

CSR

Bangladesh

[<http://www.csrbangladesh.org>]

Sustainability Watch

First CSR and Sustainability E- Newsletter in Bangladesh
Vol. 1, No. 8, September 2009
(For private circulation only)

Corporate Social
Responsibility
Bangladesh



Message from the Executive Director

I am happy to share with you the eighth issue of CSR E- Newsletter.

CSR-Corporate Social Responsibility Bangladesh is a social enterprise started with a vision to provide SR related services to public and private sector in Bangladesh. The objective of the newsletter is to provide corporate information and news specially focused on sustainability and development related issues. It aims to provide information to the stakeholders regarding social accountability and responsibility.

The sustainable development cannot be achieved without being socially responsible and having adequate understanding and knowledge about social aspect of business.



Member



AMDISA
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Upcoming CSR Bangladesh Publications

Expected date of Publication November, 2009

Socially Responsible Booklet

1. Children's Edition
2. Teenager's Edition
3. Professional's Edition
4. Businessmen's Edition

Call for Contributors

CSR Case Book

We seek business case studies from different sectors in Bangladesh for upcoming CSR Case book publications. We welcome industry cooperation in this regard. Any individual or organizations interested to contribute are highly requested to contact the editor.

Please send your case studies to the following e-mail address by September 30:

editor@csrbangladesh.org

CSR Essentials Training

- Program:** Comprehensive Training
Target Group: Stakeholders, managers and interested person
Date: September 28, 2009
Time: 6:00 pm– 9:00 pm
Venue: House 20, Road 2

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Highlights

- CSR Essentials Training on September 28, 2009
- CSR News Corporate News available at the website
- Training on Trainers of CSR Professionals is coming....
- Introducing CSR Dhaka Forum
- Introducing CSR Master Class soon.....

Corporate Social Responsibility inside the factory gates



In this article Rodney Reed asks “How can CSR be integrated into company policies and production processes?”

Externalised CSR?

After many months of reading the Dhaka newspapers a question presented itself ‘why is so much written in Bangladesh about CSR in the community and so little written about what goes on inside the business and amongst the workers in the factory?’

Is it that CSR, like the ISO logo’s painted on the sides of many company delivery vehicles and printed on some company letterhead, is understood only to be a marketing and promotional ‘tool’ rather than a commitment to changed business and employment practices? Or maybe the desire to help relieve suffering and poverty in the community around the company premises or to clean up the natural environment surrounding the factory has eclipsed the good practice inside the gates? Perhaps the urgent need to respond to the natural disasters of flood and cyclone in Bangladesh has absorbed all of the attention of the business owners? Social responsibility and corporate philanthropy are vital ‘threads in the fabric of society’ and are also important ways of demonstrating that religious faith has a social component.

From discussions held with factory proprietors coupled with personal observations of current business and production practice in Bangladesh it is clear that many companies, for a whole variety of reasons, are endeavouring to improve their employment practices and factory conditions but they fail to recognise that endeavour as ‘real CSR’. However it cannot be said too often that while giving money to charity and spending time and effort cleaning up pools and rivers and beautifying traffic islands is a worthwhile social activity it is not the sum total of CSR.

CSR and The Bangladesh Labour Act 2006

Reading through this Act it soon becomes clear that the ‘word smiths’ who drafted it understood the concept of corporate social responsibility even if they were unfamiliar with the terminology. The Act seeks to regulate the employment of young persons. It specifies maternity welfare facilities and health hygiene and safety standards in the workplace and compensation arrangements for injuries caused by industrial accidents. It sets out working hours and leave and the level of wages and the arrangements for payment including company provident fund. In the chapters on industrial relations provision is made for the resolution of disputes including the role of trade unions. All of this is ‘good CSR practice’ and the drafting committees and the legislators are to be commended for their foresight and for their hard work.

CSR and Company Standard Operating Procedures (SOP)

The practice of CSR reaches into all areas of a company's life and work from the Corporate Culture and Corporate Ethics set at Board level right through the company into its administration policies and procedures and its SOP. A company that cannot specify in writing what it wants and needs of its workers and what those workers can expect in return is not mainstreaming its CSR. CSR should not be directed in a separate Department or a written as a 'stand alone' policy it must be in everything and everywhere including for example decisions about maintenance of the vehicle fleet, stock control, and purchasing decisions.

CSR and Human Resources (HR)

If a company is sincere about building up its work force and shows proper respect for its employees – considering them to be its resources, not as liabilities requiring cash on pay day it will reap a whole range of benefits including: more motivated staff; fewer days of absence; trained staff will be able to exercise judgement and make responsible decisions; teamwork bringing out the best in people, improved discipline, reduction in injuries and accidents and so fewer days lost to production.

In order to obtain these CSR benefits an employer with 'mainstreamed' CSR will pay a living wage, will pay the festival bonus on time and will have written staff contracts and good conditions of employment in the factory. CSR will be evident in that company's HR as:- the human rights of staff protected; training provided; workers and staff safety made a priority in the workplace; workers and staff given appropriate rest breaks and holidays; health care made available to staff; sick leave and maternity leave paid for; childcare or a nursery available on site; a trade union in place or a workers representative council functioning; people from the community around the factory are educated and trained to a level where they can be employed in semi-skilled or skilled jobs in the factory; there is no use of forced or convict labour (including no forced or 'unpaid for' overtime); no use of child labour in hazardous situations; staff are paid 'real money wages' not paid 'in kind' with factory products; and out-workers are engaged on similar conditions of employment and 'same pay for same work' as 'in-factory' staff. Importantly there should be clear personal leadership in CSR by senior staff and Board Members.

CSR and manufacturing

CSR principles shape the decisions to procure raw materials from ethical sources, prohibit the use of child labour and require environmentally friendly use of chemicals pesticides and fertilisers. A safe factory environment, clean, well lit and properly ventilated is a CSR compliant factory where raw materials and manufactured stock is kept safely. CSR factories will have good fire prevention measures and fire fighting equipment and fire evacuation procedures will be in place. There will be sufficient numbers of trained first aid personnel, well stocked first aid kits will be located close to where accidents might occur and there will be ready access to medical advice and attention from a Doctor and Nurse. A business manufacturing to CSR principles will not discharge noxious chemicals or black smoke into the atmosphere and waste materials will be kept to a minimum and recycled,

CSR and finance

Full commitment to CSR extends into the funding of the factory, to repaying bank loans and to not offering bribes of other inducements for desired business advantages. This commitment also leads to the payment of a living wage including provision for sick leave and maternity leave and the payment of a full festival bonus on time. The CSR company will also be making the appropriate returns to shareholders and stakeholders and in full and 'on time' will pay to the Government of Bangladesh the Tax and VAT due to it in order that the Government can provide the national infrastructure the business community needs.

CSR and buyers and final customers

Too often it is international buyers, particularly those from North America and Europe who insist on social compliance and CSR as part of their procurement practice in Bangladesh (as in Cambodia, Vietnam and China) rather than the business owners who 'drive' the progress of CSR in Bangladesh. It is not always clear however that the CSR policies and practices of these international buying companies extends though their buyers into their factories. Some less reputable buyers seem to have a 'do as I say not as I do' approach to CSR. This is evident in their willingness to move their manufacturing contracts from country to country in order to bear down on the price offered per garment while insisting on higher quality and improved factory conditions (including the installation of expensive effluent treatment plans ETPs). One would hope that the owners of export oriented Bangladesh company's soon come to understand the importance of CSR and implement CSR in their factories for the right reasons. Discussion with factory managers in Dhaka and further afield in Bangladesh and the reading of Dhaka newspaper reports suggests this might however not be the case!

CSR and Occupational Health and Safety at Work (OHS)

It is inconsistent with CSR for the owners of an unsafe, badly lit, poorly ventilated factory to claim to be exponents of CSR when they make a donation to flood or cyclone relief. There must be a senior level commitment to CSR policy and practice and the intention to 'mainstream' CSR into all areas of a business and into all parts of the factory before a company can claim full compliance with the principles, policy and practice of CSR.

CSR and social compliance

CSR is a partnership between all 'stakeholders' it is more than a buyer specifying a set of standards and then policing compliance under the threat of a contract being withdrawn or a penalty clause being invoked. It involves getting the best out of the workers while recognising their human rights and their need to provide for their families and for their health care and their children's education. It moves on from buyers acting as 'social compliance law makers' and 'social compliance policewomen' into constructive long term partnerships for change involving all the business stakeholders 'a coming

together of the like-minded' which would ensure rapid and sustainable progress for CSR in Bangladesh.

CSR and anti corruption (ethical business practice)

Evident personal integrity on the part of business owners and a public commitment to ethical business practice are key components of 'real CSR'. Business owners and senior executives need to understand and to implement CSR by 'leading ethically from the front' as the CSR advocates and champions in their company. There must be a senior level commitment to CSR policy and practice and the intention to 'mainstream' CSR before a company can claim full compliance with the principles, policy and practice of CSR. This commitment will be evident in the procurement as well as the sales practices of the company and in the factory conditions and employment practices. The company will also be able to show its 'ethical approach' in the way it obtains and retains its operating licences and permits e.g. Trade Licence, Work Permits and Visas for foreign staff, tube well permits, gas and electricity connections, waste water disposal contracts and so on and so forth.

In conclusion

CSR is a company 'walking the walk' not 'talking the talk'. If CSR is not mainstreamed and everywhere in the company and in all parts of the factory it is nowhere because external or project based CSR demonstrates a partial understanding or a limited commitment to CSR by that company. Social and environmental projects conducted by a company marketing department are worthwhile however what Bangladesh needs are CSR companies rather than CSR Departments and integrated CSR in place of 'one-off' external projects.

**Rodney Reed is Company Chairman of Reed Consulting Bangladesh Ltd
www.reedconsultingbd.com**

Reed Consulting has been based in Dhaka for three years and works in a wide range of trade sectors to 'enable business in Bangladesh to be socially responsible, sustainable, and profitable'.

Correlation Between Sustainability & Responsibility

By: A K M Ahsanul Hoque

Sustainability is positively correlated with the responsibility. In the new version, the meaning and concept of CSR has changed, in the new version CSR stands for Corporate Sustainability and Responsibility. Corporate houses are one of the major key players in the country's economy. Thousands of employees are working in the corporate houses in the country. The operating costs of the corporate houses are increasing day by day. If the organization does not have the proper strategy, infrastructure, manpower then the organization does not sustain. If the organization does not sustain, then how the organization will perform. Only a sustainable organization can do their responsibility from their surplus money without any headache. Well reputed sustainable organization has a quota in the budget to do their responsibility throughout the year. An organization will sustain if the organization have the followings:

- Strong financial support & backup
- Have right & positive growth strategy
- Efficient human resources
- Good correlation between the top management.
- Good infrastructure
- Works on correct plan of actions
- Visionary power
- Strong financial support

Identifies the limitations and takes proper actions to overcome the limitations.

If we look into the record then we will see only the successful sustainable organizations are regularly performing their responsibility for the society. It is different that the scale of doing the responsibility is not very high but they are doing the responsibility. So we find that to perform the responsibility properly sustainability is must. In this short writing we say the sustainability and the responsibility are positively correlated with each other. If we do the further research then it will be more clear that how the sustainability and responsibility are positively correlated with each other.

CSR Measurement systems

-Edward Probir Mondol
(Excerpts of Working Paper by Michael Hopkins
Policy Integration Department
World Commission on the Social Dimension of Globalization
International Labour Office
Geneva
*Copyright International Labour Organization)

What measurement systems are companies using to assess the impact of such initiatives?

There is no agreed measurement system for CSR, although companies such as Shell have tried through its Key Performance Indicators (KPI), and GRI has also been active in this area. But there is no single methodological framework in existence which has achieved widespread agreement. The nearest might well be the framework first developed in the United States by Prof. Donna Wood, which I have adapted and applied to dozens of companies. This framework is based on three levels, as described above, namely: the principles of social responsibility, the processes of social responsiveness and the outcomes as they relate to the firm's societal relationships

Level I: Principles of social responsibility

The level of application of these principles is institutional and is based on a firm's basic obligations as a business organization. The value of this level is that it defines the institutional relationship between business and society at large, and specifies what is expected of any business.

It has three major elements:

Legitimacy concerns business as a social institution, and frames the analytical view of the inter-relationship between business and society;

Public responsibility concerns the individual firm and its processes and outcomes within the framework of its own principles in terms of what it actually does;

Managerial discretion whereby managers and other organizational members are moral actors. Within every domain of corporate social responsibility, they are obliged to exercise such discretion as is available to them towards socially responsible outcomes.

Level II: Processes of social responsibility

Corporate social responsiveness consists of the capacity of a business to respond to social pressures. This suggests the ability of a business organization to survive through adaptation to its business environment. To do so, it must know as much as possible about the business environment, be capable of analysing the relevant data and must react to the results of this analysis. But the environment of a business is not static; it is a complex and ever changing set of circumstances. This environment can be unchanged for decades, if not centuries, and then it falls apart and is reformed like a kaleidoscope with increasing rapidity. The ability to scan, interpret and react successfully to the business environment requires equally complex mechanisms.

Three elements are identified as being basic to this level of the CSR model:

Business environment scanning indicates the informational gathering arm of the business and the transmission of the information gathered throughout the organization.

Stakeholder management. A stakeholder is defined as any group or individual which can affect or is affected by the achievement of the firm's objectives, such as owners, suppliers, employees, customers, competitors, domestic and foreign governments, non-profit organizations and environmental and consumer protection groups. Stakeholder management refers to mapping the relationships of stakeholders to the firm (and among each other) whilst finding, listening and meeting their expectations that legitimate concerns should be balanced and met as a prerequisite for any measurement process.

Issues management. Having identified the motivating principles of a firm and determined the identities, relationships and power of stakeholders, the researcher now turns to the main issues which concern stakeholders.

Level III: Outcomes

The main focus of measurement is the third level of the CSR model. To determine whether "CSR makes a difference", all of the stakeholders relevant to an issue or complex of issues must be included in any assessment of performance. There are, again, three main categories:

Internal stakeholder effects are those that affect stakeholders within the firm. An examination of these might show how a corporate code of ethics affects the day-to-day decision making of the firm with reference to social responsibility. It may also be concerned with human resource policies, such as the positive or negative effects of corporate hiring and employee benefits practices.

External stakeholder effects concern the impact of corporate actions on persons or groups outside the firm. They may involve, for example, the negative effects of a product recall, the positive effects of community-related corporate philanthropy or, assuming that the natural environment is a stakeholder, the effects of toxic waste disposal.

External institutional effects refer to the effects upon the larger institution of business, rather than on any particular stakeholder group. For example, several environmental disasters have made the public aware of the effect of business decisions on the general public. This new awareness has brought about pressure for environmental regulation, which has then affected the entire institution of business, rather than one specific firm.

Applying the measurement CSR model:

An example

An example of the way in which the model might be applied is given for Ben & Jerry's Homemade Ice Cream. Ben & Jerry's founder, Ben Cohen, explained one aspect of the ethical principles of the firm. Businesses tend to exploit communities and their workers, and that wasn't the way I thought the game should be played. I thought it should be the opposite – that business had a responsibility to give back to the community, that is because the business is allowed to be there in the first place, the business ought to support the community. What we're finding is that when you support the community, the community supports you back.

This is a clear statement of principles which belongs in the first level of the CSR model. As stated, the principle fulfils the institutional element (it acts to legitimize the institution of business), the discretionary element (it directs the firm in a socially responsible path) and, in going well beyond any legal requirements, the element of public responsibility.

At the level of processes of social responsiveness, corporate social responsiveness consists of the capacity of a business to respond to social pressures. Ben & Jerry's scanning of social issues is accomplished through a number of mechanisms, ranging from direct community involvement through newsletters to special events sponsored by the company.

The effectiveness of the scanning and issues management mechanisms can be seen in Ben & Jerry's funding of organizations as diverse as the Native American Community Board in South Dakota and the Central Massachusetts Safe Energy Project. Clear linkages can be seen between Ben Cohen's principles, as stated, and concrete corporate action. Among the hundreds of issues raised by Ben & Jerry's, one specific *outcome* was achieved through its purchasing policies. To bake its brownies, the firm turned to the Greystone Bakery in Yonkers, New York, a firm which uses its profits to house the homeless and train them as bakers. This outcome is very specific and wholly measurable in a number of ways. The number of homeless people employed by the bakery and the number of trained bakers graduated by the programme could simply be measured. Or the numbers that are still employed at the bakery or in another company as bakers could be examined.

There is a clear causal linkage back through corporate mechanisms to ethical principles and the analytical framework can be seen to function. Further research could be done at Ben & Jerry's to cross-relate different elements and their indicators to determine how, for example, profitability is affected by the 7.5 per cent share of pre-tax earnings given by Ben & Jerry's to philanthropic purposes. Conversely, a proposed indicator, such as "outcomes of community involvement" might be taken and its statistical relationships to other indicators in other elements examined. The first stakeholders in this process are external to the company and are the homeless who take part in the training programme. A second group of stakeholders can be identified as the community from which the homeless are taken. Clearly, the bakery itself profits as a supplier to Ben & Jerry's and in turn provides benefits to the stakeholders, which are possible because of its business with Ben & Jerry's. As one aspect of a very successful social programme, this also benefits shareholders as the success of the firm grows. This is a classic case of new avenues of thinking leading to better profits, reputation and employment, as well as a real improvement in the quality of life in the society in which Ben and Jerry's are operating.

What indicators do I use?

These are presented in a table too detailed to include here. However, they can be examined on my web site. Further, a subset of these indicators have been framed into 20 questions that can allow companies, institutions and NGOs, for example, to self-rate their own CSR.

(Source: <http://www.mhcinternational.com>)

CSR Asia Updates

Summit

CSR Asia Summit 2009
Kuala Lumpur, Malaysia
October 28-29, 2009

For more information visit: www.csr-asia.com

Training:

In depth training on October 26 & 29, 2009

CSR International Updates
(Excerpt from CSRI)

Ethics Research Digest

1. Ethical Reputation of Banks Report (Global: Covalence)
2. Cross-cultural Corporate Ethics Study (Australia/Canada/Sweden: Business Ethics: A European Review)
3. Human Exploitation Report (Democratic Republic of Congo: Global Witness)
4. Determinants of Bribery in Asian Firms (Asia: Journal of Business Ethics)
5. Corporate Communication, Ethics and Operational Identity: Benetton (Global: Business Ethics: A European Review)
6. Money Laundering Report (UK: Transparency International)

Source: <www.csrinternational.org>

CSR Bangladesh News Desk**Copenhagen Communiqué**

CSR Bangladesh signed the Copenhagen Communiqué on Climate Change.

AMDISA MEMBERSHIP

CSR Bangladesh received AMDISA – Association of Management Development Institutes in South Asia Corporate Membership.

Processing MoU with Global Gandhian Trusteeship and CSR Foundation, India.

CSR Bangladesh is processing toward MoU with CSR Foundation in India for joint research and training in CSR.

South Asian Network on CSR

A South Asian Network on CSR initiative is developing.....we expect full cooperation from the associated countries and organizations.

Interview with Pradeep Kashyap CEO, MART, India

Mr Edward Probir Mondol, Editor of CSR Bangladesh took an interview of Mr Pradeep Kashyap, CEO, MART, India.

CSR Bangladesh New Address

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New Born Baby

Mr. Edward Probir Mondol, Executive Director of CSR Bangladesh is blessed by a daughter on August 23, 2009.

International Research Fellowship Award

Mr. Edward Probir Mondol, Executive Director of CSR Bangladesh has received International Research Fellowship award to conduct a study on CSR in South Asia. The study is the joint publication of “CSR Handbook: A South Asian Context” by International Management Institute, New Delhi, India.

CSR Bangladesh Newsletter in Bangla Edition from the month of January 2010

CSR Bangladesh will publish Bangla Edition of CSR Newsletter from month of January 2010.

Corporate Advertisements

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Corporate Social Responsibility Bangladesh

[A partner for sustainable Growth and Development]

Corporate Social Responsibility of Bangladesh - CSR Bangladesh is being launched with a vision to facilitate, expand and encourage CSR practice in Bangladesh. The CSR Bangladesh's objectives are to become the source of information, resources and advisory services on SR in Bangladesh.

Scope of CSRB

- Raise CSR Awareness among stakeholders
- Provide Strategic, structured and systematic tools for CSR practice and adoption
- Evaluate, implement and monitor CSR for profit maximization
- Good Governance Advisory Services
- Establish benchmark for CSR practices

Available!

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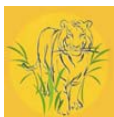
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Training	Consultancy
<ul style="list-style-type: none"> - Corporate Training - CSR Essentials - ISR Training - Corporate Accountability Training - Workshops - Debate - Roundtable Discussion 	<ul style="list-style-type: none"> - Industrial Consultancy - Management Consultancy - Marketing Consultancy - IT Consultancy - Sector Consultancy - Advertisement Services - CSR Implementation

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About CSR Bangladesh

What is CSRB?

Corporate Social Responsibility of Bangladesh – CSR Bangladesh is being launched with private sector start up to facilitate, expand and encourage CSR practice in Bangladesh. Registered as a firm in 2008.

What does it do?

The CSR Bangladesh objective is to become the source of information, resources and advisory services on CSR in Bangladesh.

Scope/Area of CSRB

Raise CSR Awareness amongst CSR stakeholders
Provide Strategic, structured and systematic tools for CSR practice and adoption
Evaluate, implement and monitor CSR for profit maximization
Good Governance
Establish benchmark for CSR practices

VISION

Our vision is to create awareness regarding CSR for the organisation with its primary stakeholders and extended enterprise the benefits of social compliance and sustainability.

MISSION

To be a partner for sustainable growth and development.