

The AlphaBEM of the Responsible Manager



GLOBALLY RESPONSIBLE LEADERSHIP
INITIATIVE

en collaboration avec
La Caisse d'Epargne
Aquitaine Poitou-Charentes

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Rationale

Everyone is talking about responsible management nowadays, claiming to be concerned about the future of the planet and humankind. But is this a mere fad? A new advertising approach? A final salute to a society that is on its last legs? Listed French companies are now forced by the country's NRE Nouvelles Régulations Economiques law to produce impressive sustainability reports demonstrating their efforts to deal with today's main environmental and social challenges. There have been a host of initiatives in this area, ranging from awards recognising responsible behaviour by companies or individual managers to the United Nations Global Compact, green driving, responsible consumption, energy savings, corporate-NGO partnerships on environmental protection projects and development aid. The risk is that they will all get muddled up in one big pile.

For nearly 15 years now and irrespective of the latest public relations fads, BEM Bordeaux Management School has strived to help its students acquire real sensitivity to the complexity of the global issues that every manager faces nowadays. Grounded in the humanist tradition of great Aquitaine figures like Montaigne, Montesquieu or more recently Jacques Ellul, BEM has always tried to deliver its traditional management curriculum in conjunction with a sense for the conflicts, uncertainties and changes affecting the environment in which companies evolve and assume certain roles - much in the same way as states, international

The Globally Responsible Leadership Initiative
page **7**

From sustainable development to organisations' global responsibility
page **11**

Global responsibility at BEM
page **15**

The AlphaBEM
page **22**

Key texts
page **102**

Key websites
page **104**

The index
page **106**

Authors
page **110**

GRLI
The EFMD (European Foundation for Management Development) and the UN Global Compact have launched a Globally Responsible Leadership Initiative. An international network of schools and companies has been constituted to scrutinise the training of responsible managers.

PRME
In 2007, UN Secretary-General Ban Ki-moon launched the PRME "Principles for Responsible Management Education" initiative for business schools and universities. Around 100 institutions have committed to promoting global corporate responsibility and sustainability in management education and research.

institutions and civil society actors also operate. This tradition forces students to question the meaning of their own actions, as well as those of the organisation with which (or for whom) they are working.

In 2003, the UN Global Compact and the European Foundation for Management Development (EFMD) launched the Globally Responsible Leadership Initiative (GRLI). The purpose was to constitute around 15 "School/Company" tandems as platforms for the training of responsible managers. BEM, working alongside the Caisse d'Epargne Aquitaine Poitou-Charentes (CEAPC) building society, was chosen with a dozen other teams from all across the world. BEM and CEAPC have built up a strong local partnership through their participation in this international network, which today accounts for nearly 40 institutions. Through their academic section "Organisation, Responsibility, Globality", the "Sustainability and Global Responsibility in Organizations" chair and the "Business, Values and Responsibility" research section, they have devised teaching and applied research programmes that engage groups comprised of nearly 15 partners (companies and NGOs).

BEM's deeply held conviction is that responsible management cannot be decreed but is something that people need to experience. More than anything else, it is a process and a human adventure. Books and articles might help people to develop knowledge and an ability to think but it would be pretentious and even controversial to try and define the notions of

sustainability and managerial responsibility using just a few stylised facts. And yet, that is exactly what we will be trying to do here! Albeit with a sense of humility and in fact a great deal of humour: humility because we do not view our output as anything exhaustive but instead as an unpretentious way of offering, in the disorder of an alphabetical order, an initial insight into the multitude of sometimes ambiguous and even contradictory notions hidden behind the concepts of sustainability and responsible management. It is true that the possession of a dictionary does not guarantee that a person will write sensibly, but there is some merit in providing people with a small tool that they can use to at least start grappling with certain words and their meanings. A sense of humour is also important because despite the seriousness of responsible management, no one gains if they become bored with the subject. If humanity is about to embark on this great new adventure, why not make it fun? After all, if something becomes bothersome, people will tire of it very quickly. Certainly, that is the message we are trying to convey here.

When taking future train journeys (as the responsible citizens that you are), in a quiet moment during a frenzied day in town or even while musing upon some rundown building you find, you can take this little glossary out of your pocket and go on your way with the feeling that you have it in you to change the world...

Philip McLAUGHLIN
Director, BEM

Principle 1

Purpose: We will develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.

Principle 2

Values: We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.

Principle 3

Method: We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

Principle 4

Research: We will engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.

Principle 5

Partnership: We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.

Principle 6

Dialogue: We will facilitate and support dialog and debate among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

"A high performance bank and a socially responsible company". It is this vision that I'd like to share with the men and women of the Caisse d'Epargne Aquitaine Poitou-Charentes, on the occasion of the merger of France's three main Atlantic coast savings and loans institutions.

As a trailblazer in the field of sustainable development, Caisse d'Epargne embodies in French minds a company that is clearly capable of succeeding in a globalised market economy even as it remains conscious of (and responsible for) the need to lower its overall environmental footprint.

The new Bénéfices futur programme will bring progress in fields ranging from responsible marketing, the battle against climate change and the socially responsible investments expected of a bank that counts solidarity as one of its founding principles. With this agenda, Caisse d'Epargne is clearly assuming a very original positioning in the world of banking.

Building upon our cooperation with BEM as part of the Global Responsibility Leadership Initiative, we are very proud to have participated in the preparation of the AlphaBEM glossary – an achievement that I view as being highly congruent with our status as a cooperative bank.

I hope you find this volume both enjoyable and instructive.

François AUDIBERT

Former Chairman of the Board,
Caisse d'Epargne Aquitaine Poitou-Charentes

The Globally Responsible Leadership Initiative

Developing a next generation of globally responsible leaders

The Globally Responsible Leadership Initiative (GRLI) is the largest community of businesses and business schools/learning institutions uniquely focused on developing a "new" generation of globally responsible leaders. To do this we are challenging the issues of the company for the 21st Century, the mission of business schools/learning institutions and the process for cultural change in organisations. GRLI is a co-convenor, a member of the Steering Committee and an active supporter of the Principles for Responsible Management Education (PRME).

The GRLI guiding principles from the beginning were (and remain) that whatever we engage in must:

- 1. Be result oriented:** Whatever the initiative decides to do must clearly increase the capability to deliver visible results on the ground.
- 2. Have long-term effects:** Whatever the initiative decides to do will only qualify if it stands a strong chance to live on, and continuously affect the development of globally responsible leaders.
- 3. Be unique:** Getting things done innovatively, quickly and effectively while honouring and sustaining the unique combination of the partnership of businesses and learning institutions and not done elsewhere.

What is the GRLI Mission?

The Mission of the Globally Responsible Leadership Initiative (GRLI) is to be a catalyst to develop a next generation of globally responsible leaders.

GRLI's Strengths

The GRLI's main strengths are:

- Its unique concentration on developing the next generation of globally responsible leaders;
- Its global scope (in terms of partners and cross-cultural thinking);
- Its partnership-based approach consisting of pairs of a company and a business school/learning institution;

GRLI's Strengths

- The extent to which others see it as the reference point for the dilemmas of global responsibility in education;
- The calibre, reach and influence of its partners;
- Its guiding principles;
- The support of its two founding partners, EFMD and the UNGC.

Examples of Current Collective Actions

Supporting the Implementation of the PRME

GRLI supports the PRME by sharing its experiences in hands-on learning from the implementation of the six principles in our partner schools.

Creating Communities of Responsible Action (CoRAs)

CoRAs provide opportunities for GRLI partners to share their experiences with other stakeholders.

GRLI's Milestones and Achievements

In its short period of existence the GRLI has had many achievements based on its mission and commitment to developing a next generation of responsible leaders:

- Publishing “A Call For Action” (December 2008) on the issue of global responsibility and the challenges of creating a new generation of globally responsible leaders;
- With the publishing of “A Call For Engagement” (November 2005), GRLI will remain a thought leader on the issue of global responsibility and the challenges of creating a new generation of globally responsible leaders;
- Bringing the phrase “Global Responsibility” into the international business vocabulary as an expression of the role of business in society that is far beyond traditional corporate social responsibility;
- Creating the platform from which many GRLI partners have presented the message and challenge of Global Responsibility in dozens of forums and organisations around the world;
- Scoring notable successes in terms of change within a number of GRLI partner organisations;
- Spurring the United Nations Global Compact's to launch the Principle for Responsible Management Education (PRME) initiative and participating in its governance;
- Building a strong global community connected by shared values and a profound sense of the need to see change in business education, increasing the reach of GRLI, in an inclusive and progressive process.
- Since the beginning, focussed on thought leadership regarding the **Company of**

Tomorrow/The Corporation of the 21st Century;

- Continuous development of learning methodology – “**Whole Person Learning**”;
- Launching new programmes and curricula in companies and schools.

GRLI Today

GRLI is a global multicultural community of action and learning. It operates with a fully transparent and unique governance model with all partners participating. GRLI identify and act on key leverage points for scalable change through concept development, advocacy and execution of new learning practices and work in partnership as a global community of change agents.

Today the GRLI has 62 partner organisations and is expanding rapidly. It has set a limit of 120 partners for the years to come in order to remain a fully integrated and action oriented global network, and to fulfil its unique role as a leading global catalyst for key challenges and future demands regarding how to develop a next generation of globally responsible leaders.

Maximising GRLI Impact (Phase 2 from 2009-2014)

How do we ensure GRLI creates the maximum impact in the context of its mission “to create a new generation of globally responsible leaders?”

For phase two, we are combining our current entrepreneurial and customized approach (encouraging individual, bilateral and group actions wherever individual partners have energy to act) with a greater emphasis on identifying and acting collectively on key lever points to effect systemic change.

These communities are focussed on a theme and/or set-up as regional or local multistakeholder networks. Examples of setting up geographic CoRAs are found in Brazil, France, and the United Kingdom.

Research and Publication

The collective research work is focussed on three main issues: the corporation of the 21st Century, reframing the purpose of business schools and management education, and the process for cultural change in organizations. Additionally GRLI has two partner journals: *The Journal of Global Responsibility* and *The Sustainability Accounting, Management and Policy Journal* (SAMPJ).

GRLI Ambassadors

In a majority of General Assemblies, GRLI has involved students in the discussions. The GRLI Ambassadors use a forum driven and managed by student champions

that engages students and junior managers from GRLI partner institutions across continents in a debate on concepts developed within GRLI and their integration in the curricula and business practices.

New Approaches to Learning

Execution of new learning practices is ongoing within the partner organisations with the support on a collective level. Examples are the PETROBRAS Globally Responsible Leadership Manual and In-company Training Programme, new curricula at CENTRUM PUCP and the Whole Person Learning Concept.

Founding Partners



<http://www.grii.org>

In so doing we will:

- Continue to develop frontrunner organisations amongst our own partners who undertake major transformative actions around their own institutions and provide role models and test beds from which others can learn; and
- Accelerate and scale up our impact through greater collective focus.

Within this two-pronged approach, we will continue to work within the broad focus areas of:

I. Advocacy

The process of advocating for global responsibility as the highest form of responsible behaviour and for the development of globally responsible leaders.

II. Concept Development (Thought Leadership)

The development of new concepts and ideas as well as the identification of existing ones which assist in identifying what it means to be globally responsible and how to develop/educate leaders with that focus.

III. Practice/execution

Practical projects that businesses and business schools/learning institutions initiate in pursuit of our goals.

However, rather than focusing on these three categories identified above and then identifying actions within them, we are reversing the process and will be focussing on specific initiatives, actions and programmes that have the greatest potential to achieve a broad-based global impact. Some of these are strategic in nature and some are tactical. In every case, we believe that they carry an opportunity for impact.

From sustainability to organisations' global responsibility

Sustainability:

a recent term for an old concept

Questioning the environmental impact of human activity is nothing new, but during the period of global economic development and internationalisation that followed World War II the issue shot up many people's agenda. An early attempt to reconcile economics and ecology came in 1951, with a report by the International Union for Conservation of Nature showing how economic development damages the global environment.

In the early 1960s, René Dumont published a book entitled *l'Afrique Noire est mal Partie* ("Black Africa on the wrong road") criticizing export-oriented agricultural development models and describing them as heretical for both environmental and economic reasons. Less than a decade later, in an era of monetary upheaval and just before the first oil crisis erupted, the Club of Rome published a report entitled *Limits to growth* (1972) questioning the quasi-systematic relationship between growth, development and progress and paving the way to the notion of zero growth. In the wake of this seminal text, the United Nations Stockholm Conference on the Human Environment fostered the emergence of the construct of eco-development, advocating a type of economic

Club of Rome

Apolitical international association that initiated debate on the construct of negative growth. Published the Meadows report in 1972, also known as *Limits to Growth*.

1972

Opening of first Earth Summit at Stockholm, followed by the creation of the United Nations Environmental Programme (UNEP).

Brundtland Rapport

1987 publication
of Our Common
Future report.
Drafted by World
Commission on
Environment and
Development, this
document defines
sustainable
development as
*“development
that meets the
needs of the
present without
compromising the
ability of future
generations
to meet their
own needs.”*

development that is compatible with social justice and ecological prudence and arguing against uncontrolled increases in the supply of goods. Based on these precepts, there came a succession of international conferences on the environment and development, in conjunction with the implementation of major United Nations programmes like UNDP (United Nations Development Programme) and UNEP (United Nations Environmental Programme).

The aggravation of environmental problems resulting from a series of ecological catastrophes, along with talk about the “hole” in the ozone layer, the unstoppable desertification of entire regions (usually affecting poor countries) and the rising number of “water wars” were all factors that set alarms off in people’s heads and gave further impetus to a dual “Environment/Development” approach. It was against this background that the Brundtland Commission (named for the Norwegian prime minister who presided over the World Commission on Environment and Development) published in 1987 a famous report entitled *Our Common Future*. This text consolidated the term “sustainable development”, which it defined as *“development that meets the needs of the present without compromising the ability of future generations to meet their own needs”*.

In short, **to be sustainable development would have to be economically viable, socially fair and environmentally friendly.** The concept was accepted by 182 states at the 1992 Rio de Janeiro Earth Summit. Because it seems to reconcile three apparently contradictory spheres,

sustainable development is first and foremost a process that raises questions about traditional visions of how political, economic and social actors’ responsibilities should be shared.

From sustainability developments to global responsibility

Between Milton Friedman writing in 1962 that *“The social responsibility of business is to increase its profits”* and a statement by the World Business Council on Sustainable Development (2001) that *“Business is not divorced from the rest of society. Companies are an integral part of the societies and communities in which they operate. And business cannot continue to generate wealth if the society around it fails”*, there is a huge gap. For around 15 years, and parallel to the emergence of the concept of sustainable development, a great deal of research was devoted to the question of corporate social responsibility, attesting to deep interest in the real function of the corporate sector (and of the business world in general) as well as its responsibilities given the serious challenges facing planet Earth today. Historically, it may have been acceptable to have a simple distribution of roles where companies were in charge of creating economic value and states were supposed to ensure economic and social cohesion, but due to globalisation things are very different today. Companies operate across the world as they do in their domestic markets, treating foreign states as actors who are no different from any other and forcing them to compete with one another.

International conferences on the environment and development:

1972 Stockholm
1982 Rio
1987 Kyoto
2002 Johannesburg
2007 Bali

WBCSD

Founded in 2001, the WBCSD (World Business Council for Sustainable Development) has become a network of 180 companies from 30 countries and 20 industrial sectors.

Its members are committed to promoting sustainable development, which they see as reconciling economic growth, environmental protection and social progress.

In reality, the economy has become a component of - and dependent on - the social and economic spheres. Companies are no longer solely accountable to their shareholders but also have a larger accountability towards all stakeholders: employees, customers, suppliers and the communities affected by their activities.

This responsibility is both **a-spatial** in the sense that it is not limited to a given geographic space but also plays out on a local and international plane, and **a-temporal** in the sense that it implies obligations to future generations and therefore encompasses the collision between short-term profitability requirements and the need for a long-term management of the human and natural resource required for the perpetuation of our societies. From a corporate perspective, the concept of Global Responsibility means re-thinking the role of globally responsible managers and opens the door to a new approach to management training.

Laurence HARRIBEY Jean-Louis DUQUEROIX

Professor
Project Manager,
Global Responsibility
BEM

Former Communications
Director
GRLI Delegate
CEAPC

Global responsibility at BEM Bordeaux Management School

BEM not only transmits knowledge, know-how and behavioural models to students but also promotes values like solidarity, respect for the environment and ethics. As such, its vocation is to contribute to the emergence of a generation of “responsible managers” capable of apprehending the complexity of the world and behaving in a way reflecting general awareness of the causes and consequences of action. The need for “responsibility” has become one of the School’s main pillars today. It permeates its curriculum and influences many research, partnership and internal management choices. BEM’s global responsibility approach aims to:

- *Reform the School’s mode of organisation and governance to increase economic performance and enhance the quality of its activities as well as employees’ sense of commitment*
- *Improve students and employees’ living and working conditions*
- *Reduce its environmental footprint and commit operational expenditures in a responsible manner*
- *Raises all students, employees and partners’ awareness to sustainability issues when applied to companies, municipal authorities, NGOs, etc.*

1874

Creation of
*Ecole supérieure
de commerce de
Bordeaux*,
known today as
BEM - Bordeaux
Management
School.

2004

BEM launches
a global
responsibility
approach.

BEM in figures

2,700 students
18,000 alumni
200 professors
and other staff
members
12 training
programmes
65 partner
companies
95 partner
universities.

This approach revolves around four axes: teaching; research; networks; and responsible internal management.

Axis 1: Teaching responsibility

Within each of the School's programmes, specific modules offer students insights into the economic and social roles that companies fulfill, but also into the roles played by states and by civil society in general. A host of different themes are covered, including business ethics; financial analysis using global responsibility criteria; socially responsible investing; multi-national criminality; debt funding; monetary policy; corruption; North-South co-operation, etc. The aim is to transform the contents and teaching of traditional management disciplines. In addition, two chairs offer professional conference cycles providing deeper insights into topics like: "Sustainable development, a strategic challenge for organisations and local authorities"; "Entrepreneurship, micro-enterprise and sustainable development in the Global South"; and "Culture and governance as major challenges for globalisation and sustainable development".

It is one thing to distill knowledge but quite another to apply it. BEM promotes "the learning of responsibility" by offering students workshops on North/South economic development as well as French *Grandes Ecoles* challenges on topics like professional ethics, responsible communications and sustainable mobility. The School also offers the possibility of group work, professional

dissertations and internships with NGOs or companies, all relating to Global Responsibility.

Axis 2: Helping to advance knowledge in the field of Global Responsibility

Working together under the aegis of the BEM Research Centre (CEREBEM), Global Responsibility accounted for nearly one-quarter of the School's research/teaching efforts in 2006-2007, concretised in academic articles, conference participations, books and book chapters, research files and case studies. The main locus for these activities was the School's "Business, Value and Responsibility" research section.

To sustain and stimulate this academic output, BEM organises a number of events every year. Examples include a conference on "Solidarity savings in the service of international cooperation" (October 2007); the fifth day of the Humanism and Management conference, covering the topic of "Innovation, responsibility and risk-taking in contemporary societies" (April 2008); and the ISLI's 20th Supply Chain Forum, on "Sustainable logistics: innovating today to succeed tomorrow" (May 2008). In 2009, BEM will host the GRLI General Assembly

Axis 3 : Integrating the School into Global Responsibility networks

To nourish its different thought processes and optimise its approaches, BEM has reinforced its Global Responsibility openness and exchange strategy at both the local and international levels.

A **"Sustainability and global responsibility chair"**

was created in September 2003 under the tutelage of the Caisse d'Epargne Aquitaine Nord building society to offer students a complementary training programme in sustainability and corporate global responsibility.

Creation of the **"Arts, culture and management in Europe chair"**

that offers BEM students management training covering the relations that exist between the worlds of art, culture and management.

2005

BEM joins the Global Compact.

GRLI

The BEM - Caisse D'Epargne Aquitaine Nord tandem is chosen by EFMD and the UN Global Compact to take part in a project dealing with the training of responsible managers.



Being part of GRLI alongside CEAPC, BEM has been a member of the UN Global Compact since 2005. As such, it is committed to support the “PRME” Principles for Responsible Management Education initiative that the Secretary General launched in 2007. The School is also part of the “Campaign for Responsible Campus” movement since its 2006 inception. Initiated by the *Graines de Changement Association*, the *Comité 21* and the WWF, this campaign seeks to convince business schools and universities to integrate sustainability into all of their academic and teaching activities.

Lastly and in addition to the strengthening of its academic and institutional networks, BEM has just finalised two North-South co-operation projects, the first being a training programme called CEEIM *Culture Entrepreneuriale pour les Ecoles d'Ingénieurs Marocaines* (“Entrepreneurial Culture for Moroccan Engineering Schools”) that is co-funded by the European Commission; and the second, due to begin in autumn 2008, the building of a new BEM Campus in Dakar (Senegal), opening two programmes specifically targeting students from Senegal and sub-Saharan Africa in general.

Axis 4. Implementing responsible practices

The fourth and final (but not the least important) axis is rooted in the fact that “teaching”, “researching” and “exchanging” are necessary but insufficient conditions for BEM to be considered a responsible institution.

To achieve this status, the School must behave in an exemplary manner in governance terms and as regards the management of its human and material resources.

Social responsibility

To introduce greater transparency and consultation in its governance processes, in 2004 BEM opened its Board of Directors up to a host of stakeholders, both internally (students and employees) and externally (companies but also bodies like France's Council for Non-Profit Associations or Institutional Consultation Committee.

A policy of integrating persons with reduced mobility has become a priority for the School's selection and safety policies. BEM has been working since 2004 to ensure the best possible reception for this population segment by providing access ramps and adapted stairwell, electric gates, classroom access and adapted furnishings.

BEM is also devoted to its students' social diversity, encouraging this through a Solidarity Fund (€212,000 for the 2006-2007 school year) and a work-study sandwich programme enabling ESC programme undergraduates who so desire to work on a part-time basis.

Lastly, the School also offers material, financial and academic support to students' local solidarity projects. Examples in France include AIDS charities, food banks and soup kitchens. Overseas projects include educational work

in Burkina Faso, Mali and Cameroon, the collection of funds for an Indian orphanage and the 4L Trophy.

Environmental responsibility

Since 2004, BEM has implemented a purchasing policy aimed at reducing its environmental footprint. Its two main projects in 2007 involved refurbishing classrooms in compliance with France's NF Environnement (Education and Furnishings) standards and PEFC (sustainable forestry) certification requirements; and the acquisition of three condensation boilers in a bid to reduce the School's energy bill by 15%.

The School has also devised a waste management and recycling policy that has led to the collection, since 2005, of around 10 tonnes of paper, cardboard and computer printouts.

The latest action is the "responsible transportation" initiative that has been up and running since January 2008. On the first Tuesday of every month, BEM asks employees and students to use public transportation, bicycles and carpooling when commuting from home to work. Above and beyond its goal of increasing environmental awareness, this initiative seeks to identify transportation constraints and issues at the School, ultimately enabling it to formalise a Corporate Travel Plan.

.../..

Of course, the above list of actions and commitments is not exhaustive. If you want to know more about BEM's global responsibility approach, I heartily welcome you to check our 2007/2008 report at:

<http://www.bem.edu/en/Identité/Responsabilité-globale>

Philip McLAUGHLIN
Director, BEM

A is for...

1854

Henry David Thoreau, considered one of the world's first environmentalists, publishes "Walden or Life in the Woods".

ADEME

France's ADEME *Agence de l'Environnement et de la Maîtrise de l'Energie* (Environment and Energy Control Agency) is a state sector organisation reporting to the country's Ministry for Research, Ecology and Energy. Its areas of involvement include the prevention of air pollution, limitation of waste production, control of energy usage, promotion of renewable energies and management of the environment. www.ademe.fr

Accountability

The principle that physical persons and legal entities (along with communities) are responsible for their actions and can be held accountable for them. The obligation for an organisation to assume responsibility and be able and willing to discuss the reasons, causes or rationales for its actions.

Agenda 21

Adopted by 173 nations at the 1992 Rio de Janeiro Earth Summit, Agenda 21 is a sustainable development action programme for the 21st century. The signatories are committed to implementing a series of recommendations, notably encouraging:

- Access to health care, water, employment, housing and healthy food
- Biodiversity
- Reduction of greenhouse gas emissions
- Waste management
- Citizen training and increasing people's awareness of sustainable development issues.

In France, the State has asked territorial authorities to co-operate with their partners (companies, citizens, NGOs and non-profit associations) and translate national commitments into local Agenda 21 agreements. The operative phrase is "thinking globally and acting locally". Since 2003 and the Paris government's adoption of a National Sustainability Strategy, local Agenda 21 agreements have become a

benchmark for actors across France, including regional and county councils, district authorities, municipalities and townships. By yearend 2008, the country as a whole was hoping to have a total 500 local Agenda 21s up and running.

Agenda 21

<http://www.agenda21france.org/>

B is for...

Bee

Einstein is supposed to have said that, "*If bees were to disappear off the face of the Earth, humans would only have four years to live*". A living being that plays a crucial role in the reproduction of our flora is under threat due to human agricultural and social practices. Basically, we are cutting our legs out from underneath ourselves.

Jacques-Olivier Barthe,

WWF Panda Magazine n° 112 March/May 2008

Biodiversity

Biodiversity refers to the diversity of living beings. It is a relatively general and imprecise construct but can be quite useful for communication purposes. Scientists prefer the concept of biological diversity, which can be broken down into ecological diversity (surroundings), specific diversity (species) and genetic diversity.

Preserving the Earth's biological legacy is strategically crucial, for economic as well as purely ecological reasons. This is because biotechnology is a leading area of interest for

1864

George Marsh writes *Man and Nature* highlighting humankind's destructive effects on the environment and specifically denouncing the adverse effects of deforestation.

many researchers today. Preserving diversity means keeping in “reserve” a biological and genetic legacy that might be used one day to manufacture new kinds of medicine, energy or food.

Brundtland report

The *Our common future* report - more widely known as the Brundtland report - is the product of work done by the World Commission on Environment and Development, which convened in 1983 under the aegis of the United Nations. This Commission brought together many leading figures and experts from across the world and sat for a period of three years. Its mandate was to research the possibility of discovering development paths that could help developing countries catch up with the industrialised world while simultaneously protecting the environment. Gro Harlem Brundtland, then Prime Minister of Norway and later director of the World Health Organisation (WHO), was appointed the Commission's president. Published in 1987, the Brundtland report did not have much media resonance when it first appeared. Its influence rose within a few short years, however, notably because it was the first document to define the concept of sustainable development, construing this as a kind of “*development that meets the needs of the present without compromising the ability of future generations to meet their own needs*”.

Buyers

This is a very subtle role in which an increasing number of women have started to excel.

Salespersons have a love and hate relationship with buyers, who are chronically uptight individuals known to keep a close eye on the purchasing orders that embody their power and which they therefore distil as slowly as possible in order to prolong their pleasure at being both feared and desired. The foundation of a buyer's role is what used to be known as the female archetype of passivity-dominance. This materialises in the way that buyers manipulate salespersons, who always imagine themselves to be young, dynamic and aggressive – and who stupidly believe, like some stereotypically foolish men, that they are the ones taking the initiative.

Buyers like to create and/or sharpen competition among suppliers, squeezing them on price and quality to increase potential profits towards the retail side of the value chain. Ultimately, buyers are the people defending the purchasing power of widows and orphans. They are the salt of the earth.

The buyer who has been bought: a comic illusion that only happens to other people. The worst situations are where everything has been proscribed (hiding places and clandestinity). The distinguishing feature of this kind of buyer is a code of conduct written on laminated paper.

Xavier Leclercq, BEM-MAI program speaker

C is for...

Carbon taxes

The purpose of this initiative – defended by environmental activists worldwide (Al Gore, GIEC,

1872

Yellowstone becomes the United States' first federal national park. It is declared a world heritage site in 1978 before being partially destroyed by forest fires in 1988.

1876

United Kingdom adopts the River Pollution Control Act, prohibiting the discharge of sewage and other effluents into rivers.

1919

International Labour Organization (ILO) founded at the Versailles Peace Conference. Currently comprised of 178 member states and headquartered in Geneva, the ILO's aims are "to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue in handling work-related issue". Since 1946, the ILO has been part of the wider UN organisation.

Fondation Nicolas Hulot, Grenelle Environment Summit, etc.) - is to levy taxes penalising any production that produces large quantities of CO₂ (the main greenhouse gas) and encouraging actors who use few fossil fuels (oil, gas, coal) while transforming, producing and distributing the products and services that people consume. There are two main types of carbon taxes:

- A "nominal" carbon tax, which is when governments retrocede certain charges and taxes to economic actors to help sustain their purchasing power,
- The "European border tax", a tool penalising products from countries not participating in the battle against global warming.

CO₂ emissions are largely the product of four kinds of human activity:

- Transportation,
- Housing,
- Agribusiness,
- Industry.

Individuals can influence the first three points directly and relatively rapidly through their actions. This involves:

- Driving and flying less,
- Improving old habitats; designing new housing that performs better in energy insulation, storage and restoration terms; and planning denser and more user-friendly urban spaces,
- Eating less meat and systematically preferring local and seasonal fruit and vegetables.

All in all, the purpose of carbon taxation is to accelerate behavioural change – the reason being that delaying necessary change will only make things more difficult, costly and painful.

Climate change (extreme climatic events)

The polar icecaps are melting, glaciers are shrinking, deserts are spreading and coral reefs are dying. Extreme meteorological phenomena, including cyclones, floods and heat waves, have proliferated in recent years. It is not entirely clear what is happening in this area, but the signs are very worrisome, with climatologists noting that the planet's average temperature rose by 0.6° C over the course of the 20th century. To overcome this challenge, humankind will need to adapt and reduce its greenhouse gas emissions.

<http://www2.ademe.fr/>

Co-operative societies

Born in the 19th century, co-operative principles are more topical than ever:

- Resources should be pooled because strength lies in union,
- Democratisation of operations,
- People should have a sense of their own responsibilities and ability to take the economic initiative.

The vocation of a co-operative is to position working men and women at the very heart of a company. This can take several forms, including:

Workers' Production Co-operatives

A kind of commercial company that operates and develops in a competitive sector and has to contend with the same management and profitability constraints as any other firm would. The originality resides in the fact that its employees are the majority shareholders, holding an at least 51% equity stake. All employees are destined to become associates

1930

ILO Fundamental Convention on the Abolition of Forced or Compulsory Labour, ratified by 172 states.

1948

ILO Fundamental Convention on Freedom of Association and Protection of the Right to Organise, ratified by 148 states.

in line with modalities defined by existing associates and with their agreement.

As majority associates, the employees of a workers' production co-operative jointly decide their company's main orientations and appoint its executives (Managing Director, Board of Directors, etc.). They also decide the distribution of profits, which will have a dual vocation: to help people currently working within the company via profit-sharing arrangements (i.e. dividend payments); or to prioritise future generations' welfare by building reserves that will bolster the company's equity position and guarantee its long-term survival. The leading mindset in this kind of co-operative is the need for significant employee information and training, viewed as essential if people are to acquire the autonomy, motivation and sense of responsibility that have become so important in today's highly uncertain economy.

Collective Interest Co-operatives

A new form of co-operative, governed in France by a law dated 17 July 2001, enables different actors (employees, volunteers, users, authorities, companies, non-profit organisations, households, etc.) to associate around a particular project despite beneficiaries and interested parties' varying motivations.

This kind of co-operative produces goods and services that will fulfil a given region's collective needs by optimising the mobilisation of its economic and social resources in a way that respects co-operative rules. Such rules include a distribution of power adhering to the principle of one-person, one-vote; the involvement of all associates in the life of

the company and its management decisions; and the decision to keep earnings within the company in the form of undistributed reserves aimed at guaranteeing its autonomy and long-term survival.

Corporate governance

Historically, this concept refers to the legal frameworks where companies stipulate their objectives (Board of Directors, Executive Committee, etc.) and define the means for achieving them, serving shareholder interests all the while.

Today, this notion of corporate governance has evolved considerably due to the emergence of the concept of sustainability. This is because corporate governance now requires executives to take all stakeholders' views into consideration, much as they already focus on shareholders' legitimate interests. A company's performance can only be accurately assessed if a balance exists between the three parameters comprising its license-to-operate: profits; people; and planet.

In 1999, the OECD developed some early corporate governance principles, guidelines that were revisited in 2002. In particular, these stipulations covered:

- Institutional investors
- Shareholder rights
- Conflicts of interest and auditors' responsibilities
- Shareholder rights and protection of whistleblowers denouncing illicit or unethical practices
- Board members' responsibilities.

<http://www.oecd.org>

1950

**53 million cars
in circulation
worldwide.**

Corporate social responsibility (CSR)

In 2001, the EC published a green book defining Corporate Social Responsibility as *“a concept by which companies integrate social and environmental concerns into their businesses and interaction with their [internal and external] stakeholders, on a voluntary basis”*.

This relates to a host of actions that organisations undertake when they decide to assume responsibility for the social and environmental impact of their decisions and (product and service) activities. More specifically, it is a transparent and ethical approach that:

- Supports sustainable development and the interests and well-being of all society
- Gives consideration to stakeholders' expectations
- Complies with current legislation and is compatible with international standards of conduct
- Permeates an organisation and its customary activities.

The English expression “corporate social responsibility” covers two notions that are distinct in French, to wit, social but also societal responsibility.

Corruption

“Being corrupt means accepting to do things that people should not do – or not doing what they should do - under the pretext that some form of monetary or other compensation can help to gloss over poor behaviour. Some individuals find it harder than others to ignore such bad conduct, meaning that they cannot be corrupted since they would demand too

high a compensation. Furthermore, although much has been said about the economic consequences of corruption, insufficient attention has been paid to the corrupting effects that an economy as a whole can have. For instance, when people focus too closely on how certain actions by corrupt people cost the economy of one country, what they are neglecting is the extent to which an excessively neo-liberal economy that prospers on the back of a fundamentally unequal, discriminatory and unfair social system costs the whole of society”.

Source: <http://www.fsa.ulaval.ca/personnel/vernag/EH/F/ethique/corruption.html> (Gerard Verna's Blog)

According to the NGO Transparency International, corruption can be *“operationally defined as the misuse of entrusted power for private gain”*. <http://www.transparency.org/>

Every year since 1995, Transparency International has published an index tracking perceptions of public sector corruption on a scale ranging from a score of zero (severe corruption) to ten (absence of corruption). 163 countries were surveyed in 2006, with a strong correlation being revealed between poverty and corruption and Africa accounting for five of the world's most corrupt countries. The African Union estimates that the opportunity cost associated with this phenomenon exceeds \$148 billion, equivalent to at least 50% of member states' tax revenues (2002 African Union report). Corruption can assume many forms, including secret payments (so-called “brown envelopes”), fraud, favouritism (or nepotism), embezzlement of public resources and money laundering.

The battle against corruption

A November 2007 French law against corruption reinforces sanctions against civil servants who let themselves be corrupted, including ones working for foreign states.

Culture and global responsibility

Culture, one of the key issues of globalization, is an incredible booster for sustainable development and creates value without exhausting non renewable resources. Its governance, in public policies, territories, companies and cultural enterprises tallies with corporate social responsibility.

Source:

Gombault A. (2004)
ACME Chair Scientific Project.

Courage

Courage means deciding to act in full awareness of the consequences of one's actions and despite any fear of the unknown and/or the future.

D is for...

Day-to-day (behaviour and practices)

Committing to sustainable development is also a question of common sense. It is tantamount to adopting responsible gestures and behaviour as part of one's daily routines (at work or in school, for instance). This can include:

- Using transportation modes that pollute barely if at all: tramways, buses, trains, bicycles, roller skates or walking. Carpools are also a way for people to cut their travel-related environmental footprint.
- A sensible management of water and energy consumption: shutting off computers and turning off lights in an office or classroom over the lunch break; switching on air conditioning as infrequently as possible; saving the heating system by wearing clothing adapted to the day's weather.
- Limiting waste: plastic (i.e. water cups and bottles) and paper (only printing when necessary, copying on both sides of a page, using older documents for scratch paper).

Development Bank

As its name indicates, a development bank is first and foremost a bank that fulfils a financial intermediation role. It manages deposits and

collects savings, on one hand, while granting loans and offering financial services, on the other. At the same time, a development bank will pursue a fundamental development mission that consists of responding to specific emergency situations, supporting economic development (i.e. as the CEB does) and/or offering micro-credits (as Crédit Mutuel's International Centre does). The operations of a development bank balance the profitability requirements associated with its line of work with its need for financial independence and its social mission. There are many different kinds of development banks, with two examples being:

CICM Centre International du Crédit Mutuel (Crédit Mutuel International Centre)

The purpose of this institution is to mobilise local savings to develop emerging countries' micro-economies by helping all actors to access general banking services. This means that CICM tries to develop structures that are technically, administratively, financially and political viable. Whereas its involvement is sometimes assisting in the creation of a new business network, on other occasions the support it provides goes to existing co-operative banking organisations. The rules that CICM follows include the idea that loans should be offered to members alone; members will have joint liability; any initiative covered should occur within a specific geographical area; board members must serve on a voluntary basis; and any financial surpluses shall not be distributed.

Sources: <http://www.cmutuel.com/cicm/>

1958

ILO Fundamental Convention on Non-Discrimination (Employment and Occupation) for reasons of gender, ethnicity or belief, ratified by 166 countries.

1970
193 million cars
in circulation
worldwide, up a
factor of almost
four since 1950.

The Council of Europe Development Bank (CEB Bank) intervenes in three key areas:

- Greater social integration (providing assistance to refugees and migrants; funding social housing, etc.)
- Responsible environmental management (prevention actions and helping regions hit by natural or ecological catastrophes)
- Development of human capital (education and health care).

Sources:

<http://www.coebank.org/index.asp?ChangeLangue=EN>

Disposable

One way for people to reduce their ecological footprint is through modified consumption behaviour. Since 2004, the WWF - working together in France with associations like *Les Amis du Vent* and O2 France - has been campaigning to convince the general public (along with the corporate sector) of the need for society to shift from a disposable to a sustainable modus operandi. By so doing, the WWF is engaged in a global waste reduction dynamic. Its symbolic adhesion to this manifesto officialises rising awareness of humankind's need to change direction.

A prime example is the single use carrier bag, which causes different forms of pollution: it degrades the environment; is a health danger; causes visual pollution, etc. Plastic bags have become symbols of a society enslaved by consumerist tendencies and disposable goods. They may be very practical but this benefit soon fades in light of the damage caused. The same holds for many other products that are much less "disposable" than they pretend to be. The waste product that has

the least impact is the one that was never produced in the first place.

WWF Manifesto:

Ensemble passons du Jetable au Durable
<http://www.wwf.org.uk>

Diversity

Diversity refers to the wide variety of human profiles that can exist within a given company. Many citizens start out as (sometimes highly qualified) immigrants who are unable to access employment even as fellow graduates find work relatively quickly.

In much the same way as mixing men and women in the workplace is a real driver of social dynamism and performance, companies do not need diversity to prove their compassion but because it is in their economic and social interest. It is widely acknowledged that well-managed mixed and multicultural teams will find more solutions to problems than less diversified teams will. For this reason, an increasing number of large companies have started to create recruitment and diversity positions.

Since a Diversity Charter was first launched in France in October 2004, 318 corporate executives have committed to work towards a multi-ethnic and multicultural French society. One example is the supermarket Auchan, which in 2006 and 2007 trained 5,300 corporate diversity managers, ranging from managing directors, sector heads, section heads and human resource managers.

Web links:

<http://www.charte-diversite.com/index.php>

<http://www.dynamique-diversite.fr/>

<http://diversite-emploi.com/>

Discriminatory recruitment practices

In 80% of all cases, a Franco-French applicant for a job in France will be preferred to a candidate from a North African or Black African background, according to a national survey conducted by the International Labour Organisation (ILO) and commissioned by the French Ministry for Employment and Social Cohesion.

E is for...

1970

ILO Fundamental Convention on (annual) Holidays with Pay, ratified by 35 states.

Eco-citizens

Products of an evolving new “species” that goes under the name of *Homo Responsabilis*, eco-citizens seek natural and economic harmony in their day-to-day interactions. They do not necessarily wear a shirt with flowers or sandals instead of shoes. Aware of the consequences of their actions, they try to contribute as much as possible to the preservation of their surroundings, for the benefit of future generations. They should not be confused with *ego-citizens*, quasi-eponymous individuals whose main concern is their own natural and economic equilibrium.

Eco-design

Eco-design consists of integrating an environmental dimension into product design to reduce the impact of a product or service, both quantitatively and qualitatively, while preserving its qualities and intrinsic performance. A product's footprint can be diminished by altering its constituent materials, raising its energy efficiency and ensuring its end-of-life recyclability.

This assertion is illustrated by the fact that the production of one cotton T-shirt requires the equivalent of 17 coffee spoonfuls of chemical products. In addition, there is the ecological impact of (non-organic) cotton farming that pollutes the soil with massive quantities of fertilizer while consuming enormous quantities of water. Thus, the design of a simple cotton

T-shirt, a product that would appear on the surface to be entirely natural, can be associated with multiple types of pollution, specifically during the cotton's cultivation phase, the shirt's production and transportation and the end-of-life recycling.

In an eco-design approach, each stage of the production process would be analysed separately to determine what are the best available materials, transportation and operational solutions.

Eco-system

An eco-system is a dynamic set of living organisms (biocenosis) sharing a particular physical environment (biotope). It is a locus of permanent interactions for living beings, both with one another and with their surroundings.

From an ecological perspective, eco-systems are tantamount to functional units. Their dimensions can vary greatly, ranging from a simple dead tree to the whole of continent. Two main types of eco-systems can be distinguished: aquatic (fresh or saltwater) and land-based.

Ecological footprint

The concept of “*Ecological footprint*” first appeared in 1992 at the Rio de Janeiro Earth Summit. It expresses the area land and sea needed to satisfy the needs of an individual or group, including the waste produced. Calculated in global hectares (gha), this human *demand* will then be compared to the planet's capacity (*supply*), meaning the area of land and sea *available* for the production of renewable natural resources.

1971

Environment Ministry first established in France.

Humankind's ecological footprint

If everyone on earth led the same lifestyle as the French do, two additional planets would be needed. Humankind has been living in a way that exceeds the Earth's biological capacities ever since the 1970s, with its ecological footprint having practically doubled over the past 20 years. Clearly, the planet's limitations meant that this behaviour is unsustainable.

Source:

Planète Attitude Seuil, Planète-WWF-Caisse d'Epargne, 2004

Ecology

The term *ecology* was defined for the first time in 1866 by German zoologist Ernst Haeckel as “The science of organisms’ relationships with the surrounding world, meaning in the larger sense, the science of conditions of existence”. In 1884, Patrick Geddes, a Scottish biologist and urban planner, laid the foundations for industrial ecology in a text entitled *An Analysis of the Principles of Economics*. By the early 20th century, he was already denouncing the overuse and waste of natural resources for commercial and industrial purpose, explaining why his concepts are viewed as precursors to sustainable development.

According to the 2006 WWF Report, the average per capita demand for resources is 2.2 gha. Yet on a global per capita basis, only 1.8 gha of land and sea are available. In other words, more than 14 months are necessary to regenerate the amount of resources that humankind consumes in one year – one way of saying that at its current rate of resource utilisation, humankind requires 1.2 planet Earths. This ecological excess (or pressure) has several consequences, notably concerning biodiversity (disappearance of flora and fauna species) and the exhaustion of natural resources (gas, oil, etc.).

Ecology

From the Greek words *oikos* (home) and *logos* (science), ecology is first and foremost a scientific discipline dating from the 19th century that studies relationships between living beings or communities (biocenosis) and their surroundings (biotope).

Ecology benefits from the input of other biological disciplines (biochemistry, physiology) or sciences (geography, geology, physics, chemistry, mathematics). In almost all cases, anthropic activities have influenced the functioning of eco-systems and vice versa. As such, ecology is increasingly related to interdisciplinary approaches based on economics, urban studies, architecture and design, sociology, anthropology and/or ethnography. It is only since the 1970s that ecology has assumed the shape of a political doctrine, which in France, for instance, translated in 1984 to the creation of a political movement called *Les Verts* (the Greens).

Energy and agriculture

For thousands of years, food has depended directly on climate conditions and the availability of energy. From mastery over human labour through slavery to efforts to capture the motive force of water, wind or fossil energy, nutritional habits have evolved in a way reflecting the means of production being implemented at a particular moment in time. Food behaviour in the last century, for example, was rooted in a single model characterised by mild climatic conditions and cheap oil resources – to such an extent that oil came to be viewed as an integral part of the food chain, which nowadays transports goods over distances that will often average 2,000 km or more.

In a context defined by global warming, rising sea levels, soil exhaustion, grain price speculation, genetic manipulations, pandemics, obesity and so-called civilization illnesses, what seems essential is the development of agricultural models providing a more appropriate response to the constraints of “sustainable food”.

Ethical funds

Ethical (or exclusion) funds were originally designed to let people apply religious principles while investing in socially responsible funds that would select securities by applying principles that were identical to the ones held by the funds’ designers.

Several variants exist, ranging from funds that select “best-in-class” securities for each investment category – based on a series of financial, environmental, social and ethical criteria and without the automatic exclusion of any sector – to thematic funds focusing on concerns like

Environmental risks

Amoco Cadiz (1978)
is the worst “black tide” that humankind has ever experienced. More than 200,000 tons of oil spilled on the Brittany coastline.

Bhopal (1984)
A toxic leak from an industrial source (pesticides factory) caused the deaths of more than 15,000 persons in India.

Chernobyl (1986)
Following the explosion of a nuclear reactor, a radioactive cloud covered all of Europe. 15,000 persons died in the months following the catastrophe, with more than 5 million others being contaminated.

1974
René Dumont, first
“green” candidate
to run for president
in France.

the environment, employment, etc. Investors in ethical funds and socially responsible funds are more or less willing to accept lesser financial returns and/or higher risks in exchange for the fund agreeing to satisfy their moral requirements. In actual fact, ethical funds promoters’ try to argue that their performance can match and possibly surpass more traditional funds.

Ethics

There are many definitions for ethics and their relationship to morality and codes of conduct. All have at least one point in common, which is that they view ethics as an approach in which conduct is apprehended within a particular value system, even as it is acknowledged as being part of a contestable order. Caught up in their different professional practices, people will fully understand what constitutes a norm, rule, duty or value – even if they sometime have problems stating this clearly. Being rooted in argumentation and pluralism, ethics can help them to surmount this difficulty.

Ethics do not offer solutions but seek to clarify the reasons for certain decisions, using an approach based on dialogue between the parties concerned and third parties representing different disciplines. The specificity of the dialogue is to accept the debatable nature of any proposition relating to the principles underlying - and description of - a situation.

Principles: People often face conflicts in which different (and sometimes opposing) values are at stake. An ethical approach embraces this plurality, representing a more or less coherent puzzle of different traditions. People inherit

moral traditions that come from Antiquity, i.e. from Judeo-Christianity, from a culture of human rights and from traditions that have survived as scattered fragments. This raises questions about the real meaning of the concept of “personal dignity”. Is dignity an intrinsic characteristic of an individual, one that can be neither lost nor gained, so that the person is not really free to dispose of as s/he sees fit (Kantian tradition)? Or is it a particular convention that everyone can define according to their own criteria or those of the group to which they belong (liberal tradition)? Are people autonomous and reasonable beings capable of developing laws that will be the same for everyone (normative definition, Kantian in origin)? Or do they feature a series of characteristic psychological traits, like the ability to make decisions, be aware of one’s own identity and make plans (descriptive definition)? Ultimately, what does a person’s dignity mean? Is it normative or descriptive? This should be stated clearly and the assumption made that a choice of this nature is always debatable. Note that the plurality of meanings attributed to these concepts continues even after a decision has been made. If one conception ultimately ends up by dominating the others, this does not mean that the latter have been eliminated. It is also legitimate to regret being in a situation where their implementation was impossible. Indeed, this may be one of the best ways of guaranteeing an ethical approach, i.e., the fact that decisions have consequences that can be very uncomfortable.

Description: Two integral parts of the ethical approach are the way that facts are described

EABIS

The European Academy of Business in Society (EABIS) is a unique alliance of companies, business schools and academic institutions that, is with the support of the European Commission, committed to integrating business in society issues into the heart of business theory and practice in Europe.

Principles of Sustainable development

In 2001, the Gothenburg European Council agreed that every European Union member state should make sustainability part of its public policy.

Green book

In 2001, the European Commission published a "Green book" on corporate social responsibility.

REACH

In 2005, the European Parliament adopted the REACH (Registration Evaluation Authorization of Chemicals) programme aimed at protecting human health and the environment by regulating the registration, evaluation and authorisation of toxic chemical substances.

and how the characteristics of a situation are apprehended. Most descriptions derive from evaluations and all ask a series of questions. Which aspect is being highlighted by the description? Based on what perspective? Reflecting what point of view? Group discussions help to answer these questions and lucidly identify the values that guide people's vision of things. They create distance from the interests, feelings and prejudices that people carry within themselves whenever they are trying to narrate a situation.

Ethics not only consist of explaining what people's values mean but also intimate the need for a lucid understanding of the real stakes in any given situation. In short, it is worth remembering that a decision taken in the aftermath of an ethical approach will always have consequences since descriptions of the situation (and discussions about its underlying principles) are never complete.

European Union and sustainable development

The 1992 Maastricht Treaty was an important step in European policymaking because of its recognition of the precautionary principle, on one hand, and the polluter pays principle, on the other. However, it was the 1997 Amsterdam Treaty that consolidated sustainable development as a concept revolving around four priority axes: the battle against climate change and promotion of clean energy sources; the need to counteract public health threats, especially relating to food and chemical products; a more responsible management of natural resources; and lastly, the promotion of sustainable transportation.

F is for...

Fair trade

In 2001, four of the main actors in fair trade (Fairtrade Labelling Organisations International, International Fair Trade Association, Network of European Worldshops and European Fair Trade Association), created a network called FINE and came up with the following definition: *"Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers - especially in the South. Fair Trade organisations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade."*

For around 40 years, fair trade has aimed to reduce the economic, social and environmental inequalities caused by international trade. Respect for basic human rights, ensuring that producers and artisans receive decent and regular income, product quality, controlled utilisation of natural resources (raw materials, energy) – these are the main principles of fair trade, which nowadays affects an increasingly broad section of the general public and has diversified its sectors accordingly, ranging from foodstuffs (coffee, tea, chocolate, etc.) to handmade products, clothing, cosmetics and services (eco-tourism).

Max Havelaar

An international association created in the Netherlands in 1988 to promote fair trade between the Global North and South.

Up by 20%

According to a 2007 study by the Xerfi group, Europe is the world's leading fair trade customer, accounting for nearly two-thirds of all volumes. Sales in Europe have risen by 20% annually since 2000, with total 2006 turnover hitting €1.25 billion. Still according to the same study, fair trade in France will experience sustained growth over the next five years, with 2006 sales having already jumped by 40% versus 2005 to reach €166 million.

1980

320 million cars in circulation in the world, up by a factor of almost six since 1950

Financial markets and global responsibility

Recent years have been marked by a number of crises and financial scandals. From the Internet bubble to the sub-prime crisis, from Enron to Vivendi Universal, the financial markets have revealed the extent to which their misdeeds can create havoc in the real economy. The central role of markets in the creation of wealth and economic development should not be forgotten. Through the different functions that they fulfil (funding of the economy, management of savings, risk management, asset valuation, etc.), markets enable economic agents to find the products they need to become entrepreneurs, invest, derive value from assets, etc. – especially when they are efficient, i.e. when market prices integrate all relevant available information (economic environment, corporate earnings, etc.) The aforementioned crises are proof of the existence of periods of market inefficiency caused by information that is poorly processed (Internet bubble) or of poor quality (Enron). In other words, problems occur when prices no longer reflect economic reality, thereby causing actors to take excessive risks in the hope of achieving rapid profits. In this case, the financial markets become autonomous profit centres unconnected to basic economic data.

Responses to these various episodes (Sarbanes-Oxley law in the US, Financial Security law in France) constitute regulatory constraints reflecting growing pressure from stakeholders to see greater transparency and improved risk management. More generally, however, the only thing that can guarantee the financial markets' efficient functioning is

for all actors to behave responsibly. By having companies provide the fairest possible information on their situation; by getting ratings agency to evaluate in a rigorous manner; by having investors who stress socially responsible investment; and by asking economic authorities to intervene when markets go wrong - it should be possible to guarantee market efficiency and create a more harmonious economic environment.

Financial scandals

Over the past decade, the United States has experienced a number of financial scandals, including ones at Adelphia, Xerox, Worldcom and most emblematically Enron, which led to the dismantling of Andersen Consulting.

Founded in 1985 by Kenneth Lay, Enron, an energy sector company, was one of the United States' ten largest firms in market capitalization terms. It also artificially inflated its profits while hiding its losses, using offshore companies and false accounts to increase its market valuation.

On 31 October 2001, the SEC Securities and Exchange Commission opened an investigation that culminated on 2 December 2001 in Enron's bankruptcy, with a loss of 20,000 jobs and hundreds of millions of dollars (pension funds paying for thousands of Americans' retirement schemes).

One notable consequence of this scandal was the enactment of the Sarbanes-Oxley law, voted by the U.S. Congress and ratified by then President Bush on 30 July 2002. The purpose of this law is to reduce the opportunity for fraud and conflicts of interest;

1984

Unprecedented drought afflicts 7 million Ethiopians: 300,000 deaths.

IFRS standards
The IFRS (International Financial Reporting Standards) was enacted in 2005 in reaction to the financial scandals of the early 2000s. Its purpose is to guarantee more transparent accounting in listed companies (or their subsidiaries) and restore savers and investors' trust.

increase financial transparency; and restore public confidence in the markets.

Sarbanes-Oxley attempts to directly affect the factors leading to fraud by:

- Reinforcing supervision and control over administration and audit commissions,
- Enhancing auditors' vigilance and independence,
- Bolstering internal controls and risk management,
- Creating sufficiently strong penalties to dissuade fraudulent behaviour.

Sarbanes-Oxley is also famous for its clauses stipulating CEOs and Finance Directors' personal liability in the certification of their companies' financial results.

Following this law's enactment, the following sentences were pronounced:

- Kenneth Lay, ex-President of Enron: 23 years of prison (posthumously),
- Jeff Skilling, ex-Director General: 24 years of prison and repayment of \$45 million to victims of the bankruptcy,
- Andrew Fastow, ex-Finance Director: 6 years in prison and \$25 million in fines,
- Richard Causey, ex-Vice President for Accounting: 5½ years of prison, \$28,000 in fines and repayment of \$140 million to the authorities.

Food risks

Since Louis Pasteur, the prevention of food risk has always revolved around concepts like cleanliness and hygiene. Through improved knowledge of germs, parasites, bacteria and other microorganisms, considerable progress has been achieved, both in terms of water

quality and food itself. Undeniably, the health security of the world's population is much better than it used to be.

Today, complex and dispersed food chains, de-structured foodstuffs and rising numbers of chemical ingredients have created new risks that industrialists must try to control via specific quality control and certification procedures. On the other hand, as a result of unfettered industrialisation; standardised food behaviour and products; concentrations of toxic molecules in the food chain (pesticides, nitrates, genetically modified organisms, etc.); the proliferation of ingredients made by the chemicals industry (artificial aromas, glutamates, colourings and other thickening agents, etc.); and the generalisation of certain processes (hydro-genated oils, Tran lipids, Omega 6, fast sugars, salt, etc.) – there are new risks whose origins and consequences are hard to measure in the current state of knowledge.

Faced with the pandemics of obesity and so-called "civilisation" diseases, official organisations like the WHO - along with many doctors and independent scientists - have set off alarms bells. Despite pressure from many lobbying interests, a great deal of research, study and investigation is currently in process. Manifestly, health risks seem to have changed in nature.

G is for...

GMO: Genetically Modified Organisms

An organism whose genetic composition has been modified, with one or several genes derived from other organisms being inserted

1985

Scientific community discovers a hole in the ozone layer above Antarctica.

1992
Second Earth Summit opens in Rio, culminating notably in the Agenda 21 programme and in the adoption of a number of biodiversity and climate conventions.

into its genome (DNA) to reinforce some of its properties (i.e. so that it requires less water to grow); imbue it with new functions that are considered desirable (i.e. resistance to parasites); and attenuate or even eliminate certain properties that are considered undesirable (i.e. unpleasant odours).

GMOs often improve agricultural yields. They can also be quite efficient as medical applications.

Most of the time, GMOs are produced by the companies that hold their patent and therefore have monopoly control over them. Paradoxically, the generalisation of GM species encourages the disappearance of older unused species. As such, it is detrimental to biodiversity. In addition, some GMOs create new risks, mainly health-related or environmental ones (i.e. an undesirable dissemination of genes), the impact of which remains unknown at present.

Global Compact

The United Nations Global Compact was launched in January 2000 at the Davos Global Economic Forum by UN Secretary-General Kofi Annan. The mission of the Global Compact is “to unite market forces with the authority of individual ideals” to ensure that companies face up to their responsibilities. The specific aim is to get the business world to commit to 10 basic principles:

• Human rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

• Labour Standards

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

• Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

• Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Companies, professional associations and union organisations can all join the Global Compact. The organisation is little more than a simple commitment, in the sense that it is neither accompanied by controlling body nor by sanctions. Since 2005, members must submit “progress communications” to prove that they have in fact implemented the Global Compact’s principles. If they do not comply, they will be classified as inactive members.

Corporate global responsibility

c.f. page 13-14

1992
Treaty of Maastricht commits Europe to a path of sustainability by affirming the value of precautionary and “polluter pays” principles.

Global security

The concept of global security has been defined by France's INHES *Institut National des Hautes Etudes en Sécurité* ("National Institute for Advanced Security Studies") as *"The ability to ensure, for a given community and its members, a sufficient level of prevention and protection against risks and threats of any nature, regardless of the level of impact and irrespective of the origin, in conditions encouraging the uninterrupted continuation of life and collective or individual activities."*

The concept of "global security" was originated by the 1982 *Palme* Commission on Disarmament. Then, in 1983, Princeton's Richard Ullman came up with the idea of associating security with the concept of "degradation". Security is threatened when a succession of events raises fears that a particular state's population will soon suffer a dramatically lower quality of life, leading to a significant narrowing of the choices and margin to manoeuvre available to governmental and non-governmental entities (individuals, groups, firms) active within this state. Such events include the illegal traffic of humans, funds or substances; cross-border conflicts over natural resources; piracy; and irresponsible criminal or terrorist acts affecting social and business structures. Political, economic, social or environmental dimensions are all interrelated, since any damage done within a particular zone will have a general effect on overall security. In essence, global security is based on synergy.

*Roche, J.J. (2002), *Théories de la sécurité*, Paris: Montchrestien, citing Ullmann, R. (summer 1983), "Redefining Security", *International Security*, Volume 8, Issue 1, pp.129-153.

Globalisation and responsibility

Since the 1980s there has been a great deal of debate about globalisation, a process that some view as a catalyst for wealth and socio-economic stability and others as a factor of injustice and conflict. Above and beyond these partial definitions, globalisation can be analysed as a set of apparently dispersed elements that altogether constitute a whole. The question then becomes what connections can be established between economic globalisation and corporate global responsibility. At least two answers seem ubiquitous.

The version of globalisation that has expanded since the 1980s has been associated with a retreat of the state from its previous role as the bespoke agent of social regulation in today's industrialised world. Governments feel increasingly powerless when faced with a globalisation phenomenon that they cannot control. The speed and strength of the economic mutations associated with the opening of borders has made it difficult to preserve the social systems built in the aftermath of World War II. Globalisation affects labour markets on an international scale, forcing workers worldwide into competition with one another. Above all, it puts pressures on social systems and/or modes of social and economic regulation worldwide. This affects working conditions while raising a host of health, pension and environmental issues. Faced with this progressive withdrawal of the state from the regulation of the economy and given the failure of large international institution-based global governance, companies are increasing sensing

Global Reporting Initiative (GRI)

Based in the Netherlands, GRI is an organisation created in 1997 to supply organisations (companies, local authorities and non-profit associations) with instruments measuring performance in not only economic but also social and environmental terms.

1995

World Summit for Social Development in Copenhagen, leading to the adoption of ten commitments relating notably to poverty, employment, human rights and fundamental freedoms, gender equality, education and health, ethnic minorities, development aid and bilateral and multilateral debt relief in the least advanced countries, mainly Africa.

the need for greater regulation of globalisation. The end result is that globalisation's focus is shifting from *politics* to *responsibility*, with a number of state competencies being transferred from the public sector to companies in the private sector. This phenomenon is still in its early stages and not entirely defined yet but it does appear to be a significant long-term trend.

Secondly, globalisation has considerably expanded the scope of possibilities available to companies. At the same time (and as philosophers are very aware), *freedom* comes with *responsibility*. Take the example of companies' location choices, which nowadays can involve operations almost anywhere across the world, with many firms preferring low-income destinations. Companies from the Global North that wish to move into these countries (generally found in the Global South) will generally need to comply with few environmental or social rules. Does this mean that they automatically deserve to derive maximum advantage from their actions, in the name of some comparative advantage principle? Or instead, should they be required to respect a certain number of elementary rules that guarantee human rights in the workplace? Does working in such distant locations exempt them from the same level of environmental stewardship as they display at group headquarters? And how much concern should there be about the increasingly large distances between the places where goods tend to be consumed (in the North) and where they are produced (in the South)? Questions of this nature were not asked before the advent of

globalisation but companies can no longer afford to ignore them. The accountability that used to be required of states will be required of companies in the future.

Globally Responsible Leadership Initiative (GLRI)

c.f. page 7-10

Golden parachute

The way that some Boards of Directors will give certain executives, upon dismissal, a bonus proportionate to the losses that their incompetence cost the company that they were supposed to be managing. This paradox (literally, since it goes against common sense) only surprises those individuals who do not belong to this elite - which seemingly benefits from a sort of immunity that is bolstered each and every time one of the chosen few trumps their predecessor in terms of incompetence and the ruckus created.

Green sexuality

The Woodstock generation may well have rolled around naked in the fields asking people to make love not war, but they did not have to deal with GM foods, condoms imported from Thailand or pressure from sexualised marketing to use vinyl polychlorure accessories covered with diethylhexyl phthalates. Nor did they need the Internet to create "dating and social networking for green singles" or familiarise themselves with latest trends in modern eco-gadgetry (c.f. mescoursespourlaplanete.com).

1995

Beijing World Conference on Women, whose article 30 commits participants in particular to equal access to education and health care for women; equal treatment for women and men; and improved sexual and reproductive health and education for women.

1997
Kyoto Conference.
The ensuing
protocol sets
greenhouse gas
reduction targets
on a planetary
scale.

40 years later, fans of “eco-friendly lovemaking” now advise people to turn off their lights (and light soy wax candles) and use linen made from fair trade bamboo fibres or organic cotton. This is clearly preferable to polyester chemical materials or even silk, which is the product of cruel manufacturing processes that boil worms in their cocoons.

In an era marked by AIDS and rapid population growth, people can now purchase, alongside certain chemical supplements, organic condoms lubricated with sap from kiwi trees to avoid the deforestation of heveas plantations. The problem is that these instruments might provoke certain allergies that some people may not suffer using non-biodegradable polyurethane condoms. Otherwise, partisans of responsible eco-sex can also choose accessories (lingerie, salves, various sex toys) from an inventive range of 100% natural products – like pure wool textiles – sourced from recycled waste, Canadian white pines, aloe vera-based gels, cucumber juice or anything that takes people’s fancy.

Another variant in the battle against deforestation was an experiment by a couple of demonstrative Norwegians who went on stage to reverse the outcome of their exhibitions (in every sense of the term) in a bid to protect the Amazonian forests – a format enabling the ex-Woodstock generation to truly demonstrate its green qualities.

Greenhouse gases

Greenhouse gases are both natural and synthetic in origin. The main natural greenhouse gases are water steam, carbon dioxide (CO₂),

methane (CH₄), nitrous oxide (or protoxyde of azote, as in N₂O) and ozone (O₃). Industrial greenhouse gases include heavy halocarbons (like CFC, freon and perfluoromethane) along with sulphur hexafluor (SF₆) used for electric applications, transformers and even double-glazing.

Even though most greenhouse gases are of natural origin, it is human activity that has increased their concentration in the atmosphere. Prime examples include ozone (O₃), carbon dioxide (CO₂) and methane (CH₄).

Ozone constitutes a special case in point. On one hand, human industrial activity generates large quantities of this gas. On the other, ozone is destroyed by CFCs, which continue to be widely used. This leads to a dual phenomenon where ozone accumulates in the troposphere above the Earth’s more industrial regions but is destroyed in the stratosphere above its poles.

Large quantities of CO₂ are emitted into the atmosphere due to a combustion of fossil carbons like coal, lignite, oil or natural gas (methane). Only half of the CO₂ emitted in this way is recycled by nature, with the other half remaining in the atmosphere, thereby adding to the greenhouse effect. The energy sector is one of the leading emitters of greenhouse gases.

Methane emissions caused by human activities include the combustion of organic matter, notably due to deforestation in tropical zones; the way that food ingested by ruminant livestock (cows, sheep, goats, yaks, etc.) ferments in the animals’ stomachs to generate methane (France has 20 million bovines, for instance);

the decomposition of organic matter (i.e. rice cultivation, since tropical zones generally emit methane; or household waste); and oil and gas operations, resulting from gas leaks (methane being the main constituent of natural gas).

Greenwashing

Communication device destined to promote commercial arguments that paint in green the (positive or negative) image of an organisation or product. The word itself is a contraction of “green” and “brainwashing” and represents a process where people are led to believe green advertising slogans, arguments and other promises. One example is the way a large French SUV manufacturer highlights the vehicle’s “cutting edge, additive particles filter that reduces particles’ combustion temperature” while promising “cleaner technology for greater pleasure”. In reality, the SUV in question emits nearly 250 grammes of CO₂ for every 100 km driven in an urban environment – well above the 140-gramme level that the carmaker had negotiated with the European Union. Advertising specialists have come up with a whole lexicon of prefixes (eco-, bio-, etc.), adjectives and adverbs (local, daily, simple, natural, fair, sustainable, citizen, ethical, etc.) and gerundives (debating, raising awareness, taking care, respecting, etc.) to transform their moralising sermons and slogans into sustainably responsible promises (and vice versa) in a way that is beneficial to them.

GUIDE SD 21000

Published by the AFNOR *Agence Française de Normalisation* (French Standardisation Agency)

in 2003, the title of this text is *Guide pour la prise en compte des enjeux du développement durable dans la stratégie et le management de l'entreprise* (Guide to the incorporation of sustainability issues in corporate strategy and management). It makes recommendations helping companies to adapt both technically and culturally to a management system enabling a progressive company-wide integration of sustainability objectives.

www.afnor.org/en

H is for...

Human Resources

The expression “Human Resources” construes people as factor inputs akin to technology or capital.

Today, this terminology continues to be widely used even though everyone knows that when a resource is amortised or becomes obsolete, it must be replaced or destroyed.

In reality, human resources are inexhaustible. After all, as poets, philosophers and historians have long shown, there are no limits to the human mind or to people’s capacity for imagination.

The concept of “human capital” is one way of representing the shift in focus from management to individuals’ intrinsic value. It is a new paradigm that opens the door to another kind of management, one capable of imagining:

- The sustainable development of professional competencies and relationships among motivated staff

1998
39 countries
convene to sign
the Aarhus
International
Convention
granting public
“access to
information, public
participation and
access to justice
and governmental
decision-making
processes on
matters concerning
the local, national
and trans-boundary
environment”.

- A new kind of education (i.e. Bordeaux Management School already runs courses in managers' global responsibility) paving the way for a sustainable development of knowledge and humanist values
- A new kind of economy, one that generates new productivity and wealth.

Human Resource Management (HRM)

HRM can be defined by extension or apprehension.

By extension, HRM answers the question “what”, speaking to the continual expansion in processes and areas like recruitment, remuneration and training - all of which explicitly integrate the notion of social responsibility and benefit from inputs from ancillary disciplines like law, psycho-sociology and anthropology.

By apprehension, it answers the question “why”, highlighting the meanings given to acts by persons working within or on behalf of an organisation and trying to achieve programmed economic and social targets.

In light of this duality, it is worth moving away from any definition of HRM in which *people are viewed as resources* or simple adjustment variables. An alternative vision should be pursued, one based on the *management of individuals* who are in the possession of knowledge, resources, feelings and past emotions.

Humanism

Humanism should be understood as a set of values focused on humans, being defined here as individuals who possess dignity, aspirations, singular expectations and the ability to develop a personal and social ethos as well as an ethical vision of the things comprising this world.

There may be a large consensus as to the value of humanism per se, but beyond discourse in this area, questions remain as to how humanism can be experienced on a daily basis. Placing humans at the heart of humanism means abandoning the Hobbesian conception that “man is wolf to man” and adopting a lucid version of Rousseau and Braudel's vision of the “fraternity of man”.

With this in mind, a human development programme should be generalised in both academic institutions and companies, based on a culture of:

- Resistance to fatalism and obscurantism
- Utopia (making the impossible possible)
- Formal and informal regulation.

It should also be enriched with a diverse and differentiated outlook.

It is at this price that humanism will be able to advance a “governance of ethical persons” in the corporate world as an alternative to an “administration of things”.

/ is for...

ISO – International Organisation for Standardisation

The ISO is the world's biggest designer of international standards. Because its name “International Organisation for Standardisation” would have very different acronyms in different languages (“IOS” in English, “OIN” in French), its founders opted for the more universal moniker of “ISO”, derived from the Greek *isos*,

1999
French orientation
law on
sustainability and
redevelopment
across national
territory.
Also called the
Voynet law, article
23 details a
number of
specific measures
to protect the
environment and
the countryside,
preserve natural
resources and
biodiversity,
protect non-
renewable
resources and
prevent climate
change.

which means “equal”. The ISO is an NGO comprised of a network of national standards institutions from 157 countries, based on the principle of one member per country. Overall co-ordination is ensured by the headquarters in Geneva. The ISO has developed more than 17,000 international standards covering a wide variety of fields, with 1,100 new ISO standards being published every year. It covers the full range of technical fields.

www.iso.org

International Labour Organisation (ILO)

The International Labour Organisation (ILO) is the world’s leading reference in the field of international social standards. Since 1919, the ILO has been in charge of drafting an international labour code to serve as a global standard. The particularity of this organisation lies in its tripartite structure, with governments being viewed as equal partners alongside workers and employers. The ILO’s vocation is to promote social justice and notably to ensure respect for human rights in the work world. The core of its identity resides in its charter, which defines *inter alia* four basic labour standards acknowledged as key foundations of international law: freedom of association (the right to unionise); abolition of forced labour (of prisoners, for instance); non-discrimination (i.e. along gender, racial or religious lines); and elimination of child labour. The ILO has a complex control system but never excludes members, even when this is a theoretical possibility. Beyond its legal aspects, the ILO’s basic standards constitute a moral basis that directly influences other international

organisations (UN, OECD, EU) as well as the charters or codes of conduct developed by most of the world’s leading multinationals. As such, the ILO’s charter constitutes a leading benchmark for social standards.

J is for...

Joy (and pleasure)

Emotion of ecstasy felt by any individual – stereotypically a male – driving a vehicle equipped with an internal combustion engine. This emotion, based on the adrenaline rush that comes from a massive consumption of oil products and a childhood recollection of how much fun it is to play with toys, creates an amazing amount of pollution (not just of the nocturnal variety) that is entirely incompatible with the survival of the human species, not to mention all other kinds.

K is for...

Kyoto (Protocol)

In 1997, the Rio Agenda 21 signatory countries met in the Japanese city of Kyoto for a conference with the grave mission of achieving a 5.5% reduction (from 1990 levels) of the gases responsible for climate change. In reality, this objective was not particularly ambitious given that such emissions must actually be cut by more than 50% by the year 2050 to stabilise their effects, some of which can

already be observed: global warming, droughts, desertification, melting of ice caps and glaciers and increasingly frequent extreme climatic events (floods, tidal waves, hurricanes, etc.).

The problem is that to be effective and applicable, the Kyoto protocol had to be ratified by at least 55 countries representing 55% of global greenhouse emissions. Quorum was only reached in 2004 when Russia finally rallied to the cause. It is clear that this “delayed launch” seriously undermined the initiative’s credibility. At the same time, the European Union has already developed a CO₂ emissions quota system to achieve its aim of 8% lower emissions by 2012, with Japan committing to a 6% reduction in its own greenhouse gas emissions. On the other hand, the protocol’s ratification by the United States, the world’s leading polluter, has yet to be finalised. As for the developing countries, including India, Brazil and China, (the world’s second leading polluter), they are stakeholders in the Protocol but not affected by its quantitative reduction targets. This is the paradox of Kyoto.

Nevertheless, there is still good reason for optimism. For instance, California, the world’s fifth largest economic power, adopted under the guidance of its famous governor a few years ago an environmental regulation that goes well beyond the requirements set in 1997. Australia also finally ratified the Kyoto Protocol in 2007. As for China, its leaders and citizens’ growing ecological awareness is proportionate to the constant rise in its pollution levels. In the short run, China will have no choice but to make certain decisions.

L is for...

Labels

Created in the early 1990s, environmental labels (known as “eco-labels”) distinguish those products that are most “ecologically” correct. Even if there is no such thing as a “zero impact” good, such logos (private labels, the European eco-label or *NF Environnement* in France) are displayed on those goods that will have a lesser environment impact throughout their lifecycle.

l'Usine Nouvelle, n°3102, 22 May 2008

License-to-operate

Symbolically awarded by the media, consumer associations, pressure groups and citizens in general, this concept refers to the way in which public opinion acknowledges that a particular company has incorporated into its objectives a triple bottom line vision of “profits, people and the planet”.

M is for...

Marketing and responsibility

Marketing in the field of economic (and more broadly, social) relationships means that individuals/consumers/citizens must assume greater individual and collective responsibility. Alongside this supplementary obligation, there is a need to provide useful and critical information. It therefore seems desirable that all

1999
ILO Fundamental
Convention
prohibiting the
Worst Forms of
Child Labour,
ratified by 165
states.

management students be exposed during their studies to issues pertaining to the meaning of the techniques that they are learning to apply efficiently. For marketing professors, ethical issues certainly have a role to play in deeper theoretical explorations of the tools being offered to future practitioners. For students and citizens alike, this more speculative vision seems key to greater individual autonomy, which some predict will expand in the future, and that others still – ever since Aristotle – call for wholeheartedly.

Micro-finance

Today, 80% of the planet's inhabitants have no access to the financial services that banks offer since they cannot provide the necessary guarantees (because they lack identity documents or due to the absence of banks in their immediate geographic vicinity). It was against this background that the idea of lending money to people who have nothing was born.

In Bangladesh in the late 1970s, a young professor of rural economics met a group of around 40 women who had been forced to borrow at usurious rates to buy the straw they needed to re-stuff chair cushions. Not finding any bank that would help them to escape the usurers' clutches, the women borrowed the few dollars they needed from the young professor himself – one Mohamed Yunus, whose actions launched a movement that would lead in 1983 to the creation of the Grameen ("Village") Bank, putting micro-credit front stage in what has come to be known as the global micro-economy and making it a key factor in

taking millions of persons worldwide out of poverty.

Shortly afterwards, in France, Maria Nowack, inspired by Mohamed Yunus's actions, launched the ADIE *Association pour le Droit à l'Initiative Economique* (Association for the Right to Economic Initiative). In Bordeaux, Alain Juppé created the CSDL *Caisse Sociale of Développement Local* (Local Development Social Fund), with the backing of the Caisse d'Epargne building society.

Millennium Development Goals (MDG)

The eight Millenium Development Goals were established at the September 2000 Millennium summit:

- Eradicate extreme poverty and hunger
- Achieve universal primary education
- Promote gender equality and empower women
- Reduce the under-five mortality rate
- Improve maternal health
- Combat HIV/AIDS, malaria and other diseases
- Ensure environmental sustainability
- Develop a global partnership for development.

N

is for...

Negative growth

This concept comes from the 19th century and is rooted in the Law of Population that was first developed by Robert T. Malthus, a demographer (and ex-pastor) who uncovered a rising gap between the exponential growth at the time

NRE Law
Sparked by a
need for more
transparent
information,
France's 2001
NRE *Nouvelles*
Régulations
Economiques
law forces listed
French companies
to include in
their annual
reports, alongside
accounting and
financial data,
information relating
to their activities'
environmental
footprint and
the social
consequences
thereof.

in the UK's population and the linear growth in its natural resources. In Malthus's view, this gap could only be offset by sharp falls in population size, caused by tragic but inevitable events like wars, epidemics and famines. This idea undermined classical thinking in the mid-19th century and sparked subsequent criticisms. An even more ferocious critique of capitalism would come a little later from Marxism. Malthusian concepts would only regain popularity in the 1970s, when evidence of a finite world characterised by limited resources would begin to be viewed as something incompatible with the search for permanent economic growth.

Following the publication of the Club of Rome's 1972 report and studies undertaken by Romanian economist Nicholas Georgescu-Roegen (*The Entropy Law and the Economic Process*, 1971), a number of observers started arguing that the only solution able to avoid a Malthusian "regulation" of the economy and/or an irreversible degradation of planet Earth was negative growth, or at least a zero growth. This concept would be much criticized, however, and largely replaced in the 1980s by the construct of sustainable development that accompanied the 1987 publication of the Brundtland Report. It did regain some popularity in the mid-2000s, however, due to the actions of a growing number of non-profit associations and, in France, work by Yves Cochet, Green Party member of parliament and former minister, and by Nobel laureate Albert Jacquard (*Mon utopie*, 2006).

Above and beyond zero growth's purely economic aspects, today's supporters tend to highlight its philosophical and political consonance. This is often manifested in an appeal for greater sobriety, which can, for instance, be embodied in widespread consumer boycotts. The press has also started to carry more and more narratives focusing on senior managers who replace their stressful and consumerist existence in the Global North with a simple life that is closer to nature. This is redolent of an old form of asceticism that has sometimes earned the supporters of negative growth the reputation of being backward-looking ideologues drawing greater inspiration from Malthus than from Marx (c.f. Eric Le Boucher's editorial in 29 October 2006 edition of *Le Monde*).

Non-Governmental Organisation (NGO)

The term "Non-Governmental Organisation" first appeared in article 71 of the United Nations Charter, adopted at the 1945 San Francisco Conference. Such bodies have existed in their modern form for several decades now, playing an important role in defending human rights, international justice, the environment, peace and women's rights.

The United Nations Department of Information has defined NGOs as civic groups created for altruistic purposes. In France, the term NGO is often employed but people also speak of OSI/ASI *Organisations/Associations de Solidarité Internationale* (International Solidarity Organisations/Associations). There are more than 40,000 NGOs in the world today.

Sierra Club
First environmental
advocacy NGO,
founded in the
United States
in 1892.

WWF
Worldwide Fund
for Nature (WWF),
an association for
the protection of
the environment
and the defence
of animals,
created in 1961.

Greenpeace
Founded in
Canada in 1971.

O is for...

2000

532 million cars in circulation worldwide, up by a factor of ten in 50 years.

Organic farming

Organic farming is based on the idea of respect for - and balance in - life. This constitutes a third path between, on one hand, the Promethean desire to dominate nature (whose ultimate expression is the kind of intensive agriculture that consumes enormous quantities of oil and chemical products), and on the other, the subsistence agriculture that can still be found in some parts of the world today. Organic farming is a mode of growing and transforming crops that rejects man-made chemicals and tries to respond to the many different environmental and health-related risks that the world faces today.

Respectful of life and of eco-systems, organic farming relies, at the production level, on the utilisation of organic manure, fertilisers and processed products that are usually organic or mineral in origin. Identical constraints exist at the transformation level, since all ingredients must also come from this very same branch and any manufacturing complements must originate solely from natural elements.

In practice, organic farming is an approach that will tend to be certified by external organisations. The AB (*Agriculture Biologique*) logo fulfils this function in France. From a production perspective, organic farming is a global approach that resurrects the main principles of agronomy and is grounded in the values of biology, balance, identity and environment. It is an approach full of

constraints, commitments, traceability measures and controls, impacting everything from land use to final retail products and influencing every aspect of a good's production, transformation and even marketing phases.

For several years now, organic farming has consolidated its role as a pillar of healthy and complex eating, the only kind capable of satisfying people's nutritional and health requirements while simultaneously overcoming today's plethora of climate and ecological constraints. It is in this sense that the debates about labelling practices have become key to the empowerment of consumers as true judges of responsible consumption.

Organisation

The term "organisation" is often used to refer to a specific group of people working together, with or without physical facilities but characterised in any event by responsibilities, powers and relationships. Such groups are generally structured. An organisation can be run on a public or private as well as a for-profit or not for-profit basis. Organisational forms include companies, firms, universities, schools, co-operatives, governmental or non-governmental bodies, charities, partnerships and single-person enterprises.

Oxymoron

Rhetorical device that is fashionable among intellectual marketing specialists or iconoclastic professors and enables the conjunction of potentially contradictory concepts within a clear form of obscurity. Examples include sustainable/development; economic/intelligence;

2000

UN General Assembly adopts the Millennium Declaration. The heads of signatory states agree to promote peace and the reduction of poverty worldwide, notably in response to the special needs of the African continent (promotion of democracy, fight against infectious diseases, technology transfer and development aid).

2001

After falsifying its accounts to mask losses incurred during a number of speculative operations, American company Enron goes bankrupt. The scandal's discovery leads to the demise of Arthur Andersen, which had audited Enron's accounts.

responsible / manager; solidarity / economy; intellectual/advertising specialists; iconoclastic/ professors.

P is for...

Paradigm

Conceptual model, theory, mode of perception, hypothesis, framework, reference, way of seeing the world. Concepts like sustainability or global responsibility, for instance, have caused changes in (and even a break with) previous paradigms based on a frenetic and unfettered growth in consumption.

Precautionary principle

"If in doubt, do nothing! "

Whereas *prevention* refers to overt risks (nuclear, fallout, asbestos, etc.), *precaution* refers to risks that are hypothetical and have not yet been scientifically confirmed but whose possibility can be identified using empirical and scientific knowledge.

Countering all kinds of sorcerer's apprentice approaches, the precautionary principle was formalised in 1992 by the Rio de Janeiro convention, and in French law in 1995 as follows: "*An absence of certainty given the current state of scientific and technical knowledge should not delay the adoption of effective and proportionate measures aimed at preventing the risk of serious and irreversible damage as long as the cost is economically acceptable*". In virtue of this principle, many "mad cows" were burnt, for instance, without

there being any scientific proof that they were dangerous to humans.

In a report by France's *Commission pour la libération de la croissance* (Attali 2007), the precautionary principle can become an *indecision principle* that, by definition, opposes scientific progress and limits research efforts because of people's conservatism and/or fear of the future.

Public contract code reforms

To improve the French Code of Public Contracts, already modified in 2001 then in 2004, a new code came into application on 1 September 2006 (decree n° 2006-975, dated 1 August 2006). The most noteworthy modification was the arrival of sustainability as a contract award criterion.

Public buyers can now pursue a sustainability approach at every stage of the contract process:

- They can establish **specifications**, including social and environmental criteria, while ensuring a maximisation of the contract's value for money features.
- In terms of the **technical specifications**, they can now include environmental qualifiers, reflecting either the product's performance and functional requirements or various kinds of eco-labels (or the equivalent thereof).
- Contract **execution conditions** can also include sustainability elements now. Applicants for production and service contracts will henceforth be required to provide EC environmental management system (EMAS) certificates or the equivalent thereof (ISO 14001).

2001

Joseph Stiglitz is awarded the Nobel Prize for Economics. In 2002, he publishes "Globalization and its Discontents", which becomes the bible of the anti-globalization movement.

• Lastly, **contract awards** are still based on economic actors' social and environmental performance but crucially will now include a new sustainable purchasing criterion, i.e. the item's full cost over the course of its lifespan.

Q is for...

Quotas (i.e. for CO² emissions)

To achieve the Kyoto Protocol objectives, the European Union implemented a CO² emissions quota system in 2005 intended to incentivise major (private or public sector) companies in the energy and industrial sectors to reduce their environmental footprint and pollution levels. More than 11,000 facilities were affected, including oil refineries, thermal power stations, steel production sites and certain paper and cardboard mills. Altogether, these units accounted for half of all CO² emissions in Europe.

EU member states are in charge of applying this mechanism under the aegis of a five-year National Quota Allocation Plan validated by the European Commission, with each member state being allocated a certain annual quantity of emissions quotas (one quota = one tonne of CO²) for the facilities in question. At the end of every year, the facilities concerned must retribute to their issuing authorities the number of quotas corresponding to the quantity of CO² that they have actually emitted into the atmosphere during the year.

Take two French refinery sites (SR1 and SR2) that have each been allocated 10,000 quotas,

meaning that they are allowed to emit 10,000 tonnes of CO² per annum. One year later, SR1 has emitted 8,000 tonnes of CO². Having improved upon its targets, it has an extra 2,000 quotas that it can retribute to the issuing authorities and is free to either carry this surplus over to the next year or re-sell it. SR2, on the other hand, has emitted 12,000 tonnes of CO² and therefore does not possess the quotas allowing it to retribute this amount to its issuing authorities. As such, it will either have to pay a fine of X (say €100) per tonne of surplus CO² or else buy from SR1 the latter plant's 2,000 unused quotas to offset its own poor performance.

Of course, the quotas that state issuing authorities will allocate to their corporate sectors is set to fall year-on-year, creating incentives for performance improvement – that is, unless companies are happy to see their expenses rise continually.

R is for...

Renewable energies

A particular energy source is said to be renewable when it can be produced by a force, movement, cycle or action that does not harm the constituent elements of a particular biotope. By opposition, non-renewable energy is based on the consumption – until its ultimate exhaustion - of one of the elements constituting today's biotope (generally involving fossil stocks like natural gas, oil, and coal, etc.).

Contemporary industrialists and consumers are deeply interested in renewable energies. The former view this as a major emerging new market, and the latter has started to manifest greater awareness of the planet's energy situation.

Wind, tides, water, compressed air and solar power are all sources deemed inexhaustible and capable of producing energy without harming the biotope.

Responsible communications

Communicating means creating an exchange based on information that is real, true and accurate. This should not be confused with the person responsible for communications, who may pretend to do this but does exactly the opposite. In practice, a responsible communications campaign will try to focus not only on the contents of the message being diffused but also on the vehicle of communication. Products might feature eco-labels i.e., be recognized via a labelling system as environmentally friendly throughout their manufacturing process. As far as possible, this kind of campaign will restrict its consumption of (recycled) paper and (naturally sourced) ink and prefer standard to large format paper to reduce waste.

Responsible information

Information is a malleable and transformable raw material. Informing others (and acquiring information oneself) in a responsible manner means reducing uncertainty and the gap between ideas and reality. The seminal idea here is the notion of intelligence (from the Latin

intelligentia), which should be apprehended as an action of discernment and understanding. Intelligence is also expressed through action and its potential use of influence strategies for purposes of persuasion, manipulation and disinformation. Intelligence in the search for meaning is the ability to conceive, know, comprehend, discern or establish relationships between the facts, ideas or forms with which one is familiar and that one understands. Intelligence interlinks problems, encompassing them in multi-dimensional thinking and "contextualising" through the search for a long-term vision. Intelligence enables people to respond to long-term problems in a way that is neither compartmentalised, fragmented nor mechanistic.

Responsible managers

According to a 2006 survey by the magazine *Qualitique*, nearly 51% of all students feel that their training has not prepared them to behave in a socially responsible manner. If the market is by definition irresponsible, what does it mean to be a responsible manager? Long restricted to the idea that managers' responsibility empowers them to look past market uncertainty, responsibility is increasingly viewed as an obligation to take responsibility for one's acts, i.e. to be accountable for said acts to oneself and to others. Faced with the types of dilemmas that usually accompany managerial decision-making, responsible managers are ones whose decisions incorporate economic, social and environmental dimensions. As for responsible individuals, these are individuals who select their own

2002

US telecommunications company Worldcom declares nearly \$11 billion in fictive earnings. In addition to the financial consequences, in 2003 this massive accounting fraud leads to the company being renamed. In 2005, its former president is sentenced to 25 years of jail without parole.

1st rating agency

ARESE, France's first social and environmental ratings agency, was created in 1997 and has now been taken over by Vigeo.

"destiny", occupying a position that they have chosen instead of simply allowing themselves to be driven by events. Responsible managers are ones who assume the consequences of their decisions. This involves self-aware and self-contextualised individuals possessing critical mindsets in which companies are viewed both as pluralistic actors and as stages for power relationships and conflicting interests.

Responsibility ratings

Concretising a company or institution's social responsibility in a single "rating" is an indispensable help for investors who lack the time, means or competencies to undertake the necessary audits and analyses.

Moody's, Standard and Poor's and Fitch Ibc are all independent financial ratings agencies with a long track record of efficiently assessing corporate financial solvency risks, i.e. companies' ability to reimburse their financial commitments. This rating determines the risk premium that a particular company will have to pay.

The rise of social ratings agencies reflects a strong demand for socially responsible investments (SRI), exemplified by Oekom in Germany, Triodos in the Netherlands, Avanzi in Italy or Vigeo in France. Such agencies rate companies according to social and environmental sustainability criteria, a qualitative output that can be relatively complex. In France, the ORSE Observatoire sur la Responsabilité Sociale publishes a guide to these agencies and their methodologies.

Responsible

A few definitions:

Adj. (Lat, *respondum*, of *respondere*)

1. Liable to be called to account (to a person or for a thing)
 2. Morally accountable for one's actions; capable of rational conduct
 3. Being of good credit, position, or repute: respectable, evidently trustworthy
 4. Being the primary cause
 5. Not autocratic
 6. Involving responsibility
- Concise Oxford English dictionary

Responsible/sustainable purchasing

From a consumer perspective, the expression "sustainable purchasing" is generally assimilated with "responsible purchasing". From the perspective of the professional buyer (working for a company), there are differences between these two notions.

Responsible purchasing

For consumers and companies alike, responsible purchasing refers to ethical or fair trade goods and services that can be easily accessed using labels (i.e. Max Havelaar) guaranteeing ecological production standards and suppliers' just remuneration. Corporate buyers can insert contractual clauses requiring suppliers (and suppliers' suppliers) to respect the three pillars of sustainability: respect for the environment (i.e. no pollution); respect for social standards (i.e. no child labour); and commitment to society (participation in local life).

Sustainable purchases

This term differs from the one above only from the corporate buyer's viewpoint. Indeed, today's companies, focused as they are on their core businesses, increasingly view

2002

During the Johannesburg World Summit on Sustainable Development, heads of state and representatives of governments, companies and NGOs ratify a natural resource conservation and biodiversity treaty.

competitiveness as being largely a reflection of their main suppliers' know-how. At this level, the construct of sustainability implies long-lasting relationships with strategic suppliers – meaning that it will be rooted in shared long or medium-term interests, as exemplified by the co-development of new products.

Risk management and global responsibility

Risk management is an approach that consists of grouping and managing all of the risks that a firm or any organisation faces as a result of its activities. Developing such a portfolio allows the risk manager to optimise its management and helps to create value. It is also a way of ensuring that the level of risk assumed by the company fits the objectives that its executives have established, notably in terms of the specified performance levels. In other words, risk management does not mean trying to eliminate risk but is a way of helping companies to assume risks without risking their existing wealth.

This management mode first appeared in the 1960s but has grown quickly ever since in the wake of the major economic upheavals of the late 20th century (acceleration of the globalisation process, financial liberalisation, rise of new technologies, etc.) and due to regulatory changes (Sarbanes-Oxley law in the United States, Financial Security law in France). Combining three major areas of focus in the field of risk management (economic, social and environmental performance), global responsibility appears to have become a key element in any risk management process today.

S is for...

Short channels

Systems for exchanging and distributing food products, characterised by relational proximity between producers and consumers. For the former, the goal is to recover that part of the added value that is paid to distributors, while transcending a purely productivity-oriented logic. For the latter, the main goal is to renew direct contacts with farmers and gain better understanding of their growing practices while helping them to benefit from better supply conditions. This lends greater meaning to the act of purchasing and consuming food. What different short channels (direct farm sales, farmers' markets, collective sales points, Internet) have in common is that they help to re-localise, diversify and preserve a significant proportion of all agricultural output.

Slow Food

Created in 1989 by Carlo Petrini, Slow Food is the leading international movement to oppose the standardisation of food taste, production and practice. Present in many countries, including France and the United States, the association has organised programmes educating adults and children in food tasting, while working to preserve regional cultures and promoting culinary traditions and identities. Committed for several years now to environmental causes and sustainable agriculture, Slow Food encourages individual initiative in the food sector. It also invites

producers and artisans from the branch to develop an agricultural model that is less intensive or harmful and which helps to preserve and improve biodiversity even as it offers development prospects to the world's poorest regions. The idea is that it is impossible to be interested in gastronomy without showing sensitivity to the protection of local territories or cooking (or to fauna or flora in danger of going extinct).

Small enterprise

Such firms are sensitive to the need to implement sustainability but also to the requirements of the different stakeholders with whom the small company's owner-manager entertains "reasoned" relationships, themselves solidly grounded in a corporate social responsibility approach that is a direct emanation of sustainability.

This operational implementation usually occurs far from the world of ratings agencies, normalisation procedures and formal processes. In other words, many executives act sustainably without even knowing it, working in an inductive, subliminal and informal manner. This often involves paternalistic "governance" that becomes an integral part of a company's dynamic, rooted at many levels in the entrepreneur's own goodwill and motivation.

"Global" responsibility therefore materialises at a great distance from article 116 of France's NRE triple bottom line legislation for listed companies. This observation is worth further thought, given that most companies in France are in fact small and medium-sized.

Company directors, with their own cultures, competencies and deep-seated convictions, develop visions and objectives that are often in tune with "sustainable entrepreneurship", which is another way of "thinking globally while acting locally".

More concretely, company directors can entertain real partnership relationships with their suppliers; behave transparently and loyally towards customers; or be approachable and available for employees and listen to them – viewing all these actions as a key component of company life. Without trying to appear overly "activist" or "enlightened", they will have personal, ethical, ecological and social values that will make them experience their corporate life in a way that is that is coherent and in tune with their basic belief structure. The economic, social and environmental spheres (whose interdependency will have been understood by the manager-owner) are viewed as places for experimenting with values, which far from being philanthropic are intended to become increasingly meaningful and profitable and welfare creating. By so doing, such entrepreneurs are embodying the commutative law that happy bosses make happy employees (and "happy employees make successful companies").

Social and environmental audits

Auditing is an essential step in controlling a continuous improvement process. Undertaken by in-house teams or independent experts, its purpose is to verify compliance with established standards or benchmarks. The process will often culminate in some form of certification,

2003

In line with its 1992 Rio Conference commitments, France agrees a national sustainability strategy reconciling economic performance, social justice, health and environmental protection.

labelling or attestation. It is generally comprised of a diagnostics and recommendations phase.

Social audits

Social audits (like the SA8000) ensure respect for fundamental human and social rights, in particular the principles outlined by the International Labour Organisation (ILO). Such audits often materialise via companies' due diligence activities throughout their in-house sites and/or their efforts to monitor subcontractors or suppliers working out of developing or risky countries. There have been many initiatives in this area in recent years, particularly in the retail sector (Social Clause Initiative).

Environmental audits

From an environmental perspective, audits usually involve:

- Companies' implementation of an environmental management system (ISO 14001, EMAS)
- Products and services' ecological performance and labelling (European eco-label, French labels like *NF environnement* or AB).

Verifying sustainability information

In recent years, companies have taken to providing greater information on their social and environmental responsibility, mainly through annual sustainability reports. Article 116 of France's 2001 NRE law, for instance, requires listed company to include environmental and social indicators in their yearend statements. The country's Grenelle Environmental Summit specified that these dispositions should also apply to state sector and non-listed private sector companies. Verifications of the information contained in such documents have heretofore been voluntary and mainly undertaken by certified auditors, with the main

firms in this sector often employing dedicated sustainability teams. According to a study by Deloitte, 25 of France's leading CAC40 companies agreed to voluntary controls in 2006, averaging around 20 indicators apiece. Verifying sustainability indicators allows companies to improve the credibility of the information they publish and also to mobilise their in-house operational teams to implement and exploit sustainability indicator reporting systems. Corporate decision-makers can then use these consolidated indicators (once their credibility has been confirmed) alongside dedicated balanced scorecards to pilot social responsibility approaches throughout their organisations. The choice of indicators used and the reliability thereof is destined to become a key factor in the sustainability dialogue that companies will be constructing with stakeholders.

Social and solidarity economy

A social economy is a generic term referring to personal partnerships (and not joint-stock companies) fulfilling a clearcut economic role. This includes all kinds of co-operatives (operated by employees, users or companies), mutual societies (i.e. insurance or health care) and most non-profit associations. These three corporate forms share certain traits distinguishing them from individual companies, state sector companies and joint-stock companies.

The term "social economy" was defined officially in France by the 1980 Social Economy Charter. It is based on four fundamental values:

- Freedom of membership: all members (individuals or corporate entities) can join or leave the project as they see fit

2003

More than 130,000 Italians see their savings disappear as Parmalat goes under. The company books a deficit of €14 billion and declares bankruptcy. This remains the worst financial scandal that Europe has ever witnessed.

- Democracy: decision-making within the company is based on the principle of one-person one-vote
- Non-profit basis: any surpluses will be reinvested in projects or distributed fairly among members. In addition, to ensure the company's long-term survival, any reserves must not be distributed
- Solidarity: a solidarity principle applies between members of the company itself; between the company and its beneficiaries; and between the company and its environment (respect for principles of sustainability).

This solidarity economy is based on initiatives like local development, workforce re-entry and opposition to marginalisation (re-entry via economic activities, solidarity savings, fair trade, etc.). It combines economic practices whose purpose is to reinforce social connections and ensure that the different partners to an exchange are all being treated fairly. Such practices are often implemented by structures that are legally classified as part of the social economy, which explains why the term “social and solidarity economy” is used so often.

<http://www.cressaquitaine.org/>

Social and environmental standards

A standard is a “document established by consensus, which provides, for common and repeated usages, rules, guidelines or characteristics, for activities or their outcomes, guaranteeing an optimal order within a given context” (excerpt from Guide ISO/CEI 2). A standard is therefore a comparative “benchmark”, a documented agreement or

written rule dealing with ways of responding to such requirements. Standards therefore represent a status that is in compliance with a rule. People also talk about a set of criteria or principles to which people will refer when making a value judgement. In other words, standards can be more or less variable, in which case flouting them does not necessarily lead to the levying of sanctions. Social standards are also less coercive than social laws, typifying the traditional legal distinction between, respectively, *soft law* and *hard law*.

International environmental standards: ISO 14001/14004 “Environmental management systems” (EMS)

The family of ISO 14000 standards covers different aspects of environmental management. An EMS fulfilling these requirements is a management tool that will allow organisations of all sizes and shapes to:

- Identify and control their activities' environmental footprint
- Constantly improve their environmental performance
- Implement a systematic approach to define environmental aims and targets; reach them; and demonstrate their realisation.

ISO 26000 “Social responsibility” international standard

Scheduled for early 2009, this will offer guidelines to all organisations, regardless of size or location, relating to:

- Social responsibility principles and themes
- Integration, implementation and promotion of socially responsible practices

- Identification and dialogue with stakeholders
- Communications about social responsibility-related commitments.

www.iso.org

AA1000 standard (AA - Accountability)

That is an international social responsibility management standard that is backed by three principles (transparency, responsibility and responsiveness). It allows for a verification of corporate performances in social, ethical and environmental arenas.

www.accountability.org.uk

SA8000 standard

As the first international standard that labels companies according to their level of social responsibility, its aim is to ensure respect for existing international treaties and conventions in nine priority areas:

1. No workers under the age of 15
2. No forced labour
3. Workplace safety and health
4. Freedom of association and right to collective bargaining
5. No discrimination
6. No “disciplinary practices”
7. Working hours comply with applicable law
8. Wages paid for a standard work week must meet the legal and industry standards and be sufficient to meet the basic need of workers
9. Management system for human resources.

www.sa-intl.org

Socially Responsible Investment (SRI)

Since the 18th century, religious communities have prohibited members from investing in

companies in businesses like arms, alcohol or tobacco (action vices). Above and beyond these *exclusion funds*, socially responsible investment applies a *positive* approach, integrating into its company selection process notions like satisfaction of certain social, environmental, ethical and governance criteria. The ultimate stage of this process is *shareholder engagement*. Some SRI funds become directly involved in running a business or will wield votes at general shareholder meetings to ensure that extra-financial criteria are being taken into consideration.

Whereas investors in sharing funds or solidarity financial products are willing to accept significant financial losses, SRI is based on the conviction that satisfying sustainability criteria can ensure better financial performance over the medium or long term. “Let’s be honest, what matters is the long-term profitability”. Contrary to the “short-term” approach followed by today’s financial markets, SRI has become the financial and speculative avatar of sustainable development. The idea here is that good practices necessarily produce good outcomes and performance. Having said that, studies show that SRI funds’ performances are, at least for the time being, relatively disappointing in purely financial terms.

Solidarity savings

Solidarity savings derive from the desire to use savings as a tool for funding projects or companies characterised by strong social, environmental and humanitarian value added. Savers in this category accept the possibility of lower returns, meaning that savings of this

2006

Nobel Peace Prize awarded to a Bangladesh economist and entrepreneur, Muhammad Yunus, who in 1977 founded the world’s first micro-finance institution, Grameen Bank. Yunus is nicknamed the “banker to the poor”.

kind reflect both the desire for solidarity and the funding needs of solidarity companies, non-profit associations, etc.

A solidarity savings product can be distinguished from a traditional savings product because it incorporates a solidarity mechanism:

- Either some of the savings will be invested in solidarity projects, in which case discussions are about solidarity investments (i.e. when part of a mutual fund portfolio is invested in securities issued by solidarity companies); or
- Income from savings products is shared in a way that will support a solidarity project. In this case, discussions are about sharing a product (i.e., building society deposits, French CODEVI industrial development accounts, etc.)

France has a solidarity finance label (Finansol) that guarantees savings products' distinctive transparency, ethics and solidarity features.

www.finansol.org

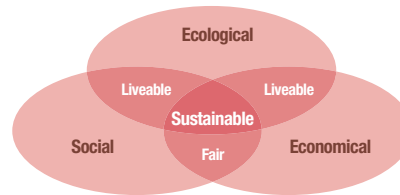
Stakeholders

Corporate stakeholders are comprised of everyone who participates in a company's economic life (employees, customers, suppliers, shareholders); everyone observing it (labour unions, NGOs); and anyone that it affects more or less directly (civil society, local community, etc.). Socially responsible companies are not only transparent to their stakeholders but work hard to serve everyone's interests (thus creating "stakeholder value"). By so doing, they act in opposition to those companies for whom the sole priority is short-term returns ("shareholder value").

www.novethic.com.

Sustainable development

A picture is worth a thousand words.



Source:
Brundtland Report,
1987

Sustainable food

Because there can be no human, social and therefore economic development without certain minimum nutritional constraints and balances being satisfied, food has become a major battleground in today's world. To be sustainable, food must help to preserve life, by fomenting the main environmental and human health equilibria but also by ensuring that sufficient quantities of nutrition are available and that producers receive a decent income from their labour. This "new cuisine" must satisfy a few unavoidable realities. It must be comprised of fruits and vegetables from varied and diversified sources, derived from organic farming processes (that produce neither waste nor residues) and rely on production techniques requiring little water or other inputs. To achieve a positive eco-balance, this food will necessarily be local and express the local population's identity. At a more superficial level, it will provide concentrated nutrition and be tasty, enjoyable and authentic.

In practical terms, the new food must be able to generate higher levels of net energy while fulfilling all of our nutritional needs for proteins,

2007
Bali International
Conference
participants are
unable to agree
quantitative
reductions in
greenhouse
gas emissions.
Negotiations are
extended to 2009.

minerals, nutrients, antioxidants, vitamins or omega 3 – in quantities reaching a minimum of 10 portions of fruit and vegetable every day !

Sustainable Manager

Managers are reputed to act sustainably when they adopt a stance and/or behaviour that reinforces co-operation within their team, valuing the resources that are the men and women they lead and leading to higher productivity and profitability and a better social atmosphere. This is a matter of competency but also of behaviour, which can be defined as a “way of being and doing that is in direct relation with people’s beliefs and the ensuing emotions”.

A casebook example would be one *Herman Ager* who long held the belief that employees are lazy and must be continually watched and guided to ensure performance. This belief system meant that Mr. Ager was often afraid of “losing control” or would feel anger whenever an employee showed some initiative. He was anything but a sustainable manager insofar as he inhibited his team’s creativity, which had a negative effect on corporate profits. Hence the need to change his modus operandi by telling him that his belief system was inappropriate, especially in light of the responsibilities that came with his position. He could then discover that questioning his own emotions and subsequent behaviour would enable him to become a sustainable manager (as opposed to a disposable one).

Sustainability strategy

Imagine that you are a company director. You decide to initiate a sustainability strategy that

people tell you should successfully reinforce your structure’s economic, social and environment performance for years to come. Bravo! At the same time, you need to realise that you are now embarked upon a journey where you can never turn back, since once you’ve bathed in the waters of sustainability, it will be almost impossible for you to change your mind. After all what would your employees, customers or competitors think of you? The damage to your company’s reputation would be too great.

First phase: Mobilising the persons who are your company’s greatest resources while accessorially soliciting the help of a consultancy group in conducting a sustainability diagnostic on your company. At this stage, you still believe in miracles - with the main question being whether the company, by happenstance, is already behaving in an economically, socially and ecologically responsible manner at all levels. Clearly the answer will be no.

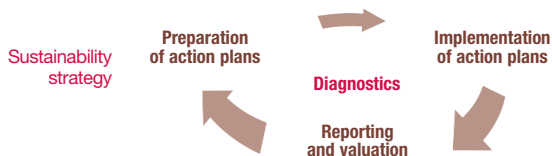
Second phase: Time to get going! You convene all of the aforementioned stakeholders to *define an action plan*. Between what is “strategically desirable” and “financially feasible”, the choice is hard and discussions will be impassioned. In the end, you come up with half a dozen objectives for the year to come. Things are looking up.

Third phase: Implementing the action plan, in other words, setting aside the necessary human, material and budgetary resources; motivating colleagues and increasing awareness levels; getting people to change habits; overcoming some individuals’ reluctance, etc. You are exhausted but see the light at the end of the tunnel.

2007
IPCC
(Intergovernmental
Panel on Climate
Change)
researchers
and ex-US Vice
President Al Gore
share the Nobel
Peace Prize.

Fourth and final phase: The year comes to an end and you need to weigh up the outcomes of your actions. Clearly, everything will not be perfect, but the net result is very satisfactory and worth the effort. You decide to highlight this outcome both internally and externally – it is a good thing for the company's image.

Conclusion. You are a happy and responsible manager. You must stay that way since your sustainability strategy must be set in a long-term framework – and then start everything all over again from the very beginning (or almost): defining an action plan; implementation; reporting, etc. From now on, your motto will be “work makes the grass grow greener”.



Sustainable supply chain (logistics)

Managing a supply chain means piloting merchandise, financial and information flows throughout a chain of companies ranging from “suppliers’ suppliers” to end users and including all intermediate producers and distributors. This is a series of phases guaranteeing that consumers will get the right product at the right time at the right price and with good service quality. Today's supply chain managers strive to implement sustainability policies that can include reverse logistics (return of unsold goods) recycling, facilities management, elimination of waste, and product tracability.

The biggest challenges they face are reducing their companies’ transportation-associated environmental footprint and implementing sustainable relationships with suppliers.

T is for...

Total quality

Total quality management is a continuous improvement process that aims to get the whole of a company mobilised and involved in achieving a high level of quality (excellence) through the reduction of waste and the minimisation of hidden costs.

This is a school of thought and/or mindset that promotes the search for maximum quality throughout an organisation. Seeking total quality means trying to achieve this goal by constantly improving all of the internal and external processes used to deliver a product or service.

Towards this end, people apply often statistically-based systemic organisational and methodical approaches that seek to diagnose the organisation's *modus operandi*. The promoters of total quality view companies as complex systems that integrate functions and relationships whose operations and results can be analysed via excellence strategies including process approaches, risk analysis, statistical methods, Six Sigma, lean management, etc.

Transparency

Transparency is an attribute of systems that reveals reality in its entirety and expresses

the unadulterated truth. This intimates a certain level of access to information and available data about the actions being undertaken and on their effects. Transparency also refers to the desire that all stakeholders (and indeed, all members of society) benefit from clear, honest and exhaustive communications.

U is for...

United Nations Programme for Development (UNDP)

The United Nations Programme for Development is funded by voluntary contributions from almost everywhere in the world. It coordinates the development activities of all United Nations entities and pursues a mission consisting of:

- Helping countries to acquire the means to achieve population-oriented sustainable development
- Supporting programmes in 174 developing countries thanks to a network of 132 offices
- Fighting against poverty and for the equality of sexes, environmental regeneration and good governance
- Encouraging dialogue and action to enhance development through the annual publication of a human development report.

V is for...

Viista

According to Edgar Morin's six principles of hope, a better future remains a possibility

even when this is neither certain nor probable.

1. **Vital**: "living creates hope that leads to further living"
2. **Inconceivable**: all great transformations or creations were unthinkable before they actually occurred
3. **Improbable**: everything creating happiness in human history always seemed improbable beforehand
4. **Salvation**: being aware of danger increases the probability of finding a solution
5. **Taupe** (c.f. translator – French for "mole"): digging underground tunnels and transforming things below the surface before they become apparent to everyone above ground.
6. **Anthropological**: "unless there is some catastrophe, humankind has not yet exhausted societies' historical possibilities nor human evolution's anthropological possibilities".

c.f. Morin E. (1993), *Terre patrie*. Paris: Seuil

Volunteering

From the Latin *voluntas*, signifying desire. A volunteer is someone who agrees to do something without being forced to in any way. This can be an individual or collective action, as long as the protagonists' own will is being expressed. Volunteering is an activity that is more or less legally recognised based on several people engaging in a humanitarian, social, sports-related or cultural initiative. Unlike charity work, it implies a formal commitment within a transparent legal framework and is usually limited in terms of duration, social scope and mission.

W is for...

849 million
tonnes of waste
per annum
in France.

Waste

Waste is comprised of outflows from different production and consumption activities. A distinction is generally made between “household” and “industrial” waste, without forgetting agricultural, municipal or other varieties. The nature of waste products may be extremely diverse but the issues raised are relatively similar :

- There is simply too much waste. France, for instance, produces 850,000,000 tonnes of waste annually, including 90 million by companies (11%) and 28 million by households (or 500 kg per person per annum, twice as much as 40 years ago).
- Waste management is also a problem. Burying waste merely postpones problems and incineration leads to the emission of extremely harmful particles and gas. As for recycling, this requires a great deal of energy and transportation and, for the moment, only works with a limited percentage of all waste.

So what to do? A responsible management of waste would try to reduce the volume created both upstream from a given activity (i.e. at the purchasing level) and downstream (reutilization/recycling). Such reductions represent a significant source of savings while also offering ecological benefits. They also cut purchasing costs (especially given the increasing rarity thus rising price of natural resources like oil) as well as processing costs (due to increasingly stringent regulations and higher costs resulting from improved elimination techniques).

Water

More than one billion people worldwide still have no access to water, with 2.6 billion also lacking access to basic sanitary facilities. In other words, 18% of all inhabitants on Earth are totally marginalised, with 40% lacking even the most elementary hygienic resources. It is no surprise that 70% of all illnesses in the developing world are caused by poor water quality. This is particularly poignant in Africa, whose population will reach the one billion mark within a few years and where the situation is extremely worrisome. The *Camdessus* Report has clearly stated that the resources and efforts deployed in this area must be increased tenfold if the water-related Millennium Development Goals are to be reached by the year 2015.

Wine and responsibility

Even vineyards are going green. After World War II, the wine sector was characterised by a new productivity focus that caused the same kinds of pollution and quality problems as the ones that the rest of the agricultural sector faced. In this way, the natural environment became a key issue for the French wine industry.

Protecting the environment also became important in the definition of wine quality. Inter-professional associations and co-operatives implemented different plans and programmes across the French vineyard, aimed notably at reducing the presence of active substances in grapes while diminishing the total level of pollution generated during wine production.

2007

France launches the Grenelle Environmental Summit convening representatives of the State, companies, trade unions, local authorities and NGOs. The purpose of this negotiating round is to come up with a long-term definition for sustainability-related laws and regulations.

A number of winemakers also voluntarily agreed to “reasoned” agriculture approaches; others began producing organic grapes; and others still started to make responsible purchases of dried goods. An example of the latter behaviour would be wine cases made out of wood, which can be bought in France at very low prices. The very same cases can theoretically also be manufactured in the developing world using exotic materials and built by children or young teenagers. People pursuing a sustainability approach would reject this latter option, however, prefer to purchase cases at market prices or slightly higher, but with the assurance that they are contributing neither to deforestation or poor forest stewardship, nor to poor working conditions and child labour.

As for organic wine, there is no such thing per se. What people really have is “wine derived from grapes produced using organic farming methods”. Regulations in this area involve specifications usually applied to the production of fruit and vegetables. What really differentiates wine produced according to organic farming methods is the respect it manifests: for the land where the grapes have been grown: for the grapevines; for organic rules and methods; for the environment; and for consumers.

A recent survey showed that 70% of all merchants and co-operatives in the wine sector consider that sustainability will have a very important role to play in the future. Some even view this as a way of re-launching French wine exports, which have been on a downward trend for several years now.

Whether wine comes from organic or reasoned agriculture, it remains a product that should be consumed with moderation.

X is for...

X-raying French examples of sustainability approaches

As of 31 December 2007, 1,328 Auchan products were labelled in Braille. This was also about the time when Auchan and Atac Simply Market both decided to stop selling red tuna.

In 1996, Leclerc launched an environmentally decisive action when its retail outlets opted for reusable and recyclable carrier bags that the store will reimburse and exchange for free on a lifelong basis. All in all, 4,000 tonnes of plastic have been saved.

In 2006 and within the framework of its Sustainable Development Actions, DISF adhered to the French Post Office’s “Responsible paper” project. This involves sourcing recycled office paper from the supplier’s *Evolve Office* product range (see headlines 16/11/2006).

Facing sharp rises of up to 11% in paper prices, France’s *La Banque Postale* (Post Office Bank) has just negotiated a new paper supply contract covering all of the parties affected by its activities. The solution is based on responsible eco-paper manufactured in Finland by the European paper mill UPM and fulfilling PEFC *Programme de Certifications Forestières* (Forestry Recognition Certification Programme) conditions.

Sponsoring: Legrand renewed its commitment to *Electriciens sans Frontières* and submitted a cheque for €22,000 after signing a sponsoring agreement covering the year 2008. The Group was already supporting the NGO’s 2007

2008

Norway inaugurates the Svalbard Global Seed Vault. This subterranean refrigerated “safe deposit box” is designed to preserve the seeds of more than 4 million plant species for hundreds of years.

2009

In line with its mission of promoting social innovation and supporting the development of social enterprise, the Danone Group has created an investment fund called “danone.communities” that will offer investment products to anyone seeking to save in a way that is meaningful by helping to grow new development models like the one that Grameen Danone Food is constructing in Bangladesh. Launched in 2006, this experiment has paved the way for to a new social enterprise model, one where companies whose vocation is still to make profits try to maximise their positive impact on society. In Bangladesh, for instance, Danone’s Shoktidoi yoghurt is being sold at a very low price of 5 BDT (ca. €0.06). Within 3 years, the product’s manufacturing should become a source of income for 1,600 persons, including 50 people directly employed at the plant as well as hundreds of women working in its distribution system. As a priority, Danone will source materials from small local farmers who have created or expanded their activity thanks to Grameen micro-credits and guaranteed purchasing prices.

"We are trying to contribute to the Millennium commitments and help resolve a number of major planetary problems. We have decided to focus on the following issues: sustainability policies in the public domain, relating in particular to world trade, water and public utility access-related funding and governance issues; energy; and climate change. We are also focused, albeit to a lesser extent, on problems like mobility (navigable shipping

2009

Y is for...

Convinced of the key role that micro-credit plays in the battle against poverty, the United Nations did not hesitate to make 2005 the year of micro-credit, which it defined as an activity where tiny loans are granted to individuals who are otherwise excluded from the traditional banking system to help them create their own micro-enterprises. In October 2006, Bengali Muhammad Yunus received the Nobel Peace Prize for having founded Grameen Bank, an institution specialising in poor customers (and which is actually owned by them). Founded about 30 years ago in Bangladesh (one of the most impoverished countries on the planet), Grameen offers micro-credit to people excluded from formal system and has already helped millions of people to re-enter the work world.

Z is for...

Wake up!
Companies need responsible managers!

1 billion cars
in circulation
worldwide?

Global responsibility key texts and web sites

Alphabemians

Autocool (Car-sharing)
www.autocool.fr/

BEM Bordeaux Management School
www.bem.edu/en/Identity/Global-responsibility

Caisse d'Epargne
www.bpce.fr/en

Chambre Régionale d'Economie Sociale et Solidaire
www.cressaquitaine.org/

Gérard Verna's Blog
<http://verna.blog.lemonde.fr/>

Oh ! Légumes oubliés
www.ohlegumesoublies.com/index.asp

Institutions

Agence de l'Environnement et de la Maîtrise de l'Energie
www2.ademe.fr/servlet/getDoc?id=38480&m=3&cid=96

EFMD
www.efmd.org

Global Compact
www.unglobalcompact.org/

Globally Responsible Leadership Initiative
www.grli.org

Groupe d'experts intergouvernemental sur l'évolution du climat
www.ipcc.ch/

Organisation Internationale du Travail
www.ilo.org/global/lang--en/index.htm

Programme des Nations Unies pour l'Environnement (PNUE)
www.unep.org/

NGO, Networks

Agence Française de Normalisation
www.afnor.org/en

Agrisud International
www.agrisud.org/

Campus Responsable
www.campusresponsables.com/index.html

Grameen Bank
www.grameen-info.org/

Max Havelaar
www.maxhavelaarfrance.org/

Observatoire sur la Responsabilité Sociale de l'Entreprise
www.orse.org/

Transparency International
www.transparence-france.org/

World Business Council on Sustainable Development
www.wbcd.org/templates/TemplateWBCSD5/layout.asp?MenuID=1

WWF www.wwf.org/

Books

The A to Z of Corporate Social Responsibility
Matten, Pohl, Visser, (2007), John Wiley and Sons

Should Prometheus be bound? Corporate Global Responsibility
de Woot (2006), Palgrave MacMillan

Introduction au management interculturel.
Pour une gestion de la diversité
Rabasso Carlos, Rabasso Janvier (2007), Gestion

Learning for Tomorrow - Whole Person Learning
Bryce Taylor, The Oasis School of Human Relations,

Africa Leads: an exploration of globally responsible business in Africa
Mark Drewell, UNISA Press

The State of Responsible Competitiveness 2007:
Making Sustainability Count in Global Markets
www.accountability21.net/uploadedFiles/publications/The%20State%20of%20Responsible%20Competitiveness.pdf

BEM "Global Responsibility Progress Report" (2007-2008)
www.bem.edu/en/Identity/Global-responsibility

Index

Stakeholders:

Institutions and associations

- p. 22 Agenda 21
- p. 48 Global Compact
- p. 7 Globally Responsible Leadership Initiative (GLRI)
- p. 59 ISO – International Organisation for Standardisation
- p. 60 International Labour Organisation (ILO)
- p. 79 Slow Food
- p. 42 European Union and sustainable Development
- p. 67 Non-Governmental Organisation (NGO)

Agriculture health and food

- p. 39 Energy and agriculture
- p. 46 Food risks
- p. 47 GMO: Genetically Modified Organisms
- p. 68 Organic farming
- p. 79 Short channels
- p. 89 Sustainable food
- p. 97 Water

Corporate global responsibility

- p. 27 Co-operative societies
- p. 29 Corporate governance
- p. 56 GUIDE SD 21000
- p. 63 Labels
- p. 63 License-to-operate
- p. 71 Public contract code reforms
- p. 76 Responsibility ratings
- p. 81 Social and environmental audits
- p. 83 Social and solidarity economy
- p. 88 Stakeholders
- p. 90 Sustainability strategy
- p. 97 Wine and responsibility
- p. 99 X-raying French examples of sustainability approaches

Environment and responsibility

- Bee p. 23
- Biodiversity p. 23
- Climate change p. 27
- Ecology p. 38
- Eco-system p. 37
- Ecological footprint p. 37
- Greenhouse gases p. 54
- Precautionary principle p. 70
- Renewable energies p. 73
- Waste p. 96

Sponsoring responsibility

- Carbon taxes p. 25
- Ethical funds p. 39
- Socially Responsible Investment (SRI) p. 86
- Solidarity savings p. 87
- Quotas (i.e. for CO² emissions) p. 72

Homo responsibilis

- Courage p. 32
- Day-to-day (behaviour and practices) p. 32
- Eco-citizens p. 36
- Ethics p. 40
- Green sexuality p. 53
- Humanism p. 58
- Responsible p. 76
- Viista p. 94
- ZZZZZZ... p. 101

Non responsibility

- Corruption p. 30
- Disposable p. 34
- Financial scandals p. 45
- Golden parachute p. 53
- Greenwashing p. 56
- Joy (and pleasure) p. 61
- Oxymoron p. 69

The Key words of responsibility

- p. **22** Accountability
- p. **24** Brundtland report
- p. **30** Corporate social responsibility (CSR)
- p. **32** Culture and Global responsibility
- p. **65** Negative growth
- p. **89** Sustainable development
- p. **12** Corporate Global responsibility
- p. **51** Globalisation and responsibility
- p. **69** Organisation
- p. **70** Paradigm

Management and responsibility

- p. **24** Buyers
- p. **35** Diversity
- p. **36** Eco-design
- p. **58** Human Resource Management (HRM)
- p. **57** Human Resources
- p. **63** Marketing and responsibility
- p. **77** Responsible/sustainable purchasing
- p. **74** Responsible communications
- p. **74** Responsible information
- p. **75** Responsible managers
- p. **78** Risk management and global responsibility
- p. **90** Sustainable Manager
- p. **92** Sustainable supply chain (logistics)
- p. **93** Total quality
- p. **93** Transparency

North-South cooperation

- p. **32** Development Bank
- p. **43** Fair trade
- p. **64** Micro-finance
- p. **65** Millennium Development Goals (MDG)
- p. **94** United Nations Programme for Development
- p. **95** Volunteering
- p. **101** Yunus (Muhammad)

International global responsibility

- Kyoto (Protocol) p. **61**
- Financial markets and global responsibility p. **44**
- Global security p. **50**
- Small enterprise p. **80**
- Social and environmental standards p. **84**

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The idea of defining the vocabulary of sustainability for a public of responsible managers was born out the simple observation at a BEM academic seminar that - asides from the Brundtland report's widely accepted definition of sustainable development - many of the terms and constructs associated with this concept are new, complex and unstable. They require greater clarification and depth.

The question is how people can negotiate, trade and manage sustainably if they do not speak the same language and have different definitions for seminal concepts like global responsibility, green-washing, globalisation and environmental footprint. This glossary develops a common vocabulary for companies' benefit – 100 words to guide knowledge and action. Sustainability concerns everybody, and the book is a precious tool for enhancing people's understanding of what sustainable business looks like.

The AlphaBEM of the responsible manager is the product of a group effort by professors, university colleagues, corporate leaders and students. The result is a testament to their professionalism, devotion – and sense of humour.



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