

Corporate Social Responsibility



An Indo-Japan
Business Workshop Report

Caux Initiatives of Business & Caux Round Table - Japan



Prologue: Caux Initiatives for Business [CIB] was founded on the belief that business as an institution would have perhaps the biggest impact on society in our times as compared to any other, and therefore, this impact should be guided by values to ensure that the contribution is positive and it is lasting in terms of human well-being. In the face of globalisation, it was realised that business on the contrary may well end up destroying rather than enhancing societal value.

Based on high level global consultations and its growing influence, in these years CIB has spread its work in several developed and developing nations. The Indo-Japan Business Workshop with Caux Round Table [CRT - Japan] on Corporate Social Responsibility [CSR] at the Asia Plateau in Panchgani, India is one such work.

So far, Business leadership has for long stressed on conventional ethics concerning mainly financial and economic integrity. But in present times the influence of global business is going far beyond financial and economic paradigms into a more complex scenario of multiple contexts. These are about balancing environmental and biodiversity resources, enhancing social and individual wellbeing and the other principles that enable sustainable business which come in a single envelope – the New Sustainability Wave! Business processes, models and behaviour need to stretch a bit beyond to embrace these newly evolving paradigms, for which CSR or Sustainability are mere catch phrases and serve more as a connecting language on these issues.

CIB combines various modes of dialogue, discussions, networking, influencing and so on to facilitate a process in which the actors will evolve alternatives, solutions and knowledge that is practical and inspires action. CIB may mobilize policy makers, business leaders, students of business management, opinion makers (of sorts) and society at large, to ensure that business is and shall always remain a force for good.

November 13, 2014 - Day I

The Inaugural Day of the Indo-Japan Business Workshop that took place at Asia Plateau saw 73 persons look on as the traditional Indian lamp was lit by representatives from 13 countries that spanned most continents of the globe.

Welcome by Sarosh J. Ghandy, Director, CIB:

Sarosh Ghandy started by saying that CSR or Sustainability should not be seen as a separate activity and it is a part of an organisation's core business philosophy. CSR therefore is also distinct from charity or philanthropy, and it is more about Business giving back to Society in a natural course of action. This way, a business gives back what is extracted in a share, even greater in measure. Mr Ghandy quoted the examples of Tata and enlightened businesses in India to say how business has built local communities, regions and the nation. Mr Ghandy then quoted examples of a research from Japan on 20,000 or more companies older than a hundred years to say that the purpose of a business was much more than to make money. Money is just a means, although it is important. Mr Ghandy concluded that co-existence and collaboration results into co-prosperity.



Keynote Address by Hironori Yano, Chairman, CIB – Japan and CRT - Japan:



Mr Yano began by underlining the importance of building trust and strong moral character as the basis for sustaining business. In a global scenario, Mr Yano said, it is important to anticipate with a new attitude and hasten the resolution of trade conflicts. Such societal risks should be quickly resolved through dialogue and co-operation. Mr Yano said that living and working together for the common good is the essence of enlightened global business. Mr Yano explained the five principles of business which included the importance of leadership by example, keeping promises, and that it is so important for a society in which a sense of shame works as a deterrent to the evil of greed. Exalting the contribution made by all nations and particularly referring to the Chinese philosopher Confucius, Mr Yano concluded that "Virtue will never remain alone!"

Inaugural Address by Dr Bhaskar Chatterjee, Director General of IICA, Ministry of Corporate Affairs - Government of India:



was responsible for the Companies Act passed in the Indian Parliament in 2013) shared his belief that business is expected to work for the genuine empowerment of the poor. A step towards this is encouraging companies to systematically gather the scattered work done by them into an inspiring, practical, cohesive and meaningful contribution. This effort will get better focus, bring out more knowledge and spread ideas to motivate and to scale up action. This is so, as India is low on indicators of health, education and so on.

Starting with the examples of how the Public-owned enterprises in India began CSR efforts, Dr Chatterjee explained the need to suitably take it to the Private sector as well. This opportunity came during the creation of the new Companies Act (2013), where a Clause on CSR was brought amidst an attempt to renew company law management in India. Out of one million registered companies about 16,000+ were now eligible to make a mandatory two per cent contribution of the net profits on CSR activity. Dr Chatterjee explained that putting down activities under a flexible Schedule (Schedule VII) became their way of creating a working definition for CSR in India. Thereafter a lively discussion followed to take advantage of Dr Chatterjee's presence.

Initiatives of Change (IofC), Panchgani: At IofC all over the world, events like this one are creatively enveloped in an emotional and holistic experience. Early in the mornings one had the option to go on a soul-nurture walk, participate in the multi-faith prayers and receive a slice of inner governance with life-changing experiences shared. This becomes the substratum for other debates during the day. At this Workshop, there was also the visit to Grampari, a social initiative on village development on building sustainable livelihoods and Devrai, a Centre that showcases the arts and crafts created by tribal artists. Dr Ravi and Mrs Jayshree Rao with Dr Amit Mukherjee and Ms Vinita Saxena conducted this session and activities.



November 14, 2014 - Day II

Plenary I: CSR Strategy at the Company Level:

- a) Shinichiro Uryu, Manager CSR Group, Corporate Communications Dept., Presidential Administration Office, Mitsubishi Heavy Industry who made the first presentation on his company stressed that CSR and Sustainability are not separate and are integral to the company's governance strategy.

It is voluntary and out of conviction, that in Japan and other countries where they conduct business, to add value in a natural way so as to enrich their community. Their businesses are closely connected to the earth, people, and next generations, which become the context for their selecting business areas, processes and product designs. Their leadership system is two way, top-down and bottom-up. They complete the due diligence process on Human Rights, their stakeholder engagement is supervised by the Board and there is evidence of Risk Management process. They believe in enhancing knowledge of CSR and in building new CSR talent. The company has CSR strategies with a hundred years of future perspective in mind!



- b) The second presentation was made by Sudhakar Gudipati, GM - Group Corporate Sustainability, Tata Council for Community Initiatives - the India based conglomerate with a 130 years legacy. With a unique ownership of the Tata group which is held by Trusts, and blessed with the founder J N Tata's vision, the community is always the core purpose of existence of their business enterprises. Over the years, the Tata group has followed and reinvented strategies to empower neighbouring community. The company's group operates through the Tata Sustainability Group with initial thrust on volunteering and vocational training, water and energy management. K Haridas, Chairman, Business Ethics Institute of Malaysia, KL moderated this Plenary Session.

Plenary II: CSR Strategy at the Program & Monitoring Level:

- a) Ms Ramya Rajagopalan, Head - Corporate Communications, Siemens Ltd. India made a presentation about alignment with UN Development goals and to develop a company level CSR strategy with detailed activities. In terms of sharing core competence, they awarded scholarships to Engineering students. Furthermore, they adopted ITIs (Technical Institutes) and upgraded their infrastructure and capacities for skill development of youth. In order to improve local governance they have adopted a model village. A film was shown depicting very well a before-and-after effect of positive change and social impact.





Sustainability the cornerstone of business, thus reflecting leadership involvement. Seven principles form the basis for action: Organisational Governance; implementing Environmental standards like GRI G4 & SA 8000; Human Rights; Due diligence; adopting the UN Global Compact; processes for Stakeholder engagement; and fair operating practice with all people. There were references to Japanese culture and ethos which included

behavioural standards as a part of this work. Dr Amit Mukherjee, Orthopaedic Surgeon and former Head – Admin., Tinplate Co. of India Ltd. moderated this Plenary Session.

Plenary III: Employee Welfare - as an example of Stakeholder Engagement:

- a) Bobby Kuriakose, Director – HR at Forbes Marshall Group made a presentation on their HR initiatives. The Forbes group is one of the oldest businesses in Pune which is family owned. It is known for a high sense of integrity and for the respect they have earned from the community. Darius Forbes, Chairman of the group played a pivotal role in shaping the foundations of business ethics and sustainability. An exemplar leader of our times, Mr Forbes envisioned a humane attitude of business towards all stakeholders. While a number of employee schemes were mentioned, the emphasis was on cross functional co-operation within the company with deep involvement; mutual respect among colleagues; mechanisms to engage and to listen to employees were key highlights. The company has built a hospital for employees and the local community years ago and also has adopted a cluster of villages for integrated rural development in which programs for health, education, women, child and youth development are in focus. This presentation is available on request.



- b) Anant G Nadkarni, former VP – Group Corporate Sustainability, Tata Council for Community Initiatives made a presentation on the legacy of the Tata Group related to employee welfare which passed through various stages before Indian reforms came in the nineteen-nineties. Mr Nadkarni felt that the employee's point of view was still lacking in making of policies and framing rules at the national and company levels; the



management on their part had to realise that business needs to co-create value, where the precondition is to first build a culture of co-existence and collaboration. This fits into the CIB perspective he said where conviction/commitment were always greater than compliance. He cited examples where employee schemes initiated by companies became law in India several years later. He also suggested a list of specific measurable results for action on making business more relational than transactional in all its engagements; ways to share prosperity; create equal opportunities; generate business with purpose for profit and finally how costs should reflect the truth about business disruptions. Ms Vinita Saxena, Director, Outbound Management Consultancy Pvt. Ltd. moderated this Plenary Session.

November 15, 2014 - Day III

Plenary IV: Our Journey Continues – *Business is and will remain a Force for Good*:

Preamble: The Indo-Japan Business Workshop has come to some generic and specific actionable with a view that it could benefit policy makers, business leaders and practitioners, students of business management and other professions, social sector and other opinion makers among others.

Some among the Generic issues are:

1. Democratic processes have shaped the role of business and unleashed free enterprise.
2. Business is the unit within an economy for creating and sustaining value in a free enterprise.
3. In a free enterprise, people, relationships and their well-being are the central purpose.
4. Amidst and in spite of contradictions, at CIB we collectively believe that sustainable business is a force for good.
5. Sustainable business decisions are made in a multiple context - social, human, environmental, cultural and so on (rather than in merely economic and financial terms).
6. Business is good for the individuals engaged with it, it is good for institutions investing various resources, and together it co-creates good for all people and the planet.
7. Business should focus on generating wealth, and the distributive justice of that co-created wealth.

Possible Points for Action:

a) Presentation by Hiroshi Ishida, Executive Director, CRT Japan: Mr Ishida started by explaining that various systems and voluntary standards for sustainability came at different points in time and from different cultural contexts. Therefore business leaders have expressed a need to simplify. CRT Japan is consulted by small and large companies to incorporate some of the useful aspects of these processes and to customise company-level requirements. A detailed sample of the framework was shown and elaborated. Mr Ishida will share this with anyone desiring it and could perhaps pass it on to anyone else requiring it.



b) Presentation by Anant G Nadkarni, also representing LeaderShape, UK: He presented the summary of the Business Workshop, took key feedback from every participant to converge on to a way forward and expressed his thoughts:

1. CIB as facilitator could consider ideas/identify ways and innovations in the areas of business ownership and governance of enterprises with respect to sustained creation and fair distribution of wealth. CIB may also identify innovations in development of various Leadership styles and fostering of future talent, employee engagement and volunteering that bridge business with society and environment in a deeper relationship beyond transactions that create goods and services.
2. CIB could endeavour to identify systems, processes and business models for sustainable business. CIB could encourage companies in the adoption of voluntary global Standards like the GRI, IIRC or UN frameworks, SA 8000 or ISO 26000 and Indian/Japanese protocols for sustainable business. Even more so, CIB could help showcase and foster demonstrable ways to build exemplary behaviour/culture, practice and examples of living and sharing sustainable value in a business context. Similarly, CIB could promote systems/standards as well as behaviour and practices in good stakeholder engagement which leverage long term relational potential of business and brand.
3. Most importantly, as a robust advocate of sustainable business enterprise, CIB could showcase and promote innovations which demonstrate the imaginative use of technology, organisational competencies and all forms of business modes of action that have reached out to the most underserved and made a significant difference or given clues for scaling. CIB could constantly strive to present and

foster those who can find enterprise solutions to on-going or new social and environmental initiatives to convert them into businesses perhaps for the greater good of all.

Summary of Feedback Forms: The overall ranking computed from the feedback was 87%. (Course Material = 81 %; Methodology = 83 %; Content = 87 %; and Arrangements = 95 %)

- (i) CSR and Sustainability work is largely tacit in nature. It can best spread through examples and stories. So, such stories and cases should be collected. Information and knowledge are vital to CSR. Information control is also necessary. So statistics and other report findings could be collated properly. Projects must also have a purpose and measures to evaluate impact.
- (ii) Better networking with resource persons, building relationships with institutions could help facilitation. Social enterprise is important and must be encouraged.
- (iii) We should not assume that community is in a receiving mode and take initiatives to create an influence on it. CIB could go beyond its present role and influence policy-makers, the community and businesses.
- (iv) We can learn from public enterprises. (TISS is the CSR hub for public enterprise) and also map various kinds of indices and measuring tools on CSR.
- (v) One should also consider going back to the self, foster reflection, and learn from the family as it all begins with me and at home!
- (vi) CSR is mostly seen as charity and giving away all the time. This perception should shift to how people can be empowered and made self-reliant.
- (vii) CSR can be 2% for the purpose of statute. But can it be so? Is giving not a 100% by way of an attitude, considering that the whole turnover is available and it is created by someone and should be owned and go back in some way to them!
- (viii) Knowledge creation and sharing should be encouraged. So we must have cases and information, and also network better.
- (ix) There is a challenge of identifying good NGOs. How do you know credibility? (*Please Google IndianNgos.com or CSRIidentity.com*)
- (x) CIB could be an enabler and someone could put down a white paper on Clause 135 for further refinement.

Suggestions from Japanese Participants:

- What plans does CIB and CRT – Japan have on companies outside the gambit of Clause 135? Can it really go beyond the criteria and believe we are doing this for all of business?
- CSR invariably has a spiritual dimension. How can one leverage this through medium of spiritual institutions? (May be consider networking with the Art of Living, their Business Interface Unit called APEX). Can CIB and CRT – Japan take these ideas and others to something like a business leaders' forum?
- Exposure to a dialogue like this has been a good experience. Sharing business with spiritual knowledge may be considered. Facilitate workshops for companies, students, MBAs and so on. (We could start by having CSR slots on behalf of CIB on existing training programs).
- CSR is too generic. It needs to personalise in a company and in individuals.

Hironori Yano, in conclusion thanked everyone for the excellent business workshop.

Valedictory Session:

R. D. Mathur, Trustee, Friends of Moral Re-Armament (India) felt it his privilege to acknowledge with immense enthusiasm the contribution of Hironori Yano towards this on-going journey between Japan and India's CRTs of CIB. He also considered it his special privilege to introduce Prabhat Kumar, as the distinguished speaker to deliver the Valedictory Address.



Prabhat Kumar, (IAS Retired), former Governor of the State of Jharkhand and former Cabinet Secretary, Government of India began by acknowledging the work of the Workshop and felt that the subject of CSR was apt to debate upon. Prabhat Kumar said that CSR is mandated in our country for certain specific reasons and it applies to a relatively small number of companies. He felt that CIB should motivate and address business as a whole without any criteria because many of those outside the mandate's purview

are also doing good work irrespective of their size. This includes trade and commercial enterprises. Mr Kumar shared his experiences to illustrate how genuine CSR comes as a response out of the extent to which we are able to feel and experience the pain and suffering of the poorest of the poor. He felt that deep empathy must guide the deeper intent behind CSR. Prabhat Kumar, while supporting CIB's recommendations and reaching them to policy makers, said

that CIB must go beyond its advocacy role and strive towards mobilising opinion and influencing government and business alike.

Stressing how activities such as education and development should be left to the government, he went further to encourage his listeners how companies should devote their CSR activities towards other areas in society that needed attention. Mr Kumar cited examples such as DANONE supplying yogurt to children in remote areas in Bangladesh; companies supplying chemically treated mosquito nets to prevent spread of Malaria; and supplying of low cost sanitary napkins to enhance hygiene and health – are innovations to reach the poorest of the poor. He felt that CIB should identify and spread such examples of what he termed 'social businesses. These cause-related ideas provide the whole business a 'CSR' flavour.

Hironori Yano briefly expressed his satisfaction on his own and on behalf of the Japanese delegation on the proceedings and outcomes of this conference. Mr Yano expressed that the next events too should debate on CSR which is increasingly acquiring importance. He further said that we should go deeper into this subject next time. Mr Yano thanked all members involved, participants present and all those who made site visits possible.

Sarosh Ghandy made his concluding remarks acknowledging the contribution of Hironori Yano in making this business workshop happen as a joint venture with the CRT in Japan. Mr Ghandy also acknowledged the participants and their contribution and also thanked the CIB team in India led by Luis Gomes; and for the support of business in India. Mr Ghandy, while announcing the next CIB Conference added that the outcomes of this Business Workshop would have by then taken a more concrete form that will enrich the forthcoming Conference in January 2016.

A small committee will meet in the coming months to understand the outcome and may propose further action in consultation with others concerned.

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