

Corporate **Social** Responsibility

Ethics in business: purpose above profit



Both the EU and UN are pushing companies to adopt ethical business practices, sustainability and fair treatment of staff, or corporate social responsibility. **Annette Chrysostomou** looks at how Cyprus is faring

Is corporate social responsibility (CSR), a hotly contested term in many countries, making progress in Cyprus or just used for window dressing?

Alexandros Antonaras, assistant professor at the University of Nicosia and head of CSR Cyprus, a newly founded institution to inform businesses on the definition of the term and help businesses in Cyprus to understand what they need to do, believes progress is being made.

"In the last few years there has been a shift in Cyprus, because now there is a new EU law requiring large organisations, public interest entities who are on the stock exchange, such as banks and insurance companies, who employ more than 500 people, to issue a non-financial report," he told the *Sunday Mail*.

This means, he added, that by 2019 these companies have to report on non-financial issues for 2017, such as human rights of employees.

"As a result of a 2015 dialogue people started to find out what is needed, and we

started to find out what needs to happen."

By now the association has 36 members from various industries which employ more than 20,000 people, representing 22 per cent of the local GDP.

Younger generations are increasingly sensitive about where products come from and young investors tend to promote sustainable projects, thinking differently from older people

There is a change, as the agenda is to adhere to the 17 development goals of the United Nations agenda for 2030.

"Now companies identify priorities because of this, it brings sustainability to the top of their agenda," he said. "It has become a very important part of a business strategy at a high level."

Having said that, he cautioned that Cyprus "is not there yet", meaning that organisations don't yet under-

stand CSR's importance for their survival, and instead of having employees dealing only with sustainability the work involved in this area is usually covered by the marketing or communications department.

He believes that ultimately the new law and the need to report to the EU will mean that corporations will be more transparent and genuine. The EU, in future, will also make smaller companies accountable, reducing the number of employees from 500 to less.

An extra push factor is that younger generations are increasingly sensitive about where products come from and young investors

tend to promote sustainable projects, thinking differently from older people.

Does that mean all is well? Maz Demosthenous, a lecturer who has done research on the topic of ethics and CSR in Cyprus and has been able to compare it to Australia where he lives and works, believes we have way to go.

Corruption and the way the government is involved in it play a big role, and politicians are far from leading by examples as they should.

While Antonaras says CSR is all for real, Demosthenous says it is not.

He argues

that as long as the government continues to be corrupt, there is little chance of meaningful change.

"Politicians in power are doing window dressing to benefit themselves. They need to lead by example if people are to follow and act more ethically. It seems that laws have to be changed and more importantly enforced if individuals and big hotels are to consider issues such as food waste and recycling."

He said none of the big hotels take such issues seriously.

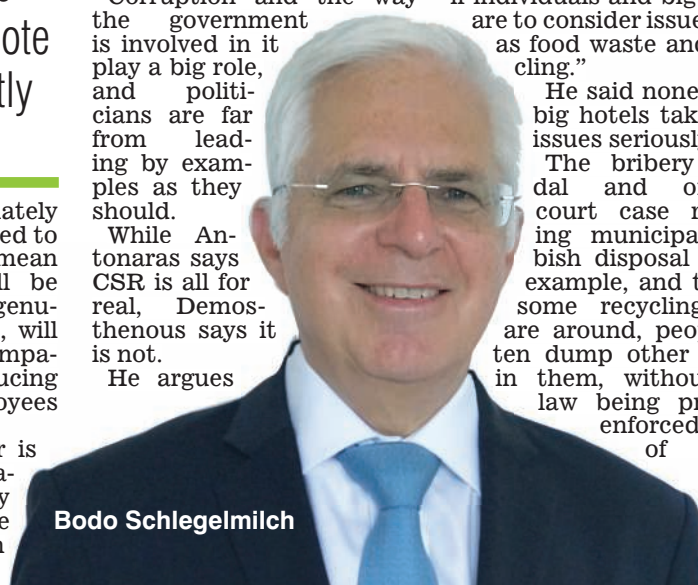
The bribery scandal and ongoing court case regarding municipal rubbish disposal is one example, and though some recycling bins are around, people often dump other things in them, without any law being properly enforced. None of this

sends a message to either companies or individuals that they should be socially responsible but instead spells out that corruption is accepted.

There is a slight change, with some people being given fines, though not very high ones, and a few ending up in jail, but much still needs to be done.

He thinks the fact that there is an EU law to provide sustainability reports by bigger companies doesn't help much, for two reasons. Firstly, the GRI [Global Reporting Initiative] is a guideline, and the amount of information companies supply is up to each of them and it is not controlled. Secondly, not all companies are the same, and therefore the information they provide is not comparable.

"If companies really cared in Cyprus and thought of the welfare of their employees, then why are wages so low?" he asked. "Some people get a mere €800 per month, how can they live on that when they have to pay



Bodo Schlegelmilch

Adopting purpose above profit

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rent and have a family?” More should be demanded of companies with regards to CSR he says.

CSR is not a priority, though there are some positive changes. Like Antonaras, he says young people are more aware and likely to vote in favour of responsible behaviour.

More education is needed to change the culture around. All management courses need to embrace the idea of purpose first, profit later.

Some of this is happening said Bodo Schlegelmilch, who is an expert in the field and was in Cyprus recently to give a talk on global marketing.

Commenting on global developments, he said the issue is multi-faceted, with most companies following the GRI framework, though they are not forced to do so by law, and this is not different regarding Cyprus.

“There are three pressure points, the consumers, regulators who support sustainability and the industry itself because they are trying to save costs. For example, if a metal which has a limited availability, when sup-



plies threaten to run out, it makes sense to recycle it,” he explained.

“An increasing transparency, aided by social media, means that there is less capability to hide.”

Good news are that some prestigious universities around the world now do pursue teaching purpose above profits.

Schlegelmilch who is the chair of the association of international MBAs as well as a lecturer and travels widely, says this is being acknowledged and real steps

are being taken by universities to include CSR not only in teaching but also by focusing on research on the subject.

However, he commented ethical misconduct is happening in companies around the world, and is not about to stop.

He concluded by saying the picture is not easy to gauge. Where companies are really trying to make a difference, they may be ridiculed as it is always easy to criticise, and when they are not, it is often hard to find out.



Bank of Cyprus showcases its ‘imprint’ in corporate social responsibility report

THE Bank of Cyprus on Thursday presented their corporate social responsibility report based on international standards for the first time.

The report detailed the bank’s strategy to leave its ‘imprint’ on society and the environment.

Chief executive officer of the Bank of Cyprus, John Hourican, (pictured) emphasised the bank’s role as part of Cypriot society. Hourican stressed that health and education matters were a particularly important part of the bank’s initiative. He pledged that the bank will continue to be transparent over the inner workings of the establishment.

Michalis Persianis, BoC’s corporate affairs director, highlighted the sense of responsibility that the bank has to society at large, far beyond charitable actions.

The report analyses thoroughly and accurately the steps that were undertaken



by the bank in 2017 in terms of corporate social responsibility and reflects the commitment that the bank has made to the principles and strategy of the Global Reporting Initiative (GRI).

■ The report can be found on the Bank’s website: <http://www.bankofcyprus.com/el-GR/our-responsibilities/csr-reports/>

Alphamega hypermarkets on the side of Cypriot society



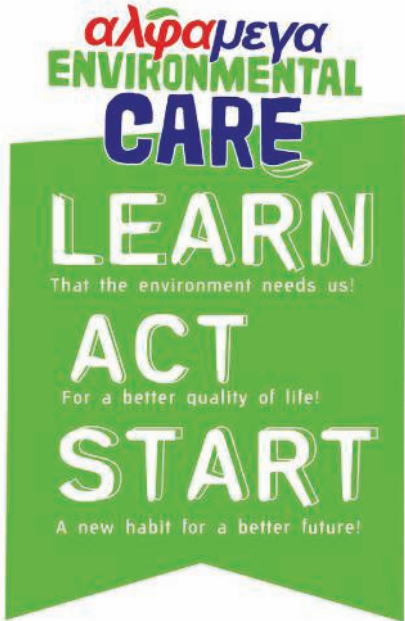
Over the past 21 years Corporate Social Responsibility (CSR) has been ALPHAMEGA Hypermarkets’ real concern. Throughout these years, they have developed a complete CSR programme, which is constantly being renewed according to changing needs.

ALPHAMEGA Hypermarkets’ CSR: integral part of philosophy

ALPHAMEGA Hypermarkets’ people strongly believe that CSR practices need to be based on person-oriented actions rather than superficial measures. The contribution to Cypriot society has always been among the priorities of the company. Its strategic plan includes an advanced framework of activities, through which it supports charitable bodies and individuals.

Environment and reusable bags

Being sensitive to the issue of reducing plastic bags usage long before the implementation of the European directive in



Cyprus, ALPHAMEGA Hypermarkets had already launched their own reusable bags, which are available at every store, in 2015. Part of the revenues generated by the sales of the reusable bags is offered to the Cyprus Marine Environment Protection Association, while the rest is used for several other similar environmental activities.

Child, Nutrition & Health

ALPHAMEGA Hypermarkets have, over time, expressed their concern and support to areas such as education, environment, health, culture and sports. Their main focus is on children, for which they organise several campaigns within the framework of the wider programme called Child, Nutrition & Health. In collaboration with the Cyprus Dietetic and Nutrition Association, they offer a personalised diet plan to students (9-12 years old) based on their personal needs.

Run As One is an annual road running event taking place every October, which aims at raising awareness of the benefits of



proper diet and exercise, especially when it comes to children. The revenues of the participation fee in the race are used for the needs of the Child, Nutrition & Health programme.



Foundations

ALPHAMEGA Hypermarkets’ support is extended to different foundations caring for children, elderly people, animals and generally, every kind of life. Some of them are Archbishop Makarios III Hospital, Hope for Children, One Dream One Wish, Karaïskakio, Sophia Foundation for Children, Cyprus Red Cross Society, Funraising and Goal in Life.

“The support we receive from our staff and customers makes us feel even more confident to continue contributing to a better quality of life for everyone, especially for children,” commented Head of Corporate Social Responsibility at ALPHAMEGA Hypermarkets Elina Theodotou.

At Cyta we act responsibly

CYTA is the leading provider of integrated electronic communications in Cyprus. Utilising technological developments and the convergence of telecommunications and IT, Cyta is today the leading organisation of quadruple play in Cyprus, providing a broad range of reliable, innovative telecommunication services and solutions, both to households and businesses.

Since February 2004, it is the exclusive partner of Vodafone in Cyprus and, at the same time, member of the biggest family of mobile telephony in the world.

For People

Corporate Social Responsibility (CSR) safeguards and protects the society and the environment. For Cyta, CSR constitutes an essential expression of the responsibility that it recognises it has towards stakeholders. It relates to the way it operates in every business activity and its relations with all those it affects with its actions. It is fully aware that its business activity could have a positive contribution but also negative consequences.

EMBRACES SOCIETY

In the field of CSR, the approach adopted by Cyta is holistic. It embraces all sectors of society, with a full sense of responsibility to its customers, the staff, associates and suppliers, as well as the broader society, the state and the environment. With this approach as its basis, in 2004 Cyta signed the Sustainability Charter of the ETNO (European Telecommunications Network Operators Association), with the commitment of offering products and services that provide significant environmental, social and economic benefits, as well as specific solutions for vulnerable groups.

Contribution to children

- Solutions for safe use of the internet by children, such as the Cytanet 'Safe Internet - for home' and 'Safe Internet - for schools' service, as well as the application safeMobile for mobile phones and tablets.
- Arrangement of seminars and lectures at schools with the aim of educating children, parents and the public for the correct and secure use of the internet.
- Creation of the HFC Beat Bullying app in co-operation with the non-profit organisation Hope For Children. The application allows children to communicate anonymously with the relevant authorities to report cases of bullying.

Support of social groups

For Cyta, the accessibility of telecommunication products and services to people with disabilities, impaired vision, hearing or mobility constitutes an important issue of corporate responsibility. The organisation utilises the new technologies and offers these people equal opportunities in communication. Parallel to this, in an effort to provide substantial assistance and make life and communication easier, it offers reduced

rates to some 36 thousand fellow citizens, whose income is below the limit defined by the relevant state services as the poverty line as well as to groups of citizens with special needs.

RESPONSIBILITY FOR THE ENVIRONMENT AND THE PLANET

The commitment to the long-term pledge on environmental issues has been proved practically for another year by Cyta, as an organisation that sends zero waste to landfill. It has secured the certificate 'Zero Waste to Landfill' from TÜV Cyprus Ltd. This certification is issued when an organisation recycles more than 95% of its waste. In 2017, Cyta, through its unwavering environment-friendly policy, managed to re-use or recycle 97% of its waste.

Cyta's waste that is re-used or recycled includes, among other things, paper, plastic, cables, aluminium, batteries, printers, vehicles, organic waste, poles, ink cartridges, tyres, wood and more. Consistently and responsibly, Cyta wants to further reduce the proportion of waste that cannot be re-used or recycled. As part of this plan, aims at 0% waste to landfills.

In July 2018 Cyta won the Golden Award from the Environmental Awards 2018 in the category 'Waste Recycle - Reuse', as the first standing out among many good candidates, as the first Organisation in Cyprus with Zero Waste to Landfill, with a waste recycling percentage in the region of 97%.

The 'Environmental Awards' aim at creating conditions of noble competition for the promotion of environmental sensitivity, highlight social contribution and reward good practices for the protection of the environment and sustainability, as well as innovative, viable 'green' projects, technologies or programmes that contribute to a healthy environment and economic development, by companies and organisations.

Cyta is the first Cypriot organisation that has secured the certification of environmental quality 'Green Office' for all its shops, with regard to the quality of their environmental administration and operation.

'Green Office' is the pioneering, pilot programme of environmental quality for buildings and offices that is administered by the Cyprus Marine Environment Protection Association CYMEPA. Its issuing requires: a) the implementation of and adherence to strict criteria related to use of energy and water; b) waste management; c) use of environmentally friendly products for personal cleanliness and detergents; d) quality of food and drinks; e) the conversion of free spaces into green areas; f) environmental training.



Gold Award at the Environmental Awards 2018

Recycle. Reuse. Reward!



SUSTAINABLE DEVELOPMENT

For the protection of the environment, the policy implemented relies on the provision of products and services that contribute to sustainable development and the minimising of the negative consequences on the environment from their functioning. At the same time, Cyta has included in its priorities, scheduled tree-planting in all towns of Cyprus in order to reduce the carbon footprint. In the framework of this objective, one tree is planted for every 10 new connections of the Cytavision service. Cyta also constantly pursues actions for reducing the

use of electrical energy, water and fuel. Cyta is constantly seeking new ways that would enable the Organisation to carry on making a practical contribution for a better tomorrow.

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We act responsibly

For the environment, the society, our customers and our personnel.



Lidl: a mission for a better tomorrow

Lidl Cyprus takes care of customers by contributing decisively to strengthening and supporting the society in which it is active. Its actions aim at sustainability and the daily provision of high quality products, safeguarding the company's momentum in the future.

There are five main pillars of activity: Society, Environment, Products and Human Resources, as well as both External and Internal Associates.

Society:

Under the slogan 'Our Mission is a Better Tomorrow,' Lidl Cyprus is a strong participant in social contribution through social responsibility activities in collaboration with established organisations. From time to time social activities have been jointly implemented with various organisations, while the funding of the Health Education programme took place in collaboration with the Ministry of Education and Culture. In addition, support for Anatolia College's Center for Talented Youth (CTY) Greece continued. Anatolia College offers scholarships to talented Cypriot students.

Also, since 2013 and in recognition of the social work carried out by the Arodaphnouse Palliative Care Centre, Lidl Cyprus has undertaken not only the operational costs for the beds there but also the provision of foodstuff needed by

the sufferers/guests offered at the hospice. Lidl also covers salaries and whatever other operational costs are necessary so as to ensure daily healthy and delicious meals to patients. Through implemented social actions, Lidl Cyprus also seeks the active participation of its consumers by creating a chain of love and social contribution.

The 'Buy the Bag Carry the Cause' initiative provided that each time a designer bag was bought, part of the proceeds went to the hospice. In a similar manner, on many occasions, Lidl involves clients and associates in actions that benefit credible charities and organisations. Over the festive periods this year, Lidl gave its customers the opportunity to offer to those in need by purchasing a festive redwood figurine with €2 from each purchase going towards Arodaphnouse. And over Easter, Lidl repeated the charitable activity by supporting 'Cyprus Red Cross' Cyprus of 'Parcels of Love'.

Environment:

In the environment field, Lidl Cyprus acts responsibly since the long-term goal set for high quality services and efficiency can only be achieved within a healthy natural environment. Lidl Cyprus implements this on a daily basis by applying environmentally friendly innovations such as optimal energy efficiency for its installations, the production and use of renewable energy sources and best use of recycling. Lidl is committed to reducing plastic material, by setting three important goals:

- (1) To withdraw the plastic bags from its stores as of January 1;
- (2) To reduce the use of plastic

material by at least 20% by 2025; and

(3) To ensure the 100% use of recyclable materials on label packaging by 2025.

Products:

Lidl Cyprus supports local producers and offers high quality products at competitive prices, while it systematically checks the quality and source of production.

Associates:

Lidl Cyprus employees enjoy a stable work environment that rewards individual

responsibility, teamwork and high performance. The company ensures stable and secure work, even at difficult times, and provides attractive salaries and benefits. Continuous education is provided at national and international level to ensure a good work environment that will positively affect the performance and productivity of employees and attract new associates in the long run and through its support for new work positions during the same period. The number of positions was 1,504, marking an increase of three per cent compared to 2015. Direct positions were 512, indirect were 465, and 527 associated ones, and all this represents 0.43 per cent of total employment in Cyprus.

External Associates:

The main objective is corporate, long-term relations with Lidl Cyprus associates based on transparent quality standards with the aim of achieving sustainable cooperation.

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