

# CSR

## Bangladesh

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

# Sustainability Watch

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### Message from the Editor

I am happy to share with you the ninth 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



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A SAARC  
RECOGNISED BODY

### 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](mailto:editor@csrbangladesh.org)

## CSR Essentials Training

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

### Inside this issue:

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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.....

## CSR – only about cash?

Companies seem keen to demonstrate their corporate generosity and social conscience by making public donations to hospitals, schools, madrasas or for environmental 'clean-ups' or disaster relief. However Rodney Reed asks "is giving away some of the company's profit the sum total of CSR in Bangladesh"?



**CSR is a way of thinking** – a corporate ethos as much as an activity. **Unless CSR is everywhere in a company it is actually nowhere what is needed is integrated mainstreamed CSR.** Elements of CSR in every policy document and Standard Operating Procedure not a CSR Manual for a CSR project. The 'CSR Company' and not the 'CSR Department' will be the agent for change in community and society in Bangladesh.

**Occupational Health and Safety as CSR** – the proprietor of a factory with dangerous unguarded machines, with poor ventilation and substandard lighting cannot have adopted the practice of CSR no matter how much money he donates to good causes in the community. Similarly a manager who permits workers to use welding equipment without proper eye protection or who tolerates the practice of handling caustic or corrosive chemicals with bare hands is breaking the law and acting completely counter to the principles of CSR.

**Environmental Protection as CSR.** Each company has a duty to cause least harm to the environment by its manufacturing processes and transportation arrangements. Not having an ETP or WTP or having bribed to get or renew an Environmental Clearance Certificate (ECC) while continuing to pollute air or land or water around the factory is unethical, illegal and counter to CSR principles of environmental protection. There is a 'business case for CSR because using less material and energy and recycling wastes and using less energy and energy from renewable energy sources (biogas, solar and wind power and recycling heat) makes good economic sense – less cost for the same or more production leads to improved profitability.

**Supply Chain CSR** – having one compliant factory with an ETP/WTP does not prove the whole of the company is committed to CSR. Buying part finished goods from a supplier who uses child labour or raw materials from a destroyer of an ecosystem or using airfreight or badly maintained diesel trucks and so causing environmental pollution in the delivery process destroys a company's claim to be CSR compliant no matter how much money the proprietor donates to 'good causes' in the community or his home village.

**Equality of Opportunity as CSR** – fair treatment for women and minorities – including promotion to manager and senior manager grades not simply in mass employment as machinists. Human Rights. This CSR also extends to the human right of workers to be paid a fair wage on time every time, to be treated with respect by the managers and to work and live in safe and hygienic conditions

**Resisting Corruption as CSR** – for a Law Maker, a Bureaucrat or a Tax Official or Customs Officers to be able to demand or to take a bribe there has to be a businessperson willing to sacrifice their personal integrity in order to get something done quickly or to get something arranged that should not legally be done. The 'CSR company' and 'CSR committed managers' will always endeavour to do the 'right thing' and to do more than simply comply with the law and to follow the 'usual custom and practice' in handling corrupt Civil Servants.

**Paying the Company and Personal Taxes and VAT due as CSR** – one of the reasons the Government needs corporate philanthropy which in Bangladesh is known as CSR is because their revenue from Tax and VAT is so low. The unreasonably high corporate tax rates are a disincentive to disclose the full income and profit of the company but the current level of tax avoidance practiced by many individuals and too many companies is both unethical and disingenuous for a CSR committed company.

**Copyright Compliance as CSR** – including respecting intellectual property rights. "Do you want legal software with that personal computer?" is a frequently heard question in the computer stores in Dhaka. The practice of CSR by a company includes having legal software on all of the company's P/Cs and laptop computers.

**Labour Practices as CSR** – workers should have the right to belong to unions, to engage in collective bargaining, and to have Collective Bargaining Agents (CBA's) who are not self-serving. There should be Workers Councils and Workers Representatives who do not work for the management and are not intimidated by managers in negotiations on behalf of their fellow workers. The Government as part of its commitment to CSR should support the existence of independent Trade Unions and of the right of workers in all trade sectors and Zones to belong to a Union of their own choosing.

**Organisational Governance as CSR** requires well-managed factories and well governed companies. A Board of Directors comprising only a few family members who choose not to go to the Stock Market for investment but prefer Bank Loans because Shareholders might exert influence is not the sign of mature governance in a company. There are always more SR Stakeholders than Shareholders in any case! The Company Board sets the ethos of the company and the *modus operandi* of the Board will be 'translated' into the culture of the company. A Company Chairman and a Board of Directors committed to holistic integrated CSR will lead to a CS compliant company being seen in action.

**Fair Operating Practices as CSR** involves treating suppliers and customers fairly, having due regard to the needs and wants of the staff as well as the needs of the owners family. **Consumer Issues as CSR include** giving the customer 'consumer rights' and to providing after-sales and product support. CSR compliant companies endeavour to give their customers quality and value for money every time accompanied by a commitment to replace any substandard products. These CSR compliant companies will also not add harmful or cancer causing chemicals to their shrimp or fish or fruit in order to prolong its 'shelf-life' or to improve its appearance. These companies will not adulterate food products with non-food material.

**Making a contribution to Community and Society** is still important, namely the gifts of company cash and time and products to 'good causes in the community' and to disaster relief efforts, and earns a 10% tax exemption from the NBR but this corporate philanthropy is only one component of CSR.

**CSR is for all sectors** and not just the business sector and so Government factories as well as those run by the private sector come under the influence of CSR principles. The Government's urea fertiliser factories are clearly in urgent need of attention from Managers and Ministers familiar with CSR principles and environmental protection practices.

**CSR is about the lifestyle of all of us** child labour is not now permitted in RMG and Knitwear factories but any children are employed in the homes of proprietors and factory managers as maids and carers for the families own children. Some of these house-helpers are required to work long hours for little or no money – sometimes only for a place to sleep on the floor and their food. A personal commitment to CSR cannot be left in the factory and forgotten at home.

**CSR is more than CASH** – is a message that needs to be heard internationally and not just in Bangladesh. Interestingly ISO26000, the SR Guidance ISO that is intended for implementation in 2010 has seven key themes – all of which were listed above. In summary these seven themes are:- Consumer Issues; Contributing to Community and Society; the Environment; Fair Operating Practices; Human Rights; Labour Practices; and Organisational Governance. Only one of these seven themes involves cash gifts or the donation of company time or products to NGOs or community groups or to environmental projects.

**So who benefits from a 'cash only approach' to CSR in Bangladesh?** Firstly, the Government benefits because the corporate sector relieves them of some of their responsibilities to fully fund, schools, universities, clinics and hospitals. The environment and the community around the factories and in our cities also benefit because some 'clean-up and beautification takes place. In the recent SRO from the NBR the Government recognised the benefits to society at large and the population of Bangladesh of this 'cash only CSR' and so offered a 10% Tax Exemption for actual CSR expenditure in the categories listed by the SRO. NGO's are also beneficiaries of this 'cash based CSR' as their projects receive donations of cash or material from the companies. A wide variety of stakeholders benefit from CSR however two fundamental questions remain: - 1) what benefit for the company? and 2) what benefit for the workers and employees of the company from the proprietors CSR?

Cynics, some say realists, claim that businesses use CSR gifts to manipulate their international buyers into believing that non-compliant factories have suddenly become acceptable because photographs of CSR beneficiaries and CSR projects are produced. International merchandisers who are ever more desperately searching for cheaper and cheaper products are then conveniently able to overlook the fact they are paying so little for their products because the workers are paid less than a living wage and that Bangladeshi workers are the lowest paid in the Region. These same international 'buyers' can then ignore the reality that the factories are poorly lit and ill ventilated while telling their 'in store', point of sale customers that the products on sale are manufactured in factories whose owners "have a commitment to CSR".

CSR proponents tell us that workers in CSR compliant companies “have a good feeling” from working there are “more committed and harder working” than their colleagues in neighbouring non-CSR factories and trade sectors. Recent experience however is that garment workers and workers in other sectors where the owners and their trade associations make public CSR donations and announce their commitment to CSR are living on wages below the ‘poverty line’. These workers are often subject to intimidation and abuse in their factories and in the slums where must live. Bangladesh newspapers frequently carry reports of workers protesting because their wages, overtime payments and festival bonuses were held back by member companies of 'socially compliant' trade associations.

Tokenistic or externalised CSR - ‘cash only’ CSR is sometimes termed the ‘white washing’ or ‘green-washing’ of a company’s public image. Corporate Philanthropy is a good thing and the cash businesses donate to medical community, environmental and educational institutions and organisations is badly needed in Bangladesh. A wholehearted commitment to CSR practiced inside and outside the factory gates however would be a much better thing for all the ‘social responsibility stakeholders’ including workers, the local community, buyers, customers and the business owners because this would be evidence of a business that is socially responsible, sustainable and profitable.

*Reed Consulting Bd Ltd [www.reedconsultingbd.com](http://www.reedconsultingbd.com) was incorporated in Bangladesh in July 2006. Rodney Reed is the Company Chairman. The Company is a strategic partner of CSR Asia. Reed Consulting specialises in developing the policy and practice of Social Responsibility including improving management effectiveness and creating 'lean, green, eco-friendly factories'.*

## CSR Asia Updates

### Summit

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

**For more information visit: [www.csr-asia.com](http://www.csr-asia.com)**

## CSR International Updates

### (Excerpt from CSRI)

## CSR International Weekly No. 6

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1. News Digest (Week 1: October 09)

2. CSR Wiki

1. News Digest (Week 1, October 09) –

European Commission Takes Action to Make Urban Travel Greener (GLOBE-Net) -

Deloitte: Investors Return to 'Cleantech' Sector (SustainabilityForum.com) -

Draft ISO 26000 Standard on Social Responsibility Published (SustainabilityForum.com) -

Best Corporate Citizens: Hotels (Fortune) -

Study Results Show That CSR is not a Fad (The CSR Digest) -

America's 10 Greenest Brands? (GreenBiz.com) -

2. CSR Wiki -

Animal Testing -

Animal Welfare -

BITC -

Business Ethics -

Civil Society Organisations -

Consumerism -

Consumer Rights -

Corporate Governance -

Corruption Perceptions Index -

Credit Crunch -

Dow Jones Sustainability Indexes -

Ethical Consumption -

Montreal Protocol -

Rio Earth Summit -

World Fair Trade Organization -

World Social Forum -

**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**

House 20, 2nd Floor, Road 2, Banani Amtali, Dhaka 1212  
Bangladesh

**CSR Bangladesh Registration**

Registered under Societies Act XXI of 1860 by Registrar of Joint Stock Companies and Firms, Bangladesh.  
Registration No. S-10122

**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

# CSR

Bangladesh

## Corporate Social Responsibility Bangladesh

[A partner for sustainable Growth and Development]

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**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 CSR**

- 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!

First Social Responsibility Monthly E-Newsletter

[www.csrbangladesh.org/newsletter/](http://www.csrbangladesh.org/newsletter/)  
 \*Please Register for Monthly Subscription  
[www.csrbangladesh.org/subscribe/](http://www.csrbangladesh.org/subscribe/)

SERVICES:

Education	Research
<ul style="list-style-type: none"> <li>- Awareness Creation</li> <li>- Publications</li> <li>- Organizational Study</li> <li>- Project Development</li> </ul>	<ul style="list-style-type: none"> <li>- Curriculum Development</li> <li>- CSR Benchmark Survey</li> <li>- Industry Research and advocacy</li> <li>- Industry focused CSR Research</li> </ul>
Training	Consultancy
<ul style="list-style-type: none"> <li>- Corporate Training</li> <li>- CSR Essentials</li> <li>- ISR Training</li> <li>- Corporate Accountability Training</li> <li>- Workshops</li> <li>- Debate</li> <li>- Roundtable Discussion</li> </ul>	<ul style="list-style-type: none"> <li>- Industrial Consultancy</li> <li>- Management Consultancy</li> <li>- Marketing Consultancy</li> <li>- IT Consultancy</li> <li>- Sector Consultancy</li> <li>- Advertisement Services</li> <li>- CSR Implementation</li> </ul>

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## CSR Bangladesh Foundation

### 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. Later registered as a Non Profit Organization under Societies Act XXI 1860 by Registrar of Joint Stock Companies and Firms, Bangladesh.

### What does it do?

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

Environment and Climate Change Issue

### VISION

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

### MISSION

To be a partner for sustainable growth and development in the country and the region.