR ([www.fabbricaethica.it](http://www.fabbricaethica.it)) as well as the information on national and international debate on the issue. In Liguria, the Liguria Productivity Centre of the Chamber of Commerce of Genoa in collaboration with the Province, realised **EticLab**, an experimental workshop aimed at disseminating in the local community CSR culture through experimentation and sharing of good practices and the promotion of dialogue between enterprises and institutions.

The Veneto Region, with the project “**Veneto and enterprises: a responsible future**”, in collaboration with Veneto Unioncamere, activated a series of actions on the minimum requirements of CSR, the gathering of best practices, the promotion to the public and private sector in order to increase CSR culture.

In the **Emilia Romagna region** various initiatives were implemented at provincial level, involving public bodies in collaboration with universities and enterprises generating reward initiatives on social practices and innovation, observatories, CSR helpdesks, clubs and workshops promoted by enterprises organisations and training and certification activities.

From 2011 the **Lombardia Region** equipped itself with an Experimental Operational Programme named “Corporate Social Responsibility: people, market, communities”, providing for the dissemination of responsible business conduct principles through the execution of two Memoranda of Intents, one with the Ministry of Economic Development – National Contact Point for the dissemination of OECD Guidelines – and one with Lombardia Unioncamere, providing for the adhesion to the protocol also of the trade associations. In particular the realisation in 2012 of the Repertoire of Best Practices on the web site is noted, as an online showcase of best practices in Lombardia (<http://csr.unioncamerelombardia.it>).

Moving on to the activities of the **Chambers system**, since 2004 the Chambers system initiated actions on corporate social responsibility for ensuring the widest dissemination of the “CSR culture” among social, economic and institutional stakeholders.

Research shows that in 2011, 44 Chambers of commerce realized CSR-related activities, 17 of them making use of the collaboration of its own special Industry and 6 with other facilities of the system; 33 Chambers of commerce have a dedicated active help-desk. The dissemination activity of such issues is currently through their Internet portal. The operational activities of the Chambers are in many cases implemented in collaboration with the Regions (see below).

Among the interventions carried out by the national (system of) Chambers of commerce, the most significant intervention is the one of informing the community through seminars, conferences and workshops, carried out by over 60% of the Chambers of commerce, to which need to be added other general information services, provided by over 40% of the Chambers. Also the support activities to the certification procedures for enterprises have been significant, above all the SA8000, the OHSAS 18001 and the EMAS registration (for further information [www.crs.unioncamere.it](http://www.crs.unioncamere.it)). In 2001, also significant local meetings took place for disseminating the OECD Guidelines to the stakeholders, implemented by the G. Tagliacarne Institute, as commissioned by the Ministry for Economic Development.

As for the **trade associations**, a corporate socially responsible culture has been long present in the system of enterprises associated to **Confindustria (Confederation of Italian Industries)** and in particular among those of large sizes. It is progressively getting stronger also among SMEs. In particular, for the enterprises of the industrial sector, Confindustria has not only been the driving force behind, but also the gatherer of, CSR experiences by its associates, promoting and disseminating the business culture on the national territory as a whole.



Within **Confindustria**, a central role is played by the Culture Commission, body having the task of developing support, incentives and leading activities and projects for the promotion of business culture, making lever on the synergies with the different stakeholders (universities, research centres, business foundations, third sector, etc.) and on the dissemination of best practices, also through the formation of local networks. A working group on CSR is established as an internal organism. With the set up in 2010 of the CSR Italia Forum, it generated a hub of initiatives developed also by the 20 local fora, aimed at the dissemination of CSR and SMEs' best practices at local level. In this direction, with the intent of promoting sustainability among enterprises, especially among the smaller ones and of different natures, the activity of the Working Group on CSR were aimed at three main fields of intervention: the sustainability accounting for SMEs; the promotion of CSR culture at local level through CSR for a; the initiation of an experimental project on business foundations with the aim of evaluating the possibility of collaborating and maximising their potentials in disseminating CSR. To give more substance to the outcomes, the working group deemed important not to deal with all the CSR in an exhaustive manner but to deepen only certain main issues and in detail: environmental sustainability; governance and accountability processes; valorisation of human capital; thirds sector (winning collaborations among enterprises, not for profits and local administrations). The SIS – Sviluppo Imprese in Sicurezza (Enterprise Development in Safety) is a project implemented by Confindustria, in collaboration with INAIL, Federmanager, Fondidirigenti, and Industrial Associations, in 2009 – 2012, to promote a cultural and operational change in business management of health and safety on the workplace, gather and disseminate positive experiences of associated enterprises in the prevention of occupational hazards.

As for SMEs, **Confapi - Confederazione italiana della piccola e media industria privata (Italian confederation of private small and medium enterprises)** (and also the local API - Associations of Small and Medium Enterprises) has long been involved in the promotion of corporate social responsibility among small and medium enterprises. Confapi, moreover, has always supported the insertion of the CSR issue in national collective labour agreements (see below).

As for the promotional and representative initiatives, in 2004 Confapi signed a Memorandum of Intents with the Ministry of Labour apt to disseminate among its associates CSR principles. In 2008 Confapi was the lead organisation in the promotion of CSR in Europe through the development of a European project with the "Business Support Programme", as well as taking part to the "Steering Committee" constituted within the UN project "Sustainable Development through Global Compact" for the promotion of good business relationships and respect of labour, environmental rights and corporate social responsibility. In 2010 Confapi decided to reinforce and innovate the enterprise management conception investing on the development of Confapi Guidelines for the SMEs on administrative social responsibility, in implementation of the Legislative Decree 231/2001.

Other associations such as the CNA (the National Confederation of the Craft Sector and Small and Medium Enterprises), especially at local level, contribute to the promotion of CSR (see below) and, among trade associations, FLEPAR – Association of Lawyers of the Italian Workers' Compensation Institute

**The Cgil, Cisl and Uil trade unions** in the past fifteen years committed themselves to advance initiatives of social responsibility, borne out of negotiations with companies, at national and company level. Such **dialogue** between **trade unions** and **enterprises**, typical of the national context, produced important outcomes on the front of positive company actions aiming to grant high standard of social responsibility along the production cycle and also in the supply-chains.

For the future, the support to the definition of Framework agreements among enterprises and/or sectors and trade organizations, will be important, including also compliance with the OECD Guidelines and the UN Principles on Business and Human Rights.

Taking into consideration **major industrial** groups, it is worth noting that in January 2009 the agreement between the Gucci group, Florence Confindustria, Florence CNA and the Filtea-Cgil, Femca-Cisl, Ugl and RSU Gucci trade unions was signed. The agreement – the first of the sector in Italy – includes the constitution of a permanent joint committee for the supply-chain policies, with the aim of adopting best practices for the financial compatibility and sustainability of the whole Gucci supply chain. The agreement, moreover, intends to promote conduct models ensuring at every level the adoption of CSR standards, effective planning of the various stages of the production cycle, valorising the development of the cultural heritage and of technological training and innovation initiatives and studying the implementation ability of procedures to facilitate the access to banking for SMEs. With such agreement the Gucci group continues, together with trade unions, on a path started in the field of social responsibility with an agreement signed in June 2004. The social responsibility protocol, signed on the 27 April 2009 by ENEL, the three Secretaries General of the Cgil, Cisl and Uil trade unions and the three Secretaries General of the Filctem, Flaei and Uilcem trade unions, provides for additional initiatives to those provided for by the laws and contracts on health and safety on the workplace, training, equal opportunities and respect for diversity. The agreements between engineering workers unions and the LUXOTTICA Group need to be mentioned, signed in the period 2009 – 2010 in Belluno, on Company Welfare – Transversal CSR (shopping basket, fund for the purchase of school equipment, fund for health-care). The Luxottica Agreement (on the shopping basket) was the first in Italy on the issue of Company Welfare. With respect of the **CCNL – Contratti Collettivi Nazionali di Lavoro** (National Collective Labour Agreements) the following are mentioned.

The CCNL of the insurance sector, signed on 17/9/2007, established in Attachment 9 the Joint Observatory for the monitoring of the dissemination and application of principles on CSR. Moreover, the CCNL of the insurance sector established, since 1991, the National Committee on Equal Opportunities.

The Rubber and Plastic CCNL, signed on 18 March 2010 among the Association of Rubber and Plastic Manufacturers and the Filctem, Femca and Uilcem Trade Unions, provides for a commitment by enterprises for the realisation of corporate socially responsible activities in the field of health and safety on the workplace, lifelong training and protection of the weakest staff members. The agreement on Guidelines on Social Responsibility on second-level contracting, signed on 18 November 2010 in the chemical and pharmaceutical sectors by Federchimica (Italian Federation of the chemical industry) and Filctem, Femca and Uilcem trade unions, provides for initiatives on work-life reconciliation, protection of diversity, income support, intergenerational exchanges among old and young workers, employability, equal opportunities and health and safety on the workplace.

Lastly, as for the **SMEs**, Collective Labour Agreements were signed among the Cgil, Cisl and Uil Trade Unions and the following Confapi associates: UNIONTESSILE (Italian Confederation of Small and Medium Textile Manufacturers, agreement renewed on 22 July 2010), UNIONALIMENTARI (Italian Confederation of Small and Medium Size Food Manufacturers; agreement renewed on 16 September 2010), UNITAL (Italian Confederation of Small and Medium enterprises in the sector of wood processing and furniture; agreement renewed on 19 July 2010), UNIONCHIMICA (Italian Confederation of Chemical Enterprises, agreement renewed on 17 December 2009).

As for the **banking sector**, ABI and Trade Unions signed, on 19 January 2012, the agreement for the new National Collective Labour Agreement that sees at the forefront the protection and development of employment, the recovery of profitability and the growth in productivity, and valorises the inter-generational solidarity and the stable employment for young people, in the joint interest of enterprises and workers. The agreement devotes major attention on the issue of work-life reconciliation, demonstrating its social interest aims.

UIL – Unione Italiana del Lavoro (Italian Labour Union) during its 15th National Congress explained the Union philosophy regarding CSR.

The CGIL – Confederazione Generale italiana del Lavoro (Italian General Confederation of Labour) since 2003 has responsible policies of CSR at national confederation level, local facilities level and national trade federation level. CGIL actively cooperates with the European Commission and with many international organizations on the issue of social responsibility and contributed to the drafting of some important international tools.

Numerous are the activities organized by **third sector, active citizenship and civil society organizations**. The “**Foundation for the Dissemination of Corporate Social Responsibility**” (I-CSR), non profit making institution whose promoting founders are the Ministry of Labour and Social Affairs, INAIL, and UNIONCAMERE; operates through awareness raising campaigns, information, training and analysis activities. The organisation “**Valore sociale**”, was founded in 2006 to contribute to the definition, dissemination and realization, through practical instruments, of a new CSR culture.



Moreover, the association “**Anima per il Sociale**”, created in 2001 networks and works in close cooperation with Institutions, Confindustria and associations in the local community, with a view on trilateration and implementation of projects towards the entrepreneurial world and civil society.

The **I-CSR Foundation** implemented, in 2012, two projects related to issues of Health and Safety on the workplace and Social Responsibility, both co-founded by the Ministry of Labour and Social Affairs: the FIRSST Project, in partnership with the Universitas Mercatorum and Obiettivo Lavoro, aimed at the dissemination of best practices on issues of information and training for foreign workers for the reduction of work accidents; the SIC et SIMPLICITER Project, realized in partnership with the Universitas Mercatorum, the Veneto Productivity Centre – Foundation Giacomo Rumor of Vicenza and the District of Meccatronica of Vicenza, planned, experimented, validated and disseminated a Organizational and Management Model for the Health and Safety on the workplace at District level.

The “Valore Sociale” association is made of representatives of some of the most important civil society organisations operating in Italy, academic and public institutions. Among its founding members, there are Action Aid Italy, Amnesty International Italy, ARCI - Associazione Ricreativa e Culturale Italiana (Italian Cultural and Recreational Association), Fondazione Culturale Responsabilità Etica, Mani Tese, Movimento Consumatori, Movimento Difesa del Cittadino e Oxfam Italy. The Italian Association for the World Water Agreement and the University of Milano Bicocca have been partners of Valore Sociale since 2009.

**Anima per il Sociale** gathers a group of managers and enterprises sharing the mission of disseminating among businesses the culture of corporate social responsibility and sustainability, on the economical, social and environmental level. It counts 60 members, between professionals and enterprises, many of whom are major enterprises of national and international importance, such as Accenture, Autostrade per l’Italia, BNL, Deloitte, Enel, ENI, Ferrovie dello stato, Johnson & Johnson Medical, KPMG, Lottomatica, Poste Italiane, Procter & Gamble, Telecom Italia, Terna e Vodafone Italia.

The network of the Toscana Region SA-Rete (responsible enterprises network) is a non-profit making association (ONLUS) which, starting from the common experiences of its members, disseminates CSR culture and the sharing of best practices and joint initiatives of enterprises and also other stakeholders<sup>17</sup>.

To that end, the Ministry of Labour and Social Affairs is implementing a preliminary activity aiming to build the **CSR/Third sector channel within the existing information system of non profit organizations**, falling into the scope of the activities of ISTAT – Istituto italiano di Statistica (Italian National Institute of Statistics) 2014-2016 National Statistical Plan<sup>18</sup>.

As for **national level events**, we quote the **CSR Forum**<sup>19</sup> by ABI - Associazione Bancaria Italiana (Italian Banking Association) held every year since 2005, in partnership with the Sustainable Finance Forum, the Global Compact Network Italy and the CSR Managers Network and the public **Fair “Dal dire al fare – From words to actions”** – organized annually by the Bocconi University, Lombardia Region and other local authorities, Agencies and Foundations. Devoted to Corporate Social Responsibility<sup>20</sup>, it is attended by companies, public administrations and not for profit organizations. In 2013 (5-13 April) the first edition of the **Mediterranean Fair on Shared Social Responsibility**, organised by the Spazio alla Responsabilità Association, to promote the encounter between the demand and offer of responsible behaviours at the centre of the Mediterranean.

#### Interventions 2012-2014

- **Creation of a multi-stakeholder working group at the Ministry of Labour and Social Affairs**

<sup>17</sup> [www.sa-rete.it](http://www.sa-rete.it)

<sup>18</sup> The informational system of the not for profit organisations makes use of the technical and statistics support of ISFOL - (National institute for the professional training of workers, national research institute connected to the Ministry of Labour and Social Affairs).

<sup>19</sup> For information on the past editions please refer to the website of ABI - Eventi: <http://www.abieventi.it/>

<sup>20</sup> <http://www.daldirealfare.eu/index.php>

- Participation to European Multi-stakeholder platforms
- Public - private sectorial or territorial partnerships for the achievement of shared objectives
- Partnerships between trade unions – enterprises for the definition of framework agreements for the promotion of CSR also in the sub-supply chain
- Multimedia tools, events, seminars and thematic/sectorial workshops to disseminate the strategic culture and advantages of CSR and best practices.
- Training actions for enterprises, institutions, third sector organisations and stakeholders
- Awareness raising actions on technical chains and districts for the development of joint projects
- Creation and implementation of CSR/third sector channel in the SIONP - Not for profit organisations information system of the Ministry of Labour and Social Affairs

## b) Integration of CSR into education, training and research

Investing in young people entering into company life is a key element for reinforcing social responsibility culture. Investing on lifelong training of workers is just as important. It is therefore necessary to **reinforce the link between school – universities and enterprises**, to promote a widespread awareness of business oriented towards sustainable values. In this field the public – private sector partnerships will be encouraged, as well as collaboration with unions on issues concerning workers' conditions.

**Italian universities** perform many training, research and analyses activities, in collaboration with public institutions and enterprises, contributing to the understanding of the effects of business and public administration conduct in this field and to the culture of corporate social responsibility. Many Italian Universities and Management Schools include courses on CSR in their study programmes<sup>21</sup>.

We quote, as an example: **Altis** – Alta Scuola Impresa e Società (the Postgraduate School Business & Society) of the Università Cattolica del Sacro Cuore of Milan, having the objective of developing responsible managers and, in particular, the CSR Profession course, organised in collaboration with the CSR Manager Network, now in its ninth edition; Bocconi – **CreSV** “Center for Research on Sustainability and Value”; **EconomEtica**, a inter-university centre for economic ethics and corporate social responsibility, the Scuola **Superiore Sant’Anna of Pisa** implementing teaching activities on “enterprise and human rights”, while the Institute of Management of said Scuola has a research area on “Sustainability Management”. At the **LUISS** University of Rome a two-year multidisciplinary course on Corporate Social responsibility is taught. At the **Tor Vergata University** of Rome there is a course on “Corporate social responsibility and social reporting”, taught also by lecturers from the Ministry of Labour and Social Affairs”

The **AICCON** – Associazione Italiana per la Promozione della Cultura della Cooperazione e del non profit (Italian Association for the Promotion of Cooperation and Non profit Culture – Research Centre of the University of Bologna) implements, in cooperation with the Faculty of Economics of Forli-Cesena University and third sector organisations, postgraduate training course and scientific in-depth analysis on CSR-related issues.

It is important also to act on the **schools’** front, in particular on **specialized technical institutes** and vocational schools. A field of intervention for the 2013-2014 could concern the introduction of CSR issues in the educational offer of High Technical Institutes<sup>22</sup> that is “special technology schools” a

<sup>21</sup> For further information see: *Formazione Manageriale e CSR: Indagine sulle recenti tendenze nell'insegnamento della CSR Nord America, Europa, Italia a confronto (Management Training and CSR: A survey on recent trends in the teaching of CSR: North America, Europe, Italy in Comparison)*, I-CSR – Italian Center for Social Responsibility.

<sup>22</sup> Set up by DPCM (Decree of the President of the Council of Ministers) - 25 January 2008. <http://www.indire.it/its/>

post-secondary educational channel, educating engineers in the strategic technological areas for the economic development and competitiveness.

In these training activities also the system of the Chambers of Commerce could be involved in agreement with institutions and local school bureaux.

Some experimentations are already in place. For example in the **Veneto** region, for the three-year period 2007 – 2010, a project was implemented, aimed at students in the fourth year (year 12) of technical secondary schools, with the aim of raising awareness in the school on CSR issues and of promoting creativity of young people. In the **Vicenza Province** there is an ongoing secondary school students information, training activity implemented by the **Veneto Productivity Centre – Giacomo Rumor Foundation** with the support of the **I-CSR Foundation** on sustainability, ethics and responsible consumerism issues.

The **I-CSR Foundation** realised a project, called **CREaTION**, co-founded by the European Commission and implemented in Italy, England and Romania, in partnership with the Milan Province, the Clerici Foundation, Business in the Community and the trade union of the Romanian workers – **CSDR**, aimed at disseminating and integrating the CSR concept in the educational programmes of vocational and technical upper secondary schools. Moreover, in 2011, the “Job Seekers Young People on the Move” project, co-founded by the European Commission and implemented by the Milan Province in partnership with the Clerici Foundation, the I-CSR Foundation, the network **Citta dei Mestieri**, the Municipalities of **Bucarest (Romania)** and **Spisska Nova Ves (Slovakia)**, aimed at improving the job opportunities for young people through the exchange of best practices on supporting youth employment.

A recent pilot project launched by the **MiSE-PCN** National Contact Point of the Ministry for Economic Development is intended for specialised technical secondary schools to disseminate the “ethical jewel” values, raising awareness among young people, future workers in that sector, about the values of CSR in the gold and precious metals supply chain.

The “**Educarsi al futuro – Educating for the future**” project, is an information and awareness raising experience for students on issues regarding energy, environment, and sustainable development, devised by **ENEA** – Agenzia nazionale per le nuove tecnologie, l’energia e lo sviluppo economico sostenibile (National agency for new technologies, energy and sustainable economic development) and being implemented in schools for many years. The interest shown by students has led ENEA to initiate with schools also international solidarity projects aimed at financing the electrification of African rural schools without energy with photovoltaic kits provided by the students themselves (**SUSTAIN Campaign - SUSTainable future STudents African Italian Network**).

Furthermore, *ad hoc* training courses could be created for the specific professional roles provided for in the **Legislative Decree. n.81/2008**, as amended and supplemented, on health and safety on the workplace. **INAIL** could suggest, in the long run, to be the one to train on health and safety, and could give support in the definition of educational courses and training packages to be elaborated together with and/or in collaboration with the relevant administrations. Beneficiaries will be secondary schools and colleges, universities, enterprises, consultants and/or professionals.

As well as on young people, it is important to act on workers through the **lifelong learning** tools in collaboration with the bilateral bodies and inter-professional funds. Some of the initiatives of the Italian Regions have already included CSR in lifelong learning.

We quote the 2011-2012 “**Focs - Formazione continua in Sardegna (Continuing education in the Sardegna region)**” project, aimed at training actions in favour of **Sardegna** company owners and staff. In the Public announcement a reward was provided for, given at the evaluation stage to those projects focusing on disseminating knowledge on CSR. Around 14 projects presented proposals providing for training modules specifically devoted to the issue. The **Sardegna Region** intends to activate further interventions, through the publication of a coming announcement valid for the Regional Operational Programme of the European Social Fund, for the lifelong training to large and medium enterprises or their associates. The autonomous Region of **Friuli Venezia Giulia**, finances for the year 2011 and 2012, a compulsory 2-hours in-house training module on Europe 2020 and on CSR for workers’ lifelong training

We need also to remind that the **Fornero Labour Reform**<sup>23</sup>, through reward systems and allocations for training, can also be an opportunity for the requalification of the employment world, investing on the individual and responding to the new needs emerging from globalization.

Actions at National level are fully in harmony with the **EU level programmes**. The Youth in Action programme 2007-2013 is a European Commission programme promoting non formal education, international European youth mobility programmes individually or in groups through exchanges and European Voluntary Service, intercultural learning and youth initiatives. The programme supports the new framework of European cooperation policies in the field of youth, adopted in 2009. It contributes, moreover, to support “Youth on the move”<sup>24</sup>, the flagship initiative of the Europe 2020 strategy. In Italy the programme is implemented by Agenzia Nazionale per i Giovani (the National Youth Agency). The national authority of the programme is the Department of youth of the Presidency of the Council of Ministers. The new lifelong learning action programme so-called “Lifelong Learning Programme” of the European Union, accepting fully the indications of the Lisbon Strategy, intends to contribute, through lifelong learning, to the development of the European Union as an advanced society based on knowledge, to realize sustainable economic development, greater social cohesion and more qualified job places.

#### **Interventions 2012-2014:**

- **Initiatives for connecting schools –universities - businesses, promoting public-private partnerships and trade unions participation**
- **Initiatives for the continuing education of workers in coordination with the bilateral bodies and the inter-professional funds for continuing education**
- **Coordination of national actions with “Youth in Action” and “Lifelong Learning” European programmes**

## **2. Raising citizens’ awareness and avoiding unfair practices**

To give more strength to awareness raising actions it is necessary to act towards consumers and citizens with the double objective of giving visibility to virtuous enterprises and avoiding unfair conducts from enterprises (e.g. ‘green washing’), together with interventions towards enterprises. Moreover, the valorisation of self-regulating and co-regulating processes put into place by enterprises reinforce the credibility of CSR processes.

At the same time, Public Administration, focusing on transparency and legality, contributes to reinforcing the trust relationship between Public Administration, enterprises and citizens. Consumers associations have an important role in informing citizens and active citizenship organisations organising training activities in schools.

### **a) Visibility tools for responsible enterprises**

The government welcomes the initiative of the European Commission of setting up an award on CSR devoted to enterprise - stakeholders partnerships (**“European CSR Award Scheme”**: Inspir-

<sup>23</sup>“ Disposizioni in materia di riforma del mercato del lavoro in una prospettiva di crescita (Provisions on the reform of the labour market in a growth perspective)” - Law 28.06.2012, n. 92 of the Minister of Labour and Social Affairs.

<sup>24</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on “Youth on the Move” COM (2010) 477 final.

ing partnership for innovation and impact”) and will support its successful realisation in Italy, contributing to its upmost visibility to promote a wide mobilization of the business world and stakeholders.

The EU Commission assigned the organisation of the “European CSR Award Scheme” to the consortium formed by CSR Europe and its national partners. In Italy, to the Fondazione Sodalitas foundation. It will manage the European CSR Award in the already established “Sodalitas Social Award” context. The European CSR Award will represent an important addition, for it focuses on the enterprise - stakeholders partnerships, while other categories remain devoted to different key demonstrations of social responsibility.

The *Sodalitas Social Award* is the award given by Sodalitas Foundation (88 members among leading enterprises on the Italian market) every year since 2002, to enterprises, trade associations, industrial districts and organisations practically engaged in Enterprise Sustainability Projects. It is divided in 6 categories, which cover significant fields of Enterprise Sustainability: environment; community; personal value and labour; market; CSR implemented by SMEs; CSR implemented by local authorities, institutions or schools. Sodalitas stems from an initiative launched in 1995 by Assolombarda (entrepreneurial association of the Lombardia region). Overall, the first 10 editions of the *Sodalitas Social Award* saw the participation of about 1,400 enterprises with over 2,000 projects. At the last edition of the Award, 253 projects by 199 enterprises were brought to the attention of the Commissions and the Jury.

Also the accomplishments in the CSR field of public administrations, trade organizations, third sector and existing networks will be valued, in order to acknowledge enterprises and increase their visibility. Some current **rewards and registers initiatives** are quoted below.



In 2005, the Rovigo Municipality, under the auspices of the Ministry of Labour, set up a “**National award for corporate social responsibility (City of Rovigo)**” assigned to large, medium, small and micro enterprises. The initiative saw the adhesion of the trade associations such as CNA, Confapi, Confartigianato, Confcommercio, Confesercenti, ABI, CIA, Confagricoltura, Casartigiani, Confcooperative, Coldiretti, etc., Also INAIL and the Chamber of Commerce partnered. On 27 October 2011, at the end of the **European Campaign on safe maintenance**, promoted by the European Agency on health and safety on the workplace in the two-year period 2010-2011, many good practices were rewarded in Naples (Enel, Iscar Italia, Tarkett, Casaccia Resource Centre of Enea, Assosistema - Confindustria, Asl (local health authority) of Modena and Reggio Emilia with Confindustria Ceramica, Spisal of Ulss 6 of Vicenza, Aifos - Associazione Italiana Formatori della Sicurezza sul Lavoro, Fulgar, Ineos Manufacturing Italia, the Garessio Sanofi factory, the Group Ferrovie dello Stato, ForesEngineering, Studio Odontoiatrico Di Blasio of Guardia Sanframondi in Benevento and of the Centro Odontoiatrico Casertano s.r.l.). Still on the issue of health and safety on the workplace, Confindustria realised in 2012, together with INAIL and with the technical support of APQI and Accredia, the Safety on the Workplace Award, to offer a significant contribution to the process of disseminating safety culture, engaging the whole Italian productive system”.

Many other good practices are being evaluated by the Standing Consultative Commission on health and safety on the workplace. The Award “**Organisations toward Social Value**” identifies the best practices presented, on the basis of criteria contained in the Social Value standard, by public, private and not for profit organisations of any productive sector or services. A further action developed to increase visibility of responsible enterprises is offered by the **Liguria Region**, providing for the creation of a **Register of socially responsible employers**, setting up for these subjects facilities and reward criteria from 2012. Also the **Piemonte Region** went in the same direction, setting up a **register** which gathers all the **enterprises** of the Piemonte region which implemented CSR initiatives. The register will be active as from 2013. The **Lombardia Region**, in cooperation with ALTIS – Alta Scuola Impresa e Società of the Università Cattolica del Sacro Cuore of Milan (High school of enterprise and society of the Sacred Heart Catholic University), launched in 2012 the **Family – Work Award** with the aim of valorising businesses, public administrations and local subjects who distinguished themselves for having conceived and implemented staff valorisation and work-life balance projects. Moreover, since 2012, Unioncamere Lombardy places best practices of Responsible Corporations under scrutiny by the public with the corporate profiles accessible online on the website <http://csr.unioncamerelombardia.it>.

Still for the unions, the “**Ethics and Enterprise**” Award was promoted in 2006 by the Middle Management and Highly Skilled Professionals Organisations of Cgil, Cisl, Uil and by the Managers and Heads of Human Resources Associations (Federmanagement and Aidp). It was also given visibility in the 2008/2009/2010 editions of the International Festival of Ravello. The Award – involving enterprises of any dimension and sector, local authorities and secondary schools – promotes a new model of ethical and responsible enterprise where work culture is based on the centrality of the person and on the balance between profit and social responsibility in a positive agreement framework among the different social actors.

#### Interventions 2012-2014

- **Actions for the valorisation and visibility of virtuous enterprises (awards, registers, etc.)**
- **Valorisation and support for the implementation in Italy of the “European CSR Award”**

#### b) Actions to improve consumers’ level of trust

There is frequently a gap between citizens’ and consumers’ expectations and what they perceive to be the reality of businesses, and the actual businesses’ behaviour. This gap may be caused by many factors, some of whom will be dealt with in other parts of the Action plan (see paragraph on “transparency” and “market reward”). Among these, the trust and reliability of the product in the consumers – enterprise relations is of particular relevance. Trust that can be undermined by irresponsible behaviour by some enterprises (e.g. relevant accidents caused by industrial activity), but also by unfair commercial practices geared towards misleading consumers regarding the environmental or social content of the product (so called “green and social washing”).

In this respect, it is very important, in the first place, the **effective and efficient application of the general and sectorial norms** with reference to unfair practices. In Italy, the AGCM - Autorità Garante della Concorrenza e del Mercato (the Italian Competition Authority), an independent institution which takes decisions on the basis of the law, has among its functions from the year 2007 the task of protecting consumers (and from the year 2012 also micro-enterprises) from unfair commercial practices by enterprises and from misleading advertisements.

The CNCU - Consiglio Nazionale dei Consumatori e degli Utenti (National Consumers and Users Council) contributes to the **protection** and strengthening of **consumers' position**. It is the representative body of consumers' and users' associations at national level, situated at the Ministry of Economic Development. It is headed by the Minister or his/her delegate (Law 30 July 1998, n. 281). Its task is to contribute to the improvement and the strengthening of the consumers/clients' position in the market.

To promote the legality in business conduct, the Government adopted an important action aiming to attribute a **legality rating** to companies<sup>25</sup> applying for it. The AGCM defines the rules to promote the introduction of ethical principles in business conduct with the attribution of the legality rating, on a voluntary application by the company operating on the national territory and having a minimum turnover of two million Euro.

The rules provide for the core eligibility requirements for the legality rating and also for the attribution of an additional score in case the enterprise provides for, among other things: - adoption of processes aiming to grant forms of Corporate Social Responsibility also through the adhesion to programmes promoted by national or international organisations and the acquisition of sustainability indexes; respect for the contents of the Legality Protocol signed by the Ministry of Interior and by Confindustria on 10 May 2010 and renewed on 19 June 2012; adhesion to self-regulating ethical codes approved by the AGCM.

The law establishes that the attributed rating will be taken into account in the event of grant allocations by public authorities, as well as when accessing bank credit, according to the provisions that will be set by a Decree of the Minister of Economy and Finance and by the Minister of the Economic Development. Credit institutes omitting to take into account the rating attributed when allocating grants to enterprises, have to transmit to the Bank of Italy a detailed report on the reasons of the decision taken.

As for the tax profile, reinforcing the fight against **transfer pricing** and **fiscal havens** will be as important, requesting a strong coordination at international level of the institutions in charge of fighting against tax evasion.

Of crucial importance is also the collaboration protocol, signed on 10 October 2012, by the **Ministry of Interior**, ITACA - Istituto per l'innovazione e trasparenza degli appalti e la compatibilità ambientale (Institute for innovation and transparency in procurement and environmental compatibility) and CCASGO - Comitato Coordinamento Alta Sorveglianza Grandi Opere (Coordination Committee for the High Surveillance in Large-Scale Works), whose aim is to reinforce the coordination of activities between the State and the Regions to contrast illegality and prevent attempts at infiltration by organised crime in the public procurement field. The aim is also to integrate the activities of the two organisms and make guidelines and good practices available to all commissioning bodies, in order to render more efficient the action of contrasting the mafia, but also to qualify the

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<sup>25</sup> Art. 5-ter of the Legislative Decree 24 January 2012, n.1 (as amended by art.1, para. 1-quinquies, of Legislative Decree 24 March 2012, n. 29, converted with modifications, by the Law 18 May 2012, n. 62).

management of public expenditures of the State, Regions and local authorities in the public contracts field.

Among **projects** aimed at legality, with the involvement also of third sector organizations, the following are mentioned.

The **Project SCORE**: Stop Crimes On Renewables and Environment (Fermare la criminalità organizzata nel settore ambientale e in quello delle energie rinnovabili) is implemented by the Fondazione Culturale Responsabilità Etica (Cultural Foundation for Ethical Responsibility). It involves Arci Lombardia, Associazione Saveria Antiochia Omicron, Associazione Valore Sociale, Banca Popolare Etica, Centro di Iniziativa Europea Soc. Coop., Forest Stewardship Council Italia, TESAF - Dipartimento Territorio e Sistemi Agro-Forestali (Department for the territory and the agricultural and forest systems) of the Padova University. The project intends to: - promote the direct commitment of enterprises, public authorities, trade organizations and civil society in fighting organised crime and illegality, in the forest/wood and renewable energy sectors; - provide stakeholders with methodologies and evaluation, control and prevention tools against risking illegalities in the project sectors; - create a network of stakeholders for the exchange of good practices, experiences, information coming from research and experimentations.

**Local Unioncamere** entered into formal **Agreements with Libera** (federation of third sector organizations for the promotion of the legality culture and social use of confiscated goods), to promote a culture of legality in the economy and to fight criminal infiltrations with practical actions. The Agreements establish the modalities of collaboration for the fight against organised crime and mafia infiltrations in the economy. Libera will be in charge of realising training projects for the affirmation of legality culture, supporting the Chambers of Commerce Network. Among the various measures, there is also the promotion of the “SOS Giustizia (SOS Justice)” project: an active listening and assistance service for the victims of organized crime. It will be managed by Libera, which will commit to grant its operational competence to the participating Chambers of Commerce. The local Unioncamere agree to support Libera in the monitoring activity and in the mapping of goods confiscated from the mafia in the regional territory, with special reference to the management of production and company goods and to make available the information and the economic and statistical studies elaborated by their offices.

#### Interventions 2012-2014

- **Efficient application of norms on unfair practices**
- **Reinforcing consumers' protection**
- **Dissemination and application of the “legality rating”**
- **Fight against transfer pricing and fiscal havens**
- **Promotion of best practices in legality issues of the private sector, third sector organizations and with other stakeholders**
- **Coordination State-Regions to strengthen the fight against illegality and against mafia infiltration in public procurement**

#### c) Improvement of self- and co-regulation processes

Companies adopt **codes of conduct**. For example, at the sectorial level, codes focus on issues relevant to the sector. To make these codes effective and credible, we need adequate tools for monitoring and control. In this process, in order to overcome the said limits, the role of the government is important, **in line with international guidelines**. It is of particular importance to define the processes of public-private co-regulation. **Framework agreements between the social partners** will also be promoted.



In this regard the Legislative Decree N. 81/2008 on the reorganisation and the reform of regulations on health and safety of workers and employees in the workplace states (Article 6, paragraph 8, letter h) the opportunity to "enhance both collective bargaining agreements, and codes of conduct and ethics, adopted on a voluntary basis which, given the specificity of the productive sectors of reference, guide the behaviour of employers, also according to the principles of social responsibility, of workers and all stakeholders, in order to improve the level of protection defined by law".

In this legal framework, the **Ministry of Labour and Social Affairs** set up special committees pursuant to Article 6 of the Legislative Decree n. 81/2008, including one specifically for the development of unique criteria identifying the requirements of the **codes of ethics**, conduct and trade union agreements, in order to highlight the common traits.

A not exhaustive sample of subjects was examined, then, in order to classify them according to different legal types: public sector, private sector, including small and medium-sized enterprises, third sector and five macro-areas were identified: health and safety at work, promotion of good working practices, organisation management, environmental protection, respect for human rights.

The individual authorisations of institutions and companies examined are being acquired, in order to proceed with the publication of data gathered and of the individual codes of ethics.

The Consultive Commission gathered a first sample of trade union agreements, ethical and behavioural codes to disseminate as much as possible through the institutional website and, then, according to the provision of the law. On the website of the Ministry of Labour and Social Affairs ([www.lavoro.gov.it](http://www.lavoro.gov.it)) , in the section "Permanent Consultive Commission", the trade union agreements, the behavioural and ethical codes, are published and available for reference, selected also with the aim of promoting, in time, the implementation of the dedicated section through the acquisition and the publication of further trade union agreements, behavioural and ethical codes (ex art. 6, comma 8, lett. h) del d.lgs. n.81/2008)..

**Confindustria**, within the dedicated Committee on Ethical Codes, gave many examples of Codes inspired to social responsibility principles adopted by medium and large associated enterprises.

**Confapi**, an entrepreneurial organisation present in the Standing Consultative Commission for safety, collaborated actively to its proceedings regarding the implementation of the Art. 6 paragraph 8 letter l of the Legislative Decree n. 81/2008, involving some small and medium enterprises associated in the valorisation of Ethical Codes inspired by CSR principles.

Among the good practices identified by the Ministry of Labour and Social Affairs it is worth mentioning the **Ethical Code** and **Value Charter of Confcommercio - Imprese per l'Italia** (Italian General Confederation of enterprises, professional activities and self-employed labour) of the province of Cosenza. Through these two documents, the Confcommercio of Cosenza intends to support and flank its associates in fighting illegality, since only in a legal and safe framework context, the freedom of enterprise can be granted and a healthy sustainable development can be contributed to.

#### Interventions 2012-2014

- **Actions supporting self- and co-regulation processes**
- **Identification of independent monitoring and control procedures**
- **Definition of framework agreements among social partners**

#### d) Public administration contribution: transparency and legality

To strengthen the relationship of trust between public administration, businesses and citizens, the conduct and role of public administration in relation to two key aspects of social responsibility, i.e. transparency and legality, is of great importance.

The Italian legislation, especially in the last decade, has given much importance to **administrative transparency**, which has become one of the cornerstones of the recent reforms of public administration, together with administrative simplification, cycle of performance and merit.

The concept of transparency in administration is understood, in its broadest sense, as guaranteeing the highest possible circulation of information and documents, both within the public administration and externally, towards citizens and end-users of the administration (stakeholders). It is, therefore, the most important tool for granting the impartiality and good performance of public administration and helps political governance organs of public bodies, citizens and users to exercise widespread control on administrative action.

The reform intervention introduced by the Legislative Decree n. 150/2009 of 27 October 2009, and subsequent modifications and additions, aimed to produce an effect on the whole of the governance of administrative action. It introduces in the positive law a definition of transparency (art. 11 par. 1) linked to the concept of total access, also through the publication on administrations' institutional websites of a series of documents, data and information regarding the actions of public administrations – punctually indicated in the same article 11 par. 8 and specified in the resolutions n. 105/2012 and n. 2/2012 of the independent Commission for the Evaluation, Transparency and Integrity of public administrations (CiVIT), according to the Anglo-Saxon model of total disclosure and open government.

Compliance with the obligations of transparency by all the public administrations falls within, according to the Law (art.11 of the Legislative Decree n. 150/2009), the essential service levels governed in the Constitution (art.117, par. 2, letter m), according to which the implementation of such discipline demands rather uniform norms in each administration on the whole national territory.

Transparency presents, according to the logic of the Decree, a double profile: a “static” profile, consisting essentially in the publicity of data regarding public administrations with social control aims, and a “dynamic” profile, directly linked to performance. Online data publication allows, in fact, on one hand, to all citizens a real knowledge of public administration activity, requesting and fostering participation and involvement from the community. On the other hand, it provides important clues on the performance of public administrations and on the achievement of the objectives expressed in the more general cycle of performance management. One of the most relevant aspects in the strategic planning phase within the performance cycle is represented by the triennial programme for transparency and integrity provided for in Art. 11, par. 2 of the Legislative Decree n. 150/2009 (from now on Programme) that every administration has to adopt and update annually. The Programme allows to publicly disclose to citizens and stakeholders the outcomes and the results achieved or desired, as well as the contents of the Plan of the performance of the administrations. It is defined by the administrative-political leadership of the administration, on the impulse of the Independent Organism of evaluation of performance (OIV) and on the basis of the steering resolutions of the CiVIT.

Legislative Decree n. 150/2009 attributes to transparency also the function of guarantee of **legality** (art. 1, par. 2). The effect this produces is that the related discipline plays a strategic role in the promotion of the culture of legality and in the prevention of corruption, turning out to be a useful tool for the emersion of situations of conflict of interest and illegality.

As for transparency in public procurement, the most important laws promoted by Italy concern the Law n. 136/2008 “Extraordinary plan against organized crime”, the Law n. 217/2010 and the Legislative Decree n. 187/2010 “Urgent measures for national safety”. In compliance with these norms, the AVCP - Autorità Vigilanza sui Contratti Pubblici (Authority for Surveillance on Public Con-

tracts) defined the CIG – Codice Identificativo Gara (Tender Identification Code) for traceability of payments and provided dedicated Guidelines.

Government policies have been characterised, in the recent past, by constant attention to the culture of legality and the fight against the illegalities perpetrated in the political and administrative field, also in view of the emerging data on corruption.

Latest surveys of the *Corruption Perception Index* (CPI), carried out by Transparency International – based on the opinions of experts and professionals – ranked Italy sixty-ninth (on a par with Ghana and Macedonia), with a progressive worsening of the corruption perceptions in the past few years. The surveys carried out by Transparency International through the *Global corruption barometer* allow, as well, to evaluate the perception of corruption by citizens in reference to specific institutions with the result that, for the two year period 2010/2011, in Italy, the record goes to political corruption, followed by corruption in the private sector and public administration.

Coming, in fact, to the costs of the issue, the Court of Accounts estimated, for 2009, that the “economic” costs reach billions of euro. To these other – even less easily quantifiable – financial, but “indirect” costs need to be added. Just let us think of the costs connected with the delays in the definition of administrative paperwork; of the bad functioning of the public apparatus or of the inadequacy, if not uselessness, of public works, public services and public provisions implemented; or of a careless allocation of the already meagre public resources.

The indirect damage is also the one to the national economy, because corruption keeps companies away from investments and, undermining from the roots markets and financial operators’ trust, causes a loss of competitiveness of the country, produces enormous costs and destabilizes the rules of the State subject to the rule of law and of the free market.

The recent Law n. 190/2012 containing “Regulations to prevent and repress corruption and illegality in Public Administration” aims at preventing and repressing corruption through a multidisciplinary approach, whereby instruments of penalties constitute only some of the factors to fight corruption and illegality in the administrative action.

It is confirmed, then, the Italian attention to the promotion, also through legislative production, of the legality culture in administrative activity and of public ethics, to mitigate the risk of maladministration and to give back quality and authority to public administration.

#### **Interventions 2012-2014**

- **Dissemination and application of principles, norms and practices of transparency and legality in the Public Administration**
- **Promotion of best practices on legality and fight against corruption**
- **Coordination State – Regions to reinforce the fight against illegality, corruption and other mafia infiltrations in public procurement**

## **B. OBJECTIVE: Supporting CSR- adopting enterprises**

### **1. Public Administration support**

Starting from the experiences acquired, public administration will proceed keeping in mind that social responsibility, as highlighted in the chapter on the field of intervention, has a **multidimensional nature** and covers human rights, labour and employment practices, environmental protection and efficient use of natural resource, combating corruption, consumers' protection, community development, good tax governance, development and transfer of knowledge to benefit stakeholders and local communities, as well as requiring cross-cutting actions concerning the supply-chain and transparency and disclosure of financial and non financial information.

A multidisciplinary approach implies the activation by public administration of **coordinated and integrated actions between the different relevant bodies**.

#### **a) Incentives, tax reliefs, awards and simplifications**

Within the instruments of public support, special attention is devoted to **SMEs**, which are often not able to find resources needed to establish and support a path of sustainability. It will also be important to support **joint projects between several companies, of network or supply chain**. In the supply-chain relationships, the "pulling" role that large companies may have towards SME partners is very important. This can take place through a variety of activities, such as the diffusion of sustainable practices, also through accompanying measures, as well as the dissemination of best practices already tested, for example, in the framework of actions of due diligence and reporting. An analysis conducted in 2011<sup>26</sup> showed that company's efforts of responsible conduct in the supply-chain relationships tend towards the joint development of products and services, to the adoption of processes and technologies for minimizing the socio-environmental impacts and to the stimulation of the transfer of knowledge and skills processes along the supply chain. This contributes to innovation and value creation.

To encourage the voluntary processes of businesses and to support businesses in the initiation and consolidation of good CSR actions, public administration will resort to a **set of tools**: incentives, tax relief, monetary prizes, rewarding – even within measures of a more general nature, for example in terms of innovation, internationalization, public procurement - and simplified authorization. Simplifications and horizontal type rewarding would also allow to overcome the scarcity of public resources to be allocated to incentives to businesses.

The **actions implemented** at the level of central and regional administrations have often been directed at individual areas of the CSR (such as **workplace safety, environmentally sustainable investment, social inclusion, work-life balance**). There are numerous initiatives on **energy efficiency and renewable energy**.

The issue of the **reconciliation between work time and family care** is one of the priorities on which the European Union has called on the Member States to take action, in order to support the common strategy for full employment, through the removal of barriers hindering, in particular, the women's employment.

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<sup>26</sup> "L'implementazione della CSR nei rapporti di filiera" (Implementation of CSR in supply-chain relationships), Ministry of Economic Development – NCP and Bocconi University, 2011.

To make work-life balance initiatives effective, a local context is needed where the conciliation between life and work times is made the object of Government, Regions and local authorities interventions, aimed in particular at public infrastructures and services, according to the respective competences and resources, at the regulation of a new pace in cities as well as at the definition of adequate financial and legislative incentives to support work-life balance.

The Department for Family Affairs initiated the trial on a national basis of the Family Audit standard. The Conciliation Agreement between life and work time, laid down by the Conference on 29 April 2010 and entered into full operation at the end of 2010, and the subsequent agreement of the 25 October 2012, provide that the Regions, coordinated by the Department for Equal Opportunities, implement in their areas initiatives in favour of women and men working and at the same time caring for children or adults in need. A National Working Group, coordinated by the Department for Equal Opportunities, and made of the Department of the Family, by regional representatives appointed by the Joint Conference, ANCI (association of municipalities) and UPI (association of provinces), developed a unitary system of detection of interventions and monitors the use of resources and the implementation of the conciliation services planned.

The **reconciliation (or, in other terms, work-life balance) policies** concerned the launch of training activities for adult women out of the labour market for reconciliation needs (the Toscana and Emilia Romagna regions). In other regions (Puglia) parental support is given through income support to working mothers in voluntary maternity leave, to grant them 100% of contributions. In other regions (Piemonte and Lombardia), incentives are given to enterprises to facilitate the return to work of women who left because unable to conciliate work and family life. Always within the Reconciliation Agreement, Regions introduced new forms of employment and favourable labour agreements promoting, in the private and public sector, flexible organisational models (distance work, part-time, job sharing and job rotation) in order to better work-life balance of male and female workers (the regions of Piemonte, Abruzzo, Toscana). Some towns organise services timetables compatibly with the women needs of care (Puglia). It is also useful to recall that for the 2011-2013 period the Lombardia Region launched an initiative called “Company Welfare”, allocating 850,000 Euro for SMEs, to support complementary company welfare experimental projects, promotion of supplies purchase from CSR qualified local providers and solidarity networks among enterprises in financial difficulties operating in the same area.

With respect to this issue, a tool for promoting the reconciliation could be represented by the creation of **regional Funds for flexible employment**, borrowing the experience of the Puglia Region, which provides for their constitution in the bilateral bodies. The Fund responds to the needs of reconciliation of work-life balance of working women and men who need to have greater flexibility in working hours and versatile quality services, able to simplify the management of professional commitments and family care responsibilities. Various measures, such as the following, can be financed: support for contribution for part-time work; income support for parental leave; income support for voluntary maternity leave.

In the area of **health and safety in the workplace**, the INAIL (Italian Workers' Compensation Authority), pursues a comprehensive and integrated protection, promoting policies of ever more targeted and structured preventive action in the field of health and safety, in the belief that acting on the ground of prevention means above all to protect and enhance the human capital as conservation and enhancement of social capital.

Since 2004, the INAIL recognizes the reduction of the **insurance premium**<sup>27</sup> to companies that have taken responsible paths, in accordance with requirements and defined by parameters that have changed over the years and according to the developments on the European and international scene. In 2012, the recognized discount rate acquired more weight<sup>28</sup>, even equal to 30% for micro-

<sup>27</sup> Ministerial Decree 12/12/2000 art. 24.

<sup>28</sup> Decree 3 December 2010 – Ministry of Labour and Social Policies.

enterprises. It should be noted that the recognition of the benefit is wholly based on the principles and aspects defined in the 26000:2010 UNI ISO and recast on the specific needs of the Body, already providing, for example, scores of merit for “the enterprises who privileged and still privilege, in the selection of suppliers and/or in the management of tenders, health and safety at work, Sustainable Public Procurement or Green Public Procurement criteria”.

For the year 2013 INAIL provides for the recognition of the benefit ex Ministerial Decree of 12 December 2000 art. 24 and subsequent amendments and additions, to the enterprises that will have achieved best practices or adopted best practices implemented by others. Such action will have as beneficiaries all enterprises meeting the requirements for the issue of the certification of social security compliance and complying with the mandatory provisions relating to accident prevention and occupational health (prerequisites).

The **Regions and INAIL** could work together towards the conclusion of agreements for what regards aspects of health and safety in the workplace, constituting **public – private sector partnerships** for the definition of sectorial or local and regional agreements, providing for the involvement of social partners and trade organisations. Such agreements would be recognized for the benefit ex Ministerial Decree of 12 December 2000 and subsequent modifications and additions, as it already happens for similar Agreements on SGSL - Sistemi di Gestione della Salute e Sicurezza (Health and Safety Managements Systems).

To continue on the road taken, it is necessary to **promote for the future a strategic and integrated approach**, which should integrate the whole of business and enterprise management activities and involve the different sectors of the public administration, including the institutions in charge of internationalization.

Interesting in terms of the **organic nature of public support for businesses** is the project of the Marche Region I.Re.M (Responsible Enterprises of the Marche region), which led to the involvement of all stakeholders and the specific experimentation on a sample of 42, mostly small, companies, of the footwear, food, engineering and furniture sectors. Starting from a code of conduct, from the development of regional guidelines and the creation of a regional data base, a dashboard was developed for reporting CSR by companies and, on this basis, "incentive" tools were defined dedicated to the I.Re.M system, such as specific funding, tax relief, rewarding in public tenders, but also specific activities of consumers' awareness raising.

As previously mentioned, the region of Toscana initiated in 2002 a series of measures to support SMEs in the realisation of social responsibility strategies, included in the "**Fabbrica Ethica**" initiative. It has provided non-returnable grants to SMEs to acquire certifications of social and/or environmental responsibility (rewarding integrated certification processes). In the current programming period of the Structural Funds, contributions concern the consultancies for certification, but also the internal reorganisation actions, the mapping and monitoring of the supply chain, the preparation of sustainability reports. In addition, since 2004, companies certified according to the SA8000 or ISO14000 schemes or EMAS registered, are recognised tax relief from IRAP (regional tax on productive activity). In terms of rewards, businesses with certification, sustainability reports, or implementing concrete actions of social responsibility (e.g. work-life balance, job placements for the disadvantaged, etc.) receive extra points in the evaluation process for the allocation of investment grants available under the 2007-2013 Regional Operational Programme of the ERDF. Finally, obtaining the mentioned certifications or the preparation of a sustainability report are valid criteria for being able to take advantage of simplifications of administrative procedures, in terms of reducing the length of the proceedings.

In order to share the approaches, generate a holistic approach to CSR and build a common reference framework, Regions, within the interregional project on CSR, expressed the intention and opportunity of sharing with central administrations and with stakeholders what has been implemented so far. The aim is to arrive to a **national platform of social responsibility indicators** where all administrations can draw from, when they intend to incentivise or reward CSR. The definition of a “grid” of indicators is foreseen, then, starting from implemented experiences and analysis, articulated in the different fields (such as for example: employment, environment, community, market...). This becomes the reference grid for administrations, for the choice of entrance or preference criteria in the selection procedures of various nature, including the procurement procedure, where the

norms allow for it. This grid could be in turn structured according to the dimensional level of enterprises (micro, small, medium or large enterprises) and accompanied by practical examples and usage guidelines (e.g. procurements, assessment procedures for the allocation of contributions required under structural funds or other financial sources, administrative procedures, etc.).

A crucial aspect in the public action will be to guarantee the **reliability of responsible conducts of enterprises**, in particular in those cases where such conducts are linked to financial benefits. To that end, together with incentives, adequate project monitoring and control mechanisms should be developed.

Interventions 2012-2014
<ul style="list-style-type: none"><li>• <b>Definition of indicators, criteria and assessment mechanisms to reward enterprises in the access to public funding or forms of administrative simplification in line with the international instruments undersigned by the Government</b></li><li>• <b>Employment of stable instruments for the financing of the initiatives (such as for examples measure included in the European structural funds programming, regional funds for labour flexibility, etc.)</b></li><li>• <b>Incentives to SMEs to support investments in CSR</b></li><li>• <b>Rewards and simplification mechanisms for accessing public funding and authorisation procedures</b></li><li>• <b>Project monitoring and control procedures</b></li></ul>



## C. **OBJECTIVE: Contributing to the enhancement of "market rewards" for CSR**

### 1. **The contribution of the financial world**

In view of the recent international financial crisis, acting on the financial sector is essential, in order for it to become more transparent and responsible and at the same time to contribute, with allocation of capital and credit, to a more sustainable economy.

As for the transparency and integrity of information, the Italian government promoted in different international venues the transparency of financial transactions, such as for example in the occasion of the OECD Ministerial of 2010, when it advanced the "*Declaration on Propriety, Integrity and Transparency in the Conduct of International Business and Finance*".

As for Sustainable and Responsible Investment<sup>29</sup> – **SRI**, the **Italian market** is determined by few major players, with the predominance of strategies such as the sectoral exclusions – amounting to € 446.79 billion AuM at the end of 2011 – and the norms based selection - € 314.25 billion AuM. At the same time, a certain dynamism in pension funds is recorded, showing a growing awareness of CSR from a cultural and technical point of view: the adoption of CSR benchmarks appears the most common practice and some progress was made also on the front of the active shareholders. In the retail segment the situation appears in a deadlock, with few cases of best practices and an asset management industry still reluctant to integrate CSR strategies in investment products supported by an effective communication and distribution.

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<sup>29</sup> With **SRI** is meant the practice through which typical financial management objectives, such as the optimization of the risk – reward ratio in a given time span, are flanked by ethical, environmental, social and governance objectives. Subjects who can make CSR investment choices are divided in two large groups: the retail investors and the institutional investors. The retail investors, through the underwriting of common investment funds qualifying as ethical, socially responsible or sustainable, or the definition of ad hoc asset management. The institutional investors – pension funds, foundations, insurance companies, religious bodies, not for profit entities and financial and non financial sector enterprises – through the implementation of a CSR policy in the management of their assets. According to the Eurosif "European SRI Study 2012", CSR policies are divided in seven strategies: exclusions, norms based selection, "best in class" selection, active shareholding, impact investments, thematic investments, integration.



On the **global market**, the **strategies for Sustainable and Responsible Investment (SRI)**, according to what found also by the Italian Stock Exchange, are acquiring growing strength and market shares. This stems from the parallel growing awareness of the risks and of the opportunities linked to the impact of businesses on environment and society. The evaluation of the environmental, social and governance (ESG) performances of publicly-listed companies is therefore of vital importance for investors. The capability of an issuer of facing the ESG questions – from the relationship with staff, suppliers and shareholders to its environmental impact, to the respect of governance standards – can constitute a quality and management level indicator. It may also be indicative of the capability to grant to investors a long-term revenue. The series of FTSE ECPI Index SRI Italia was conceived to create a class of **sustainability indexes** for the Italian market, able to describe the performances of companies following the best ESG standards.

At the global level, the **Dow Jones Sustainability World Indexes**, launched in 1999 as the first world sustainability indexes, trace the performances of world-leading companies in terms of adoption of financial, environmental and social criteria. The indexes represent benchmarks for investors integrating sustainability considerations in their portfolio.

At the **national level**, it is worth highlighting that 73% of **the Italian banking industry** has developed strategies which take into consideration the ESG - Environmental, Social, Governance criteria. In 63.4% of banks there is CSR strategic planning. The 71% of the active total of the system, with reference to the Corporate performance, adopts policies including ESG criteria. (Source: **ABI – Italian Banking Association**)

In June 2012, with the “**Charter of Sustainable and Responsible Investment of Italian finance**”, the major trade organisations of the sector - ABI, Ania, Assogestioni (respectively banking, insurance and management saving associations) and Febaf (their federation) reaffirmed the common commitment in disseminating the sustainability and social responsibility culture among their associates and within the business community, promoting the diffusion of sustainable and responsible finance practices. The Charter encourages the institutional investors to take on the environmental, social and governance extra financial variables as a qualifying part of the analysis and of the investment processes, whether performed directly or on behalf of a third party.

#### **a) Promotion of initiatives for sustainable investments and credit**

With reference to the banking world, **ABI – Associazione Bancaria Italiana** (Italian Banking Association), **Confindustria** (Confederation of Italian Industries) and the **Ministry for Economic Development** renewed for the two year 2012- 2013 the Memorandum of Understanding, already signed in 2011, aiming to encourage the dissemination of voluntary sustainability reporting, as a complementary general assessment element of enterprises’ credit risk. It promotes support actions to the communications of the aspects linked to sustainability – especially to SMEs. It stems from the “Sustainability indicators for SMEs” developed by Confindustria. According to this Memorandum, ABI collaborates on a pilot project with a sample of banking institutes and SMEs, with the aim of verifying the effectiveness of the usage of some financial, environmental, social and governance information in the award procedures.

In parallel, also the association Anima per il Sociale, in collaboration with KPMG, is implementing a pilot project, with some businesses of the Small Industry Committee of Unindustria, with the aim of providing the businesses involved with their own executive summary on enterprise sustainability integrated in or accompanying the financial statements.

At the national level, the **Sustainable Finance Forum** has been since 2001 in charge of promoting the “social responsibility culture in financial investments in Italy”. In its activities, the Association addresses both the side of the demand for financial products (private and institutional investors) and the one of the offer (financial institutions) and the intermediaries (consultants and sales networks). The objective is to increase the knowledge and effectiveness of such practice and to augment the amount of savings invested according to social responsibility criteria.

Main results achieved in the past few years concerned: the launch of the “Responsible investment charter” signed by ANIA, Assogestioni, ABI and FeBAF; a research in collaboration with Eurosif (e.g. European SRI Study, High Net Worth Individuals and Sustainable Investment); the animation of the Parliamentary Inter-group on European Strategies for Growth, Occupation, Economic Democracy and Financial Sustainability; the publication of a manual for financial promoters and the Guidelines for the integration of environmental, social and governance factors in investment processes of complementary pension forms.

In 2010 **ABI** was confirmed at the Presidency of the BCESA - Banking Committee for European Social Affairs of the European Banking Federation. The appointment, triennial, was for the third consecutive mandate, which ABI holds since 2004 and that will hold till 2013.

**BCESA** is a body that brings together the banking associations of the 27 EU Member States. Its task is to represent the interests of the European financial system to the EU and European trade unions. In addition, the BCESA, together with the European Associations of Savings and Cooperative Banks, represents the financial industry in the Social Dialogue Committee. The Committee, which is an important body within the EU, is currently involved in a project that involves the EU accession and candidate countries, in order to strengthen their unions relations within the banking sector. The BCESA, in over ten years of activity, has concluded a number of agreements with trade unions at European level: from the introduction of new technologies in banks, to the continuing vocational training and the employment and social aspects of CSR.

Regarding the latter project, in particular, on 18 May 2005 the BCESA, together with the European Savings Bank Group, European Association of Cooperative Banks and UNI-Europe, signed an agreement on CSR (EU Bank Social Partner Joint Statement. Employment & Social Affairs in the European Banking Sector: Some aspects Related to CSR), defining an ample programme including the following aspects: core labour standards, equal opportunities, internal communication, continuous training, work-life balance.

Moreover, ABI implements various initiatives on the issue, promoting among associates and its stakeholders the strategic and managerial integration of the sustainability. Since 2003, ABI has its own Corporate Social Responsibility Office. Since 2011 four working groups have been established on: Sustainability, Integration of extra-financial information in the quality assessment of businesses; Financial and social inclusion and migrants – banks relationship; Sustainable investments. It also activated a Technical committee on banks and social activities. The actions of ABI on CSR include the development of analysis and research, as well as operational tools in support of banking enterprises; promotion and creation of relationship networks and strategic partnerships; organisation of events, seminars and dissemination initiatives. ABI operates also on the issue of financial inclusion of the over 5 million immigrants present in Italy.

On the disclosure front, already in 2001, taking the input from the European Commission Green Paper on CSR, ABI published the “**Model of drafting social reporting for the credit sector**”.

In 2011, banks representing 80% of the total assets of the system (data 2010) published a **sustainability report**. It is also established the practice of attaching and distributing the cash flow with the financial statements. Certain banks insert in the Management Report part of the financial statement to stakeholders. The more widespread guidelines among Italian banks are those of the Global Reporting Initiative – GRI, also used in a complementary way to other references. In order to provide the Italian banking system an interpretation of the references of the GRI closer to its own characteristics, ABI published the document "ABI specifications for the preparation of the financial sustainability report according to the GRI G3.1 guidelines", with the goal of making it possible to compare between the sustainability reports of banks and encourage further dissemination of sustainability reporting in the banks. ABI, in cooperation with banks, will continue its work of focusing on the GRI indicators, following the development of the G4 Guidelines. (Source: ABI)

In the national framework, **public action** must therefore promote, on one hand, the transparency processes and the sustainable management of the financial sector and, on the other hand, support and promote the initiatives that the banking sector and the investment funds can put into place to finance virtuous enterprises, in line with what is happening at international level.

#### Interventions 2012-2014

- **Initiatives to favour transparency of information by financial institutions and investment funds and pension funds**
- **Promotion of due diligence in the financial sector also based on the OECD contribution on the issue**
- **Collaboration in initiatives of the banking sector and investment funds to increment the share of financial resources invested in “virtuous” enterprises**
- **Promotion of the “Charter of sustainable and responsible investment of Italian finance”**

#### b) Ethical Finance

To invest ethically means to take into account the ethical principles when choosing investments. The instruments used by ethical finance are:

- microcredit, i.e. financing micro-enterprises or subjects who can't provide real guarantees (pledges or mortgages for example);
- financing not for profit initiatives;
- traditional ethical finances, where the investors surrenders part of its profit to devote it to social goals;
- socially responsible investing - SRI (for this aspect please see the previous paragraph).

In Italy, the main ethical finance institutions/instruments are described below:

**the Cooperative Banks and the Rural Banks** are small credit institutions providing financial services to families and small and medium enterprises. The characteristics of their action are cooperation, mutuality and localism. At the end of 2008 there were 439 Cooperative Banks and Rural Banks in Italy, operating in 2,576 municipalities with 4,044 outlets (11.9% of banking outlets in Italy);

**Banca Etica (Ethical Bank)** is an organisation whose aim is to manage savings investing it in financial initiatives prosecuting social goals and operating by fully respecting human dignity and nature. The bank was founded by 22 third sector, voluntary and international cooperation organisa-

tions. It has 22 branches in the whole of the country. Currently this institute has over 30.000 members and supports over 3,400 projects of solidarity economics;

to be noted the growing importance of specialised banks such as **Banca Prossima**, which relying on the expertise and the widespread presence on the Italian territory of Banca Intesa Sanpaolo as well as on the philanthropic tradition of Foundations of banking origin, developed a series of innovative instruments and services aimed at facilitating the access to credit by the Third sector and increasing its effectiveness from a financial management perspective;

**solidarity finance cooperatives** usually finance individuals, associations and other cooperatives excluded from the traditional access to credit and which carry out social, cultural and environmental activities.

Through **microcredit** moderate funding is given to implement small business projects, benefitting disadvantaged people and those excluded from the system of the institutional credit. It is a tool aiming at the local development of microenterprises, also those family-run. In Italy there are not any credit institutes specialised in this type of activity. Nevertheless, some craftspeople and small businesspeople associations signed agreements with traditional banks to promote its development. The Rete Italiana di Microfinanza - RITMI (Italian Microfinance Network), created in February 2008, gathers entities on the national territory, who, in various capacities, are involved in microfinance and microcredit, in order to address their strictly operational needs and to grant more political, economic and social visibility to microcredit and microfinance in Italy.

#### Interventions 2012-2014

- **Promotion of ethical finance principles**
- **Support to the initiatives for the funding of Third sector, active citizenship and civil society organisations**
- **Support and promotion of micro-credit initiatives of the banking sector**
- **Collection, dissemination and publication of best practices and success examples of partnerships among enterprises and/or Third sector, active citizenship and civil society organisations**

## 2. Public procurement

Creating public “demand”, and therefore a new market, for socially responsible corporations is without doubt an important step in promoting CSR.

In support of the national action, the proposal of review of the public procurement directives of the European Commission (December 2001), includes new provisions for the integration of social and environmental criteria, as well as for the access to the public procurement market by SMEs.

### a) Promotion of public procurement integrating social and environmental criteria

The “**Action Plan for the environmental sustainability of consumption in the public administration sector (PAN GPP)**” adopted by the **Ministry of the Environment and the Protection of Natural Resources (MATTM)**<sup>30</sup>, together with the Ministry of Economics and Finance and the Ministry of Economic Development, identifies the institutional reference framework in this sector.

<sup>30</sup>Ministerial Decree 11 April 2008 (Official Gazette of the Italian Republic n. 107, 8 May 2008).

The Plan, adopted with the Inter-ministerial Decree of 11 April 2008 (Official Gazette of the Italian Republic n. 107 of 8 May 2008), provides a general framework for **Green Public Procurement** in the public administration and it has the purpose of maximizing its dissemination to public bodies, so that the GPP can achieve its full potential as an instrument for improving the environment, the

In the light of the environmental impact and the volume of public spending involved, the Action Plan on GPP identifies 11 categories of intervention: furnishing, building, waste management, urban and country services, energy services, electronics, textile products and footwear, stationery, catering, building management services, transport. Through various Ministerial Decrees minimum environmental criteria have been identified for various products. These general indications aim to direct the public body towards a rationalization of consumption and purchasing and provide “environmental considerations” associated with the various phases of the tendering procedures (the scope of the contract, technical specifications, the award criteria in the procedures for the awarding of contracts to the economically most advantageous tender, the conditions of performance of the contract) aiming to classify the “environmental sustainability” of a purchase or assignment of a contract along the whole life cycle of the good/service.

economy and the industrial sector.

With the Decree of 6 June 2012 (Official Gazette of the Italian Republic n. 159 of 10 July 2012) a **Guide for the integration of social aspects in public procurement** was issued, to support public authorities willing to integrate in the public procurement criteria complying with internationally accepted standards on human rights and working conditions.

It is an approach consistent with the legal framework in force, allowing the commissioning body to request contract performance conditions relating to social demands<sup>31</sup>. In such a way a “structured dialogue” among awarding authorities and suppliers is promoted, and implemented through the contractual terms. It is provided that the Authority informs with adequate advance the financial operators of its intention of integrating social criteria in its contracts and that, subsequently, the successful tenderer contracts to respect the minimum social standards and to collaborate with the authority in monitoring the commitments undertaken, through the signature of a “Declaration of conformity with minimum social standards”.

In the **Lombardia region**, **ARCA - Agenzia Regionale Centrale Acquisti** (the Regional Procurement Agency of the Lombardia Region), after initiating in 2011 a structured dialogue with financial operators, aimed to gradually introduce into public procurement rules for the achievement of social aims. The project “Sustainable Procurements” is now in the second phase of implementation of involving the integration in public procurement procedures some contract performance conditions relating to social demands, as provided for by the Ministry of Environment and the Protection of Natural Resources, in the Decree of 6 June 2012 “Guide for the integration of social aspects in public procurement”.

Moreover, from 2009, the Lombardy Chambers System and the Lombardy Region collaborated to promote the Green Public Procurement (GPP) market both from the side of the demand than the offer with call for tenders by the Chambers of Commerce of Varese and Sondrio.

Under the guidance of the **Ministry of Labour and Social Affairs**, applying the Legislative Decree n. 81/2008, the **Standing Consultative Commission on health and safety on the workplace** set up a dedicated Committee for the application of the Art. 27 of the Legislative Decree n. 81/2008 to identify sectors and criteria aimed at the definition of a qualification system for enterprises and self-employed workers, with reference to the protection of health and safety on the workplace, based on specific experience, competence and knowledge, acquired also through targeted training (see paragraph on self- and co-regulation).

The Legislative Decree n. 81/2008 provides also in Art. 26, par. 1 that the Standing Consultative Commission on health and safety on the workplace outlines the procedures through which the employer verifies the technical and professional adequacy of the sub-contracting company or of the

<sup>31</sup> Art. 69, par. 1 and 2 of Legislative Decree 163/06.



self-employed workers in relation to the works, services and supply to contract out or through a works or a supply contract.

The **Project CSR + D** (“Corporate Social Responsibility plus Disability”), financed by the **European Social Fund** within the framework of the programme “Fight against discrimination 2007-2013”, see the Italian Ministry of Labour and Social Affairs as coordinating authority. Other partners are: the ICSR Foundation, the Italian Federation for the Overcoming of Disabilities and the Federation of National Associations of People with Disabilities, the Authority for the Surveillance on Public Works, INAIL (Italian Workers’ Compensation Institute), the Ministry of the Environment and Protection of Land and Sea, Italia-Lavoro Foundation, ISFOL (national body for workers vocational training). One of the project’s objectives is to develop a network of subjects with joint interests in the field of CSR and disability, aiming to achieve full development of the objective of promoting principles pertaining to corporate social responsibility by public administrations, also through public procurement as a tool. An initial review regarded the experiences related to social and environmental terms’ inclusion in public procurement procedures, focusing especially on the works of the Ministry of the Environment and Protection of Land and Sea and of the Authority of Surveillance on Public Work. Moreover, a set of actions was defined, to undertake for the promotion of the project, at national and EU level, previously agreed with the other project partners (the Spanish ONCE Foundation, Telefonica, L’Oreal). The definition of a first draft of **guidelines for the integration of social terms regarding people with disabilities in the public procurement procedures of public administrations** is in progress. The Guidelines should be included in a lean and handy document and define the relevant social objectives as: a) Promotion of employment opportunities; b) Social inclusion support; c) Promotion of accessibility and planning for all. In April 2012 an event of presentation of the project “Corporate social responsibility & disability” was organized in Madrid by the Spanish ONCE Foundation. On that occasion the Ministry of Labour and Social Affairs presented the above-described Italian project initiative and its advancement stage.

As for public tenders to social cooperatives, the relevant normative is Decision n. 3 “Guidelines for the awards to social cooperatives in compliance with art.5 par.1 of the Law 381/1991” - Authority of Surveillance on Public Contracts (AVCP)

The **Regions** will contribute through their actions and through the “inter-regional project” to the introduction of environmental and social criteria in public procurement to facilitate socially responsible enterprises.

Interventions 2012-2014
<ul style="list-style-type: none"><li>• <b>Integration of national and regional initiatives for the definition of environmental and social criteria in public procurement</b></li><li>• <b>Promotion of the application of social and environmental criteria in public procurement</b></li><li>• <b>Definition of a quality system for enterprises and self-employed workers, with reference to health and safety on the workplace protection</b></li><li>• <b>Guidelines for the integration of social clauses regarding people with disabilities in the public procurement procedures of public administration within the European project CSR + D</b></li></ul>

### 3. Consumers

Considering that the consumers expenditure represents 56% of the European Union GDP, acting on consumers can have a significant impact in terms of allocative efficiency of financial activities and can contribute to stimulate the economic growth. These positive effects, however, can only be produced if consumers' empowerment and awareness of their active role on the market, as stimulators of the competition and innovation, are increased.<sup>32</sup>

Under this profile, a European level research commissioned by the Consumers Forum titled "Europe, Social Responsibility and Consumers" and issued in October 2011, highlighted the disharmony between the demand and the offer. If, on one side, consumers show their willingness towards "ethical" purchase, on the other a mistrust emerges towards producers and what they declare; only a minority believes that companies are actually sensitive to the interests of their workers, of the environment, of the community they operate in and of their consumers. This opens up, then, an important space of dialogue for the enterprises willing to capture this "rebuke" by consumers.

#### a) Consumers' networks and fora

As recalled in the section about consumers' protection, on the institutional side there are spaces for debate to **raise consumers' awareness** for responsible purchasing that can be further motivated in this direction. Actions can be taken through communication campaigns targeted at consumers at central and regional level to facilitate responsible demand.

Beyond the strictly institutional framework, the **consumers – enterprises dialogue** is important. Some examples are quoted below.

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<sup>32</sup> Brussels, May 2012 SEC(2012) 165 final. COMMISSION STAFF WORKING DOCUMENT "Consumer Conditions Scoreboard", Seventh edition.



*Consumers' Forum* was founded in 1999 with the conviction that the traditional mistrusts and dialogue difficulties between businesses and representatives of individual advocacy rights can be overcome. It is an Italian independent association whose members are the most important Italian consumers' associations, many industrial and services enterprises and their national representatives, and research institutes. The collaboration and commitment of enterprises and consumers' associations is important for the search of product and services quality and the conciliation procedure in the resolutions of disputes.

Among the third sector and active citizenship organizations, for example, there is Adiconsum that initiated its commitment on CSR in 2001, with the aim of contributing to debate among social parts and of valorizing the consumer's role as stakeholder on matters of corporate social responsibility. Using projects, publications, events, participation to work tables, dialogue with academics, enterprises and decision-makers, Adiconsum intended to promote a virtuous mechanism of gradual growth in awareness, able to involve consumers and enterprises, as well as to facilitate the evolution of normative, also with the promotion of good practices. The approach was two-fold. On one hand, the focus is on the realization of informational campaigns geared towards the public and consumers, to raise awareness on issues of socially responsible, environmentally compatible and solidary consumption and savings. The other focus is on the analysis and specific studies on the different forms of measurement and certification of CSR. The association used also joint conciliation in order for it to become good practice and determined the foundation of the European Consumer Centre (ECC).

Among the experiences, the Portal NeXt [www.nexteconomia.org](http://www.nexteconomia.org) is a forum where companies and citizens discuss on sustainability strategies. NeXt New Economy for all is a network which devised and innovative process of social responsibility in a multistakeholder system, through the dialogue and exchange of information on issues of sustainability among companies and citizens-consumers, in a perspective of transparency and co-building of information. NeXt unites different components involved for a new economy: some associations of enterprises more sensitive to issues of environmental and social responsibility, a group of academics, representatives of the major national trade unions, environmental, consumers, agricultural workers associations, and networks and coordinations of the Third sector and active citizenship and civil society organizations.

#### **Interventions 2012-2014**

- **Consumers awareness raising campaigns**
- **Promotion of the enterprises – consumers dialogue and of consumers' networks**

## **D. OBJECTIVE: Promoting initiatives of social enterprises, third sector, active citizenship and civil society organisations**

### **1. Promotion of social and financial potential of third sector, active citizenship and civil society organisations**

In Italy, there is ever growing recognition of the social and financial potential of third sector, active citizenship and of civil society organisations, implementing non profit activities of social utility. The said bodies have, in general, the following characteristics:

- Private legal nature;
- Cannot distribute profits, directly or not, to associates, members, employees;
- Are characterised by the presence of volunteers;
- Are expression of the local community.

At the very core of the economy of non profit organisations lies the principle of “reciprocity”. It constitutes one of the core values of civil society organisations<sup>33</sup> and is to be intended as cooperative relationship<sup>34</sup> among those belonging to the same community. One of the distinctive traits of such organisations – i.e. social cooperatives<sup>35</sup> and social enterprises<sup>36</sup> - is to maintain **relations of trust with communities**, contributing to the local development, not only in terms of quantity but especially in terms of quality, i.e. of **social and economical welfare**. Besides their mission, and in comparison with other third sector organisations, the social cooperatives and social enterprises are more appropriate as models for the employment of disadvantaged and vulnerable subjects such as women, young people, migrants, people with disabilities, drug users and former drug users, people in custody or formerly in custody, travellers, Sinti and Roma people, etc. who are often excluded or scarcely and sparsely employed by for profit enterprises.

These attitudes of third sector organisations encountered also a correspondence both at institutional and normative level. Law n. 328/2000 – “Implementation of the social interventions and services integrated system” has actually acknowledged a very important role to private social operators in the provision of social services to people and communities. The reform of the Title V of the Constitution attributed to Regions the exclusive competence on the social sector – recognizing a well defined role to third sector organisations both in the planning and programming of social interventions and for the entrusting and delivery of personal care services. In that respect ISTAT and Iris Network data present in the 2010 CENSIS Report are interesting, estimating at about 650,000 workers in local welfare, to which 1,450,000 family micro-welfare carers need to be added, for the great part home and care workers. There are also over 1,400,000 people employed by for profit enterprises in

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<sup>33</sup> It was the International Society for Third Sector Research, in the Dublin Conference of 2000, to provide for this conceptual unification of enterprises and not for profit bodies; see Bruni L., Zamagni S. (2004), *Economia civile*, il Mulino, Bologna.

<sup>34</sup> The voluntary organisations – Law n. 266/1991 – and volunteers present in all of the organisations of the third sector are providers of “relational good”, i.e. that generates social connections of solidarity within the communities.

<sup>35</sup> Law on the “Discipline of social cooperatives”, n. 381/1991.

<sup>36</sup> The Legislative Decree n.155 of 2006, implementing the Enabling Act n.118 of 13 June 2005, introduced in the legal framework the *Impresa Sociale* (Social Enterprise); not a new legal entity, but a new legal form designed to be an instrument of union for two categories of legal entities seemingly dichotomous, importing the concept of entrepreneurship as a structural element of not for profit organisations. The legislative process was completed in January 2008, with the enactment of the decrees necessary to implement the discipline of Social Enterprise. It is also in operation the “*impresa sociale di comunità*” (social community enterprise) which “is not a new institutional subject, but rather identifies an organisational and management model of social enterprise, in an area where ‘doing social entrepreneurship’ has increasingly differentiated ways and meanings. See: L’impresa sociale di comunità. Definizione, processi di sviluppo e struttura organizzativa, Demozzi M., Zandonai F., ISSAN.

the field of education, health and social care, culture, sport and recreational activities. All activities having however a local impact and whose borders with no profit services are not always well defined, so much that one of the objectives of the Law n. 118 of the year 2005 on social enterprise is to induce a vast array of for profit enterprises to adhere to the form of social enterprise.

Notwithstanding the different aims, enterprises (SMEs and districts) and social enterprises - but also other organisations of the third sector – give relevance to endogenous local development: the former producing material wealth, while the latter creating a different type of wealth, based on the delivery of relational good, having an income redistribution function within the community. In that respect the social enterprises complement the State and the local authorities as actors of active welfare policies. To that, always taking into account the different objectives, let us add that industrial district enterprises and social enterprises share the fact of being almost always SMEs and as such share many of their features: from flexibility to professionalization to the need to continuously create innovations in products or services. This invests both the processes and the organisation, for competition reasons and to satisfy at best the needs/requirements of customers/users/communities<sup>37</sup>.

#### **a) Dissemination of CSR among third sector organisations and support to dialogue with enterprises**

The **complementarity among third sector, active citizenship and civil society organisations and (SMEs and district) enterprises** - as we already saw – represents an important and distinctive addition for the implementation within enterprises of social responsibility, since the said enterprises, in particular the district ones, simply on their own are no longer able to grant economic cohesion and social welfare to the 21<sup>st</sup> Century communities. The need to use social goods in a tailor-made manner has strongly grown and the enterprises need to share local processes with the third sector, to strengthen the connection with their communities of origin, in order to be able to reassert the very basis of their existence and their original features. In order to have greater and more efficient and effective influence, also the third sector has to operate in an effective capitalised environment, i.e. it must reinforce its effectiveness, find new market segments and funders.

Priority action lines – detailed below - of the Ministry of Labour and Social Affairs are strictly linked to the latter point of view: it is important that social cooperatives and enterprises and the Third sector, active citizenship and civil society organisations offer to potential investors the utmost **transparency**, explaining their activities, projects, destination of funds received and the final social reporting where the final outcomes will be set out in the social report by these organisations (that is strictly linked to what stated in the section on ethical finance).

This direction is followed by the development of the ***Charter for Donation***, a sort of code of self-regulation of the sector, establishing donors and social activity beneficiaries' rights, as well as the responsibility of the Third sector, active citizenship and civil society organisations.

Since entering in a perspective of transparency in the use of money given by citizens to NGOs (Law n.48 of 1987) for social and/or humanitarian aims, to organisations involved in child sponsorship, to other third sector, active citizenship and civil society organisations, is growingly more necessary and/or appropriate, also for those operating in the field of solidarity and in the social field, actions will be put into place aimed at promoting the implementation of principle of accountability in reporting by Third sector organisations.

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<sup>37</sup> See Pasetto A., Imprese sociali e sistemi produttivi locali, Microimpresa, n. 26 – I quadrimestre 2011.

To that effect, the **Ministry of Labour and Social Affairs** will continue in the support and promotion of the:

- Participation of enterprises, through partnership models, with voluntary organisations to implement experimental voluntary projects<sup>38</sup>; to that effect, initiatives on corporate volunteering will be promoted and made public, both implemented or currently being implemented, by for profit enterprises in collaboration with Third sector, active citizenship and civil society organisations.
- Charter for Donation of the Italian Institute for Donation among third sector organisations and industries<sup>39</sup>.
- Participation of enterprises to Sponsor a Child project, proposed/realised by the Third sector, active citizenship and civil society organisations, for developing countries as well as for the national territory.

To expand the knowledge of the social enterprise model among for profit enterprises, the Ministry of Labour and Social Affairs, together with the Ministry for Economic Development and with the involvement of the State-Region Conference, ANCI and UNIONCAMERE, of Foundations of Banking Origin – ACRI, will promote **initiatives in support of third sector organisations** through reward, tax relief and EU financial incentives geared only toward employers' associations to promote CSR.

To that end, a normative draft will be developed intending to value the social enterprise recognising it and favouring its access to, sometimes complicated, contractual facilities, such as public procurement. The juridical recognition of the various typologies of social enterprises will be undertaken, in the access to public procurement, possibly also providing for product labelling or through state certification. In such a way a highly competitive and sustainable social market economy will be promoted, posing social economy and social innovation at the core of its objectives, also as a means of fighting poverty and social exclusion.

Following the **best examples** stated by third sector organizations in the previous sectors of the present Plan, the following experiences are worth noting:

- “Comunità Progetto Sud” Social Enterprise of Lamezia Terme, characterised by “creating community at local level”, finding practical answers to social exclusion issues through training activities and job integration for people with disabilities, drug users, minors and young people, and Aids sufferers.
- “La Locanda dei Buoni e Cattivi” Social enterprise in Cagliari, is a proper commercial touristic, but implemented in order to provide employment to young people and mothers coming from rehabilitation, to facilitate their social, emotional and occupational re-insertion to the community.
- The ANT Italia Onlus Foundation that has been operating for many years the ANT Child Project for the free professional home health and social care to children affected by cancer with the contribution of some companies such as Mellin, Assicurazione Alleanza Toro, UPS, Lottomatica and the activation of CSR helpdesks in some Volunteer Support Centres, in particular in the Marche Region.
- The Foundation Flying Angels Onlus is the “Tour operator for life”. It provides free plane tickets, one way and return, to and from any place in the world, to children up to age 18, affected by serious critical illnesses; to the parent (or legal guardian); and, in case of need, also to the accompanying doctor. Thanks to agreements with profit enterprises it can also help third sector organizations looking after these emergencies.
- Sponsor a Child (SaD – Sostegno a distanza) projects implemented by the ForumSaD network.

The partnership experiences among enterprises, on one hand, and public sector and not for profit world on the other, are, moreover to be promoted and valued as an occasion for mutual exchange

<sup>38</sup>Annual directive of the Ministry of Labour and Social Affairs aimed at voluntary organisations (enrolled in the *ad hoc* regional/provincial voluntary sectors registers pursuant to Law n. 266/1991) developing and offering innovative and experimental projects - in collaboration with local authorities, businesses and other third sector organizations - designed to tackle social emergencies and to promote the application of particularly advanced intervention methods.

<sup>39</sup>The Charter for Donation is the self-regulatory code of the members of the Italian Institute of Donation. Published for the first time in 1999 by the National Forum of the Third Sector, the Sodalitas Foundation and by the Summit of Solidarity. It is the first Italian code of self-regulation for the collection and use of funds in the non profit sector. The 2011 edition of the Charter for Donation updates the first edition, and was included in the EYV 2011 Plan Italy - Ministry of Labour and Social Affairs. For more information: <http://www.istitutoitalianodonazione.it>

and learning and are particularly advantageous because they allow to maximise results through the use of the potentials of involved participants: the deep knowledge of local communities needs, the availability of infrastructures, the wide-spread presence on the territory and the greater facility of access to technical competences and financial resources.

Partnerships with the public and not for profit sector represent an operational approach growingly undertaken by enterprises to ensure that actions towards the community be in line with stakeholders' needs.

The Telecom Italia Group, for example, realised the **Navigare Sicuri (Surf Safely)** project, devoted to the promotion and dissemination of the aware and responsible use of the net and of digital media among children and young people and their educational carers, developed in close collaboration with the Ministry for Education, University and Research, the Movimento Bambino Foundation and Save the Children. In the two-year period 2010 – 2012 the project toured schools and squares in 40 towns, in 20 Italian regions, covering more than 15,000 km in Italy and involving over 100,000 children. On the coach, set up with five multimedia desks and an Interactive Multimedia Whiteboard (LIM), interactive workshops took place, for the young and activities involving the adult audience (for more details: [www.navigaresicuri.org](http://www.navigaresicuri.org))

**Navigare insieme** (Surf together) is the project devised by Telecom Italia to promote internet use among older people and developed in collaboration with the Italian State Schools, the third sector and associations (comprising Auser, Legacoop, Alatel and ANLA, ANAP – Confartigianato); Navigare Insieme relies on the active involvement of the concerned municipalities, also through the signature of Memorandum of Intents. Since February 2012, in the schools of many Italian cities, free courses of web usage were initiated, all about the intergenerational exchange between under 18 and over 60. In the 16 cities where the courses took place, Telecom Italia, moreover, set up a network of permanent digital training halls, where, free of charge and with the support of volunteers, participants can consolidate the knowledge acquired in the classroom (for more details: [www.navigareinsieme.org](http://www.navigareinsieme.org))

As for cooperatives, an important contribution to CSR comes from the actions of **Legacoop** (National Cooperatives and Mutuals League) operating to promote the development of cooperation and mutuality, of financial and solidarity relations of participating cooperatives, and to facilitate the dissemination of cooperative principles and values. Legacoop has been involved for many years in the dissemination of enterprises', cooperatives' and associates' accountability practices, with the adoption of the first experiences of social reporting already starting from 1994, on the basis of a social reporting model still in operation.

Among other initiatives of Legacoop recently emerged the following: **drafting of social reporting in the local branches of Legacoop (2004); training activities on social reporting and CSR in cooperation with CESVIP (training body)**. Moreover, in 2012 the **National Commission ANCD** (National Association of Cooperatives among CONAD retailers) **on CSR** - was created. A questionnaire on CSR practices among CONAD Cooperatives was sent out and the **Ethical Code of Cooperatives** is being developed, waiting for deliberation by the managerial bodies of the ANCD.

As an example, we quote the experience of Federsolidarietà which in 2008, developed an online platform for the drafting of the "Social Accountability Report". There are over 2000 associate social cooperatives and consortia using it to draft the social report.

It was created an application whose interface and application logic lead users in the filling in helping them through help online tools; in parallel, tools were created for the control and monitoring of the reports filled in.

Processes of promotion and valorisation of the initiatives of the associations can be transformed in true actions of **Fund Raising**, also through the joint and shared action of the public system, of enterprises and not for profit organisations, as a financing instrument for the projects by the associations to make welfare and welfare development sustainable. The involvement in the actions of all stakeholders promotes and communicates the initiatives to a high number of entities that can set up voluntary donations or participate directly in the proposed initiatives. Such actions constitute in that way the indicator of Added Social Value to insert in the yearly Social Report of enterprises, public

administrations, and not for profit organisations activating – on the basis of the respective missions and visions – CSR processes within. The entrepreneurial system, the public administrations and not for profit organisations, participate thus to a rigorous shared fund raising planning, are committed to grant to the community adequate actions to build, together with other actors, social welfare. In this way, the Added Social Value of fund raising becomes actor of social development for the local communities rendering effective and, at the same time efficient, this action under the guarantee and the control by public administrations.

<b>Interventions 2012-2014</b>
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| <ul style="list-style-type: none"> <li>• <b>Promotion of enterprises - third sector, active citizenship and civil society organisations dialogue</b></li> <li>• <b>Promotion of training activities on “transparency” (social reporting , social and sustainability balances, etc.)</b></li> <li>• <b>Promotion of experiences of “CSR – volunteering helpdesks” in Volunteer Support Centres</b></li> <li>• <b>Digital publication of best practices of partnerships among enterprises and/or third sector organizations, in particular social enterprises, social cooperatives, organisations in charge of international cooperation and solidarity</b></li> <li>• <b>Promotion of the legality culture with the joint participation of third sector, active citizenship and civil society organisations</b></li> </ul> |
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## ***E. Encouraging transparency and disclosure of economic, financial, social and environmental information***

### **1. Enterprises' information, transparency and reporting**

On the industrial side, the last step, being a consequence of the other actions brought into play, in the responsible conduct process, is the enterprise's representation of the activities undertaken to internal and external stakeholders, in order to account on results, initiatives and management system in place on the issue of sustainability. An activity that, nevertheless, cannot be performed without an appropriate evaluation and monitoring system of actions undertaken and transparency in the collection and disclosure of information, coherent with the actions performed.

Enterprises' reporting should be in line with international quality standards on financial and extra-financial reporting – within the limits imposed on enterprises by their size – because this allows investors and stakeholders to monitor and compare different performances.

There are various procedures and tools for the disclosure of social and environmental information and a growing number of enterprises discloses such information. There are moreover various international frameworks and terms of reference, in particular for large size enterprises, such as the Global Reporting Initiative (GRI), point of reference for many large and medium size Italian enterprises. From data in the GRI<sup>40</sup> “sustainability disclosure database” for the 2010 financial year, 57 sustainability reports were presented by Italian enterprises in the automobile, energy, electrics, banking and telecommunications sector.

Notwithstanding its voluntary by nature and the specificity of industrial situations, such as sector or size, the adoption of current standards should be promoted, tending towards a desirable comparability among similar company cases.

#### **a) Dissemination and coherence of reference frameworks and indicators**

In order to facilitate a better disclosure by enterprises of social and environmental information, various **initiatives** have been implemented in coherence with international trends and with the reality of Italian enterprises. Such initiatives have been carried out both by the public and private sector, also in cooperation with each other.

It need to be mentioned, lastly, the international initiative “International Integrated Reporting Council” aimed at the integration of sustainability performances and results with those economical and financial in the business reporting. Such initiative, with the participation of institutions, academic world, businesses and regulating authorities, as well as citizens and civil society organisations, is aimed at devising and disseminating an integrated accountability framework among financial and non financial aspects of business. In this context a pilot project was developed, to whom nine Italian enterprises take part out of a total of 88 international participants.

The Ministry of Labour and Social Affairs and the Ministry for Economic Development – each in its fields of responsibility – intend continue to promote the International Integrated Reporting Council (IIRC), taking into consideration that in the middle to long term period, the integrated communication of financial and non financial information is a relevant objective, in particular for large size enterprises, to provide an holistic vision of financial and non financial performances growingly on demand by capital markets.

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<sup>40</sup> <http://database.globalreporting.org>



The Integrated Reporting will be promoted and implemented – with the necessary adjustments – also within Third sector organisations and, in particular, social enterprises.

Also in this field, it is necessary that **public action** disseminates the best international standards and that it be oriented to a national correlation at central and regional level, to promote coherence in the different approaches. In this direction goes the “indicators platform” activity, being implemented within the “interregional project on CSR” (see below).

The "Sustainability indicators for SMEs" document of the **Confindustria - Culture Commission** reflects the Social Responsibility system developed in 2011, with the support of the LUISS University. It was created by a partnership between large and small enterprises. It defines a set of indicators - taken from international standards - providing SMEs with a grid to evaluate their level of commitment to CSR principles, in order to produce strategic documents to attach, on a voluntary basis, to the classic financial statements. These can attest to the excellence of the enterprise, improving at the same time even its credit merit (see the chapter on the financial system, in particular the ABI-MED-Confindustria Memorandum).

Noting that at present there are no indicators of economic, environmental and social factors that are adequately comparable and that at the macro level of a country it is not possible to refer to an aggregate index of the added value produced by these actions, a research group was activated, developed by CSR Manager Network - an association bringing together the people responsible for CSR of the major Italian companies (promoted by Altis - Alta Scuola Impresa e Società of the Catholic University of Milan, and ISVI - Institute for the values of the enterprise) - and the National Institute of Statistics (ISTAT), which is working on the measurement of **citizens' welfare "Beyond GDP"**. The project involves 12 companies, the GRI indicators and indexes already existing, also within the ISTAT 'shopping basket', were taken as reference to find the similarities. On these "chosen parameters" they will work in the phase two of the **CSR Network-Istat** project: levelling corporate accounting to these statistical indicators, to enlarge as much as possible the adhesion base of companies at this stage of direct collaboration with ISTAT. In implementation of the **OECD Guidelines**, the **Ministry of Economic Development** has developed a set of Key Performance Indicators, with the support of the **Bocconi University - Sustainability and Value Research Centre (CReSV)**. It is a set of indicators variable on the basis of the different business realities allowing to measure the adoption of the OECD GL.

The Ministry of Economic Development will also follow the work of the International Committee for the Integrated Reporting (IIRC), considering that, in the medium to long-term, integrated communication of financial and non financial information can become an important objective, particularly for large and listed companies to provide a comprehensive view of the financial and extra-financial performances, increasingly in demand on the capitals' market.

#### Interventions 2012-2014

- **Promotion of disclosure and transparency of financial and extra-financial information**
- **Connection of national initiatives on indicators and reporting**
- **Tools and support for enterprises for implementing the reporting standards, taking into account sector and size specificities**

#### **b) Support for the adoption of sustainability standards and for extra financial reporting**

From a survey commissioned by the Ministry of Economic Development to the Università Bocconi (Bocconi University), in order to describe the state of the art and future perspectives on CSR measurement, it emerges the enterprises' conviction that CSR is a necessary precondition to becoming reliable partners. On the other hand, the trend to overlook the monetary quantification of activities implemented and to leave out negative outcomes, thus losing out in terms of credibility and transparency, was registered. For the SMEs, in particular, the research highlighted the phenomenon of

sunken CSR, i.e. of conducts that, although in line with the social responsibility standards, are not organized, identified, or passed on as such to stakeholders through reporting. It appears as well that SMEs situated within global value chains show more attention to CSR communication, pulled by the demands of the large multinational enterprises.

**Public action**, as well as implementing the actions indicated above, with reference to the dissemination and promotion of disclosure and transparency in financial and extra-financial information, should therefore be geared towards supporting the **small and medium enterprises**, which not always have adequate resources. It will be done through **support actions and incentives to promote the adoption of sustainability standards and extra-financial reporting**, in order to benefit both enterprises and society. The authorities will start from the **already implemented** experiences. Indeed, over the years, the central and regional administrations financed in many occasions the adoption of **environmental and quality certification systems** by enterprises. Actions extended, **more recently**, to forms of **sustainability and social certification and reporting**. We mention below some of the initiatives.

Since 2010, **INAIL** has provided funding (Legislative Decree n. 81/08, as amended, article 11, paragraph 5) to projects for the adoption of models of social responsibility, providing a capital contribution to the amount of 50% of the costs for the project to be implemented. CSR-certified systems were funded, according to the SA8000 and the most popular models of nationally and internationally recognized social reporting. This initiative was repeated in 2011 allowing to provide approximately 270 million euro (60 in the first call and 205 in the second, completed in 2012).

At **regional level**, several government incentives are dedicated to support the adoption of forms of extra financial reporting, for example for the adoption of social reporting. In this direction, the Liguria Region realised in the 2009-2012 period, public tenders for public institutions and private companies (Regional Law n. 30/2007) to facilitate investments for the adoption of social reports, certifications and codes of conduct, as well as of management and trademarks systems.

The Autonomous Region of Friuli Venezia Giulia has been promoting, since 2008, the adoption of the annual social report. The Region of Toscana, as already mentioned, gives grants to SMEs who acquire advisory services aimed at the acquisition of management and communication tools for social responsibility, both in the form of certifications and sustainability reports. The Toscana Region has also approved the regional guidelines for sustainability reports of SMEs aimed at simplifying the paths of accountability. These guidelines provide a step by step approach and in fact the simplification of the indicators provided in the most common international standards (GRI and AA1000) were prepared with the consultation of all stakeholders participating to the Regional Ethics Committee and with the collaboration of INAIL - Central Directorate for Prevention.

The **Chambers System** can give its contribution: as an example, the Chamber of Commerce of Treviso in 2012 and 2013 gave its operational support to incentivate local enterprises in the adoption of their first Social Report. Through an ad hoc call to Treviso profit and not for profit enterprises were given the opportunity of realising their own Social Report. The process to accomplish this objective provides for theoretical training and specific practice, free of charge, by professionals of the sector.

**Italia Lavoro**, s.p.a., fully owned by MEF, published the first social report in relation to the financial year 2002, favouring a construction of the document which, albeit respecting International standard of drafting Social Reports, allowed to illustrate in what amount its social mission had been accomplished, allowing to verify the coherence and effectiveness of the actions undertaken in order to be able to evaluate it and consequently improve. Such a choice determined a methodology which can be made available to other subjects.

#### Interventions 2012-2014

- **Public support to the adoption of forms of CSR financial and social reporting by SMEs and third sector, active citizenship and civil society organisations (in particular social cooperatives and social enterprises)**

***F. OBJECTIVE: Promoting CSR through internationally recognized instruments and international cooperation and solidarity***

**1. OECD Guidelines for multinational enterprises**

An instrument approved internationally by 48 countries and addressing specifically responsible business conduct is the OECD Guidelines (from now on GL) for multinational enterprises, that the Government implements via a common mechanism for all adhering countries.

The application of the GL is through the **National Contact Point (NCP)**<sup>41</sup> established by Law n. 273/2002 at the **Ministry of Economic Development** –Department for business and industrialisation - Directorate General for the Industrial policy and competitiveness.

The NCP promotes and supervises the correct application of the OECD Guidelines. The decision to set up the NCP at the Ministry of Economic Development is indicative of a policy strategy for sustainable growth based on the belief that a responsible corporate governance is able to achieve jointly competitive objectives and social and environmental added value.

The Guidelines apply to multinational enterprises regardless of their size, thus recognising that SMEs can put into place CSR practices within limits of their financial and organisational capabilities. CSR issues included in the LG are:

- disclosure;
- human rights;
- employment and industrial relations;
- environment;
- combating bribery, bribe solicitation and extortion;
- consumer interests;
- science and technology;
- competition;
- taxation.

At the OECD Ministerial on 25 May 2011, the updated text of the GL was approved to respond to changes in production and consumption world models and to the growing social and environmental pressures, also in the emerging economies<sup>42</sup>.

One addition of particular relevance is the new chapter on enterprises and human rights (chapter 4) developed from the United Nations' framework *Protect, Respect and Remedy* and the *Guiding Principles for business and human rights*, as well as the update on employment and industrial relations including the progresses made at the ILO starting from the "Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy" and the recommendations on better wage and working conditions, in the absence of protection and comparison parameters (*decent wage*).

<sup>41</sup> Its operation is regulated by the Ministerial Decree of 30 July 2004 and subsequent amendments.

<sup>42</sup> The Guidelines are available on the website of the NCP and on the OECD website: [www.oecd.org](http://www.oecd.org)

## a) Application of the OECD Guidelines

The NCP has the task of making effective the GL through two main actions: information and promotion and application of the GL in specific circumstances.

An important organ of the NCP is the **Committee**, whose members represent institutions, enterprises and important stakeholders' interests, participating to the decisions of the NCP itself. Members of the Committee are the Ministers of Economic Development, Foreign Trade, Foreign Affairs, Environment, Economics and Finance, Labour and Social Affairs, Justice, Agricultural Policies and Forest, and Health. It has also representatives from: Conference State – Region, Unioncamere (Union of Italian Chambers of Commerce) and the major trade unions: CGIL, CISL, UIL. The business world is present through the associations – Confindustria and an association representing the small enterprises and artisans' organisations appointed each time; while CNCU - Consiglio Nazionale dei Consumatori e degli Utenti (National Consumers and Users Council) represents the point of view of consumers and ABI, the banking sector.

Since the start of its operations, the NCP implemented information and promotion activities with institutions, enterprises, stakeholders and university. In this effort it made use of the collaboration with national institutions and members of the Committee. In particular, since 2011, NCP focuses increasingly on some key issues such as the protection of human and workers' rights, the relationships among those operating within the supply chain, the relationships with stakeholders, the financial sector and its role.

To promote disclosure, in 2012 a **multimedia platform** accessible to all NCP partners was created<sup>43</sup>.

Special attention to the collaboration with the local area through the signature of the **Memorandum of Intents with the Italian Regions**. The NCP at the MiSE adhered, moreover, to the interregional project "Creation of a network for the dissemination of corporate social responsibility".

In the past years protocols were signed with the Veneto, Lazio and Liguria Regions.

For 2012-2013 currently the Protocols with the regions of Puglia, Lombardia and Emilia Romagna have been activated. Within the Protocols, the activities are the following: for the Lombardia region, the "Pilot project for setting up a model of responsible and sustainable supply chain in the illumination industry" realised in collaboration with Assoluce of Federlegno Arredo; for the Emilia Romagna region, the training project for dissemination and promotion targeted to operators of local institutions, with a focus on regional helpdesks for the internationalisation of companies (SPRINT) and support for the administrative simplification of businesses adopting the principles of the GL, also on the basis of the provisions contained in Legislative Decree n. 5/2012 Article 14 "simplification of checks to enterprises" through a stakeholder engagement activity; for the Puglia region, training modules for companies and dissemination of best practices. In 2011, two projects were implemented for Regions: the first devoted to the Southern regions for institutions and investment development agencies; the other aimed at all regions and in collaboration with the Tagliacarne Institute and trade unions for awareness-raising and training of stakeholders.

Specific actions have been carried out in the past with respect to certain territories and in collaboration with regions to disseminate the GL in specific sectors, such as the nautical industry, the ceramic districts, the packaging industry.

Over the year many activities of **practices and needs assessment** by enterprises on the application of GL principles have been implemented, whose results are quoted within the Action Plan.

Coherently with the OECD guidelines, since 2011, the NCP has been developing some **instruments** in aid of **enterprises** for the implementation of the Guidelines, such as repertories of best practices.

<sup>43</sup> <http://pcnitalia.mise.gov.it/>

An example in this direction is the project implemented by the Ministry of Economic Development in cooperation with Centromarca-IBC (association of brand-name industry of consumable goods with 30.000 member enterprises) that led to the preparation of an IT instrument allowing enterprises to find the behavioural practices to refer to in order to identify CSR operational initiatives to put into place.

(<http://www.ibconline.it/corporate+responsibility/presentazione/1.292.1>)

At the same time, the NCP set up **operational guidelines for SMEs on due diligence in the supply chain**. Due diligence is understood as, according to the OECD<sup>44</sup> definition: a continuous process of risk assessment and of possible actions for the prevention and mitigation of the adverse impacts on human rights and on other goods covered by the Guidelines, caused by the activities of the enterprises and by their relations with business partners. Further instruments of due diligence in the supply chain are being developed for the iron and steel making and goldsmith sector. In this perspective, for the goldsmith sector, the Ministry of Economic Development signed in 2012 a Memorandum of Intents with Federorafi (National Confederation of Jewellery Makers) and the *Responsible Jewellery Council*, an international non profit organisation comprising over 370 members, committed to the promotion of ethical and responsible rules and operational practices, respecting human rights, social principles and the environment, with reliable and transparent practices, for the whole sector, from minerals extractions to retailing<sup>45</sup>.

Internationally, the NCP cooperates with the **Ministry for Foreign Affairs** for the dissemination of the GL principles through the diplomatic and consular network, as well as with the **Directorate General for the Internationalisation and exchanges promotion** of the same Ministry of Economic Development, stably engaged in promoting the so-called Italian Concept. The NCP, moreover, collaborates with the **Internationalisation Agencies** (ICE, SACE, SIMEST) in order to make enterprises obtaining export grants and support aware of the contents of the Guidelines and of the position of the Italian government regarding their adoption. To that end, in the years 2011 and 2012<sup>46</sup> training courses for Agencies' officials were implemented, to pass on to enterprises the Guidelines' content.

Still internationally, the Italian NCP collaborates with the OECD Investment Committee within the **proactive agenda**, i.e. a collaborative process with stakeholders representatives within OECD (BIAC, TUAC and OECD Watch) and with other international stakeholders, to promote the effective adherence to the Guidelines through encouraging positive actions by multinational enterprises in achieving the sustainability objectives and in identifying adverse impact risks associated to some sectors and geographical areas.

Similarly, NCP intends to participate actively to the **outreach** processes of the Guidelines in not adhering countries, especially in the Asian area.

An original feature of the Guidelines is the possibility of the NCP to **intervene in specific circumstances** on a stakeholder initiative, in cases of presumed violation of principles by an Italian enterprise operating abroad or by a foreign enterprise operating in Italy.

It is a non judicial mechanism of mediation, the so-called instance mechanism, accessible by every subject having a legitimate interest on the issue. The NCP is called to act on the basis of the principle of impartiality, predictability, equity and comparability with the Guidelines. Under the proce-

<sup>44</sup> OECD Guidelines, ed. 2011, Comments to the general principles, § 14.

<sup>45</sup> More information on RJC are available on the website: [www.responsiblejewellery.com](http://www.responsiblejewellery.com)

<sup>46</sup> In 2011 the NCP realised training courses for ICE staff and Invitalia managers devoted to attracting the investments. In 2012 SACE realised a summarised guide for the commercial staff, including the local offices (Torino, Milan, Monza, Modena, Lucca, Pesaro, Rome, Bari) and staff of offices abroad.

dural profile for the management of the instances the NCP is asked to issue and publish a Final Declaration on case closure, which can contain recommendations for the enterprises on the expected responsible conduct.

#### **Interventions 2012-2014**

- **Dissemination and implementation of the OECD Guidelines at national and international level, in coordination with the Administrations, the Internationalisation Agencies, enterprises, trade unions and other stakeholders**
- **Promotion of human rights protection in connection with national and international initiatives**
- **Experimentations on due diligence in the value chain for enterprises in the different economic sectors, with special attention to SMEs**
- **Production of toolkits and other operational instruments for enterprises, to disseminate also through Italian embassies**
- **Participation to OECD initiatives for the proactive agenda and to the outreach initiatives of the Guidelines**
- **Collaboration with institutions and stakeholders for the implementation of the National Action Plan on CSR**

## **2. Promotion of international standards and initiatives**

The European Commission intends to intensify cooperation with Member States, Partner Countries and appropriate international bodies to promote internationally recognised principles and trends to ensure reciprocal coherence.

Together with the exhortation of the Commission, national level actions are to be pursued to facilitate the adoption of these trends by enterprises, in particular, as requested by the Commission itself, by large enterprises.

### **a) United Nations Global Compact**

The Global Compact (GC) encourages enterprises all over the world to adopt the 10 guiding principles to create a financial, social, environmental framework apt to promote a healthy and sustainable world economy, granting to all the opportunities to share benefits. It implies the voluntary adherence by individuals, be they enterprises or stakeholders, to its principles and their application, but, at the same time, does not exclude their responsibility for their failure to respect the norms in force.

The Italian Global Compact Network (GCNI) has 200 members, 70% of those are enterprises. It was created with the aim of contributing to the development of a sustainable economy, respectful of human and labour rights, environment protection and fight against corruption. As well as actions at local level, the GC provides for world level collective actions. Some high profile examples recently supported by enterprises are: *"Caring for Climate: A Business Leadership Platform"*; *"The CEO Water Mandate"*; *"The Extractive Industries Transparency Initiative – EITI"*; *"The Publish what you pay initiative"*; *"The Business Leaders Initiative on Human Rights"*, *"The Voluntary Principles on Security and Human Rights"*.



The *Global Compact Management Model* is a way of entering into a world community of sustainable businesses, a constantly open dialogue and working table with national and international institutions, a source of new proposals for businesses and society (for example enterprises promote Global Compact in the supply chain). The GC offers many action and innovation platforms, allowing participants to demonstrate leading roles on critical issues and promoting the ten principles. The GC LEAD Programme need to be mentioned, reserved to world enterprises that Global Compact deem able to carry out a leading role at international level because of their commitment for a sustainable development, not only respecting the ten principles of the Global Compact but also actively promoting the UNO Millennium Development Goals. The reference approach is included in the Blueprint for Corporate Sustainability Leadership, ENI is one of the participating Italian LEAD enterprises.

At Governmental level, Italy supported the “UN Declaration on the Role of Governments in promoting Corporate Responsibility and Private Sector Engagements in Development” (2010) and the “Recommendations of the Global Compact Leaders Summit 2010” (25 June 2010). The Italian Government supported the “Rio+20 Corporate Sustainability Forum (June 16th -18 2012)”, ensuring a high level of participation of Italian enterprises and organising workshops. In 2011 the Ministry of Foreign Affairs organised, in cooperation with the New York Global Compact Office (GCNI), the first European GC Local Networks meeting, focusing on public-private initiatives in view of Rio+20 on food safety and sustainable agriculture, green jobs and social inclusion, sustainable towns. In 2012 the Ministry of Foreign Affairs chaired the Global Compact Donors Retreat.

As for projects, in the 2003 – 2006 period, the Ministry of Foreign Affairs supported the initiative in partnership with the Italian ILO Office, financing the project “*Sustainable Development through Global Compact*” aimed at disseminating GC to SMEs interested in working in Albania, Morocco and Tunisia. Trade associations, unions and local enterprises were involved in the project.

During 2013 -2014, actions will continue for: promoting the voluntary adhesion of enterprises and consolidation of implementation of GC principles; consolidating and disseminating good practices; sharing the company vision of CSR as key issue in company management. A proactive participation will moreover be granted towards the upcoming GC dates of the in 2013 (*Leaders Summit* and *European Global Compact Network’s meetings*).

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#### **Interventions 2012-2014:**

- **Promotion of voluntary adhesion by enterprises and third sector organisations to Global Compact**
  - **Consolidation and dissemination of best practices**
  - **Active participation to GC processes**
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#### **b) ISO 26000**

At the beginning of 2011, the Italian language version of the ISO 26000 “Guidelines for social responsibility” standard was issued. The choice to make immediately available the translation of this important document indicates how relevant the social responsibility issue is perceived to be for the market.



The standard is borne out of a long effort lasted five years by ISO/TMB/WG on "*Social responsibility*" with a multi-stakeholder approach aimed at assisting organizations regardless of their sizes to contribute practically to sustainable development. The Italian standpoint was represented by the UNI Technical Commission<sup>47</sup> "Organizations' social responsibility", a body set up in 2003 as a working group, counting among its members representatives from the government, trade associations, trade unions, consumers' organizations, NGOs, the research and consultancy sector.

The UNI ISO 26000 on social responsibility is not a system management norm and is not to be intended as having certification aims.

In such context **INAIL**, deeming it necessary to define a form of voluntary regulation apt to provide an univocal operational reference to the Italian business world, makes itself available for the active participation to a multi-stakeholder table to be set up at the Ministry of Labour and Social Affairs, for the development of **simplified guidelines for SMEs and Sectorial guidelines on health and safety aspects on the workplace**. In implementing this activity the contribution of social partners will be essential, INAIL would make available a solid technical know-how, making use of the experience matured at the ISO Working Group table for ISO 26000 and already experimented in the context of the discounts on insurance premiums (the possibility of reducing the INAIL insurance premium)<sup>48</sup> as well as for the participation to the Technical Committees of the Standing Consultative Commission on good practices and ethical codes<sup>49</sup>, proposing itself as subject of reference on health and safety on the workplace at the multi-stakeholder table. Such an action will be implementable starting from 2013 and could end by 2014. It is aimed at all the social partners.

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#### Interventions 2012-2014

- **Promotion of voluntary adhesion of enterprises and organisations to ISO 26000 standard**
- **Definition, with INAIL support, of simplified guidelines for SMEs and sectorial guidelines on health and safety on the workplace, with the contribution of social partners**

#### c) **Extractive Industries Transparency Initiative (EITI)**

Since the G8 summit in Genoa, the Italian government provided proactive support to the *Extractive Industries Transparency Initiative*, considered an essential instrument in fighting corruption, aimed at promoting transparency on the influx of revenues coming from the extractive industries. In 2007 during the G8 summit of Heiligendamm it formally approved, as supporting country, the EITI principles, becoming a member of the C Sub commission<sup>50</sup>

The vision on EITI of the Italian government was defined by the Ministry of Economic Development together with the Ministry of Foreign Affairs. It can be summarized in the necessity of respecting a minimum global standard and, at the same time, of applying it at national level, with a

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<sup>47</sup> UNI - Ente Nazionale Italiano di Unificazione (Italian Standards Organization) – is a private non profit organization founded in 1921 and recognized by the State and the European Union; studying, developing, approving and issuing the voluntary technical norms – the so-called "UNI-ISO norms" – in industrial, commercial and services sectors (apart from electrical and electrotechnical). UNI members are enterprises, professionals, associations, public bodies, research centres and schools. UNI represents Italy in the European (CEN) and global (ISO) standardisation organisations.

<sup>48</sup> Ministerial Decree of 12 December 2000 art. 24 – mod. OT 24 all. I.

<sup>49</sup> Legislative Decree n. 81/08 as amended and modified, art. 6, para. 8 lett. d) and h).

<sup>50</sup> Of whom in 2012, it takes on the Presidency and, in 2014, the expressed presidency, lastly in occasion of the 5<sup>th</sup> EITI Conference, in Paris (2-3 March 2011).

reasonable amount of flexibility; of obtaining a surveillance system on extractive authorities; of supporting the enlargement of the number of supporting and implementing countries; of promoting the exchange of information among EITI, the Global Compact and the OECD initiative on due diligence in the supply chain of the extractive industries.

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#### **Interventions 2012-2014**

- **Support to the EITI initiative for the definition of a minimum global standard**
- **Coordination with the OECD Guidelines and the UN Global Compact.**

#### **d) G20 Anti-Corruption Working Group**

Italy took part, since the adoption (Seoul G20, November 2010) of the Action Plan to the G20 Anti-Corruption Working Group, promoting at national level the public – private dialogue on this issue.

As recalled, the most important laws on transparency in public procurement promoted by Italy are the Law n. 136/2008 “Extraordinary measures against organised crime”, the Law n. 217/2010 and the Legislative Decree n. 187/2010 “Urgent measures for national safety”. In the application of this normative, the Authority for the Surveillance on Public Contract (AVCP - Autorità per la Vigilanza sui Contratti Pubblici) defined the CIG – Codice Identificativo Gara (Tender Identification Code) for payments traceability and provided dedicated guidelines.

In December 2011, the Ministry for Public Functions and Simplification set up an *ad hoc* Committee for the preparation of a law proposal on transparency and prevention of corruption in public administration. In February 2012 the Committee proposed an addition to the draft law against corruption (see also A.2.d).

The Ministry of Foreign Affairs intends to continue and reinforce the cooperation with the Global Compact and the OECD guidelines on the fight against corruption.

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#### **Interventions 2012-2014**

- **Support to international initiatives against corruption through laws and assistance to enterprises**

### **3. International Cooperation**

As for the international development cooperation, activities grew and multiplied, with the increase in the numbers of administrations and private subjects involved. There are at least twelve central state administrations involved in interventions classifiable as public help to development. As for the private sector, as well as recognized NGOs as per the Law on Cooperation n. 49/1987, over 1200 international solidarity organizations, fair trade organizations, private social sector, cooperatives, immigrant businesspeople and migrant communities with their remittances, have long been active in international cooperation.

Another aspect to underline and develop is the capacity of private enterprises of promoting the use of local enterprises and the direct acquisition of goods and services, contributing to the growth of sectors operating on the local areas and the enhancement of the local country supply chains and ac-

quiring thus a greater licence to operate.

For an effective action, it is necessary to start from the analysis of local communities needs involving the stakeholders, with a special attention towards vulnerable groups, and, at the same time, measuring the results of initiatives undertaken.

Positive examples for the promotion of the Italian national economy are the initiatives of Italian embassies such as the “club of the 30” in Uganda, and of the Chambers of Commerce, such as the Italian one in Mexico, promoting initiatives of Italian NGOs to the enterprises.

In the course of 2012, under the coordination of the Minister for International Cooperation, the International Cooperation Forum was organized. The preparatory work and the debate was followed by the policy declaration, the “Chair Summary” issued on 2 October 2012, the last day of the Forum.

**a) Attracting enterprises towards Italian cooperation and international solidarity priority countries**

The “Forum Chair Summary” and the preparatory papers, issued by 10 thematic working groups, constitute a White Paper of proposals for the re-launch of the Italian international cooperation policy and the definition of a new approach. Among the objectives is to attract the productive world towards Italian cooperation priority countries. The Forum highlighted the need to face in a new way the relations between cooperation and internationalization of enterprises, two processes that can converge and interact in an effective manner.

In particular, the thematic working group n. 6, that reflected on the role of non profit and profit private sector in cooperation, underlined the importance of the adoption by enterprises of CSR conducts for a responsible internationalisation, seen as a process allowing the enterprise to contribute *de facto* to financial, environmental and social development of developing countries where it operates, becoming thus a development partner, as well as gaining economic and financial advantages in a win-win relationship. To that end, the Working Group recommended also to reinforce dissemination in the entrepreneurial system, and above all among SMEs, of the OECD Guidelines on CSR and to valorise and reward “responsible” conduct through the adoption of specific measures (for example, establishing *ad hoc* rewards and awards or granting public support for the internationalisation especially to enterprises adopting or committed to adopting CSR conducts).

Lastly, in the promotion of the Italian enterprises’ responsible internationalisations projects, it is important to foresee the direct involvement of enterprises’ own foreign workers (returning businesspeople). The wealth of knowledge and relations in the private sector of such workforce can become the added value for the realisation of a business incubator in the countries they come from.

As for the third sector, active citizenship and civil society organisations, the following are quoted as a positive example, given the great number of the many activities implemented.

**AVSI - Associazione Volontari per il Servizio Internazionale** (International Service Volunteers Association) is a non profit organisation (ONLUS) founded in 1972, who implemented over 100 projects in 38 countries in Africa, Latin America, West-Indies, Middle East, Eastern Europe and Asia. It works in the following fields: social and educational, training and job placement, urban development, health, employment, agriculture, food and water safety, energy and environment, humanitarian relief, migration. In particular, AVSI is experienced in managing projects also in collaboration with the major Italian enterprises (Fiat, Eni, Enel). It adhered to the Global Compact and is working with many DGs of the European Commission (Employment, Social Affairs and Inclusion, Enterprise and Industry) and with CSR Europe.

**Cesvi** is a nongovernmental organisation of international solidarity founded in 1985. It operates in over 30 countries to face all kind of emergencies and rebuild civil society after wars and calamities. Above all, it intervenes with projects fighting poverty, through initiatives of sustainable development, based on local resources and collective mobilisation of the beneficiaries. In Italy and in Europe, Cesvi carries out educational activities to develop a world solidarity culture, to enlarge the donors' and volunteers' base and to influence private enterprises and public institutions in supporting cooperation development projects. In over 25 years, more than 3000 enterprises supported Cesvi. On the basis of Cesvi approach in the partnerships with enterprises, the guiding principle is that sustainable development is based on a balance between environmental, social and economic factors. Cesvi accompanies enterprises in the partnership route from the identification of the best typology of collaboration and communication procedure, up to the empirical measurement of the Social Return of Investment (SROI).

**Focsiv** (Federation of International Voluntary Service Christian Bodies) with its 65 organisations, having more than 7000 associates and more than 60,000 people between members and supporters, together with Apurimac, has been involved for a long time in social responsibility in international development and it is trying to build an Italian model of CSR focused on the issue of cooperative internationalisation among local communities. There are over 1000 volunteers living abroad in the 660 development projects and about 6,000 local workers daily engaged in Italy. Among the best practices, the international corporate volunteering project realised together in **Terna** and in collaboration with the Salesians Society of Kami, in Bolivia. Thanks to the contribution of a group of Terna volunteers, during many field missions, a 37 km long electrical network was realised in an extremely impervious area of the Andes, at 4,000 metres of altitude, but above all there was a transferral of know-how, with a training-on-the-job process leading to the training of about 20 Bolivian workers now skilled in maintenance and potential creation of new rural electrical networks. The enterprise donated also in kind pylons and various dismissed materials sent to Kami for the realisation of the network.

The **SAD – Sostegno a Distanza (Long - Distance Sponsorship) Forum** is a coordination network concerned with long distance sponsorships also through agreements with enterprises.

The **COOPI**, International Cooperation not for profit NGO, is among the major Italian international cooperation organisations. Laic and independent, it supports every year over 5 million of beneficiaries in 23 countries in the South of the world, assisting the population in case of emergencies and working for the promotion of development against every form of poverty. In implementing its mission it uses funds made available by European and International institutional funders, as well as private donations: from individuals, foundations, enterprises.

For what concerns microcredit, on the 26 September 2012 in Quito (Ecuador) the new agreement between **Federcasse** (the Association of Cooperative and Rural Banks) and **Codesarrollo** (the second level bank of the system of over 800 small village banks) was signed. Its aim is to support the development process of the solidarity economy and of the people's finances of the South American country, ten years after the previous agreement initiating the project "Microfinanza Campesina"<sup>51</sup>.

<sup>51</sup> The project received the following acknowledgements: Winner of Sodalitas Social Award in 2003 for the section "Ethically oriented finance"; Special mention among the ten best development projects of the "World Business Awards in support of the Millennium Development Goals" (ICC – ONU) 2004; Winner of the Takunda Prize (Cesvi) 2004. The Codesarrollo President, Bepi Tonello, was given the UN Environmental Award (Beijing, 2002) and the International Social Responsibility Award (Bilbao, 2003).

At the Federcasse-Codesarrollo agreement signature, a conference was organized in the Ecuadorian capital to celebrate ten years of the project (the first of such agreements was signed in October 2002). In ten years, over 200 Cooperative and Rural Banks made available to Codesarrollo (small loans given by local cooperative banks to their communities) over 40 million dollars. The aim was to promote – through microfinance – the cooperation of credit and its core values: the central role of the individual, self-help, financial democracy and – more in general - the dialogue and reciprocal exchange among communities within the country and among countries in the North and South of the world.

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#### **Interventions 2012-2014**

- **Initiatives for the co-partnership of enterprises to the objectives and actions of international development cooperation and international solidarity**
- **Promotion of partnerships among enterprises, nongovernmental organisations of international cooperation and of international solidarity and third sector, active citizenship and civil society organisations**
- **Promotion of synergies between responsible internationalisation and social and economic development cooperation through national and institutional networks (embassies, agencies for the internationalisations, Chambers of Commerce, etc.)**