

Introduction of CSR measures taken by the Private Sector



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CSR, the Corporate Conscience

The World Business Council for Sustainable Development in its publication Making Good Business Sense by Lord Holme and Richard Watts, used the following comprehensive definition:

“Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.”

*The paradigm shift-
From Charity to Responsibility*

From a trust-me world where the corporations were largely left alone to perform their business



To a show-me world where corporations actively have to demonstrate their efforts to manage the impact their business processes have on people and the environment.

Evolution of CSR



Stakeholders

(Financial and Non Financial)



Arguments for CSR

- *Self Regulation requirements*
- *Enhances effective communication with stakeholders*
- *Mitigates the blurred divide between Public and Private sector roles in the society*
- *Augments customer awareness/ image and Reputation/ Brand Capital*
- *Sustainability of business processes and value creation*

Creating Shared Value

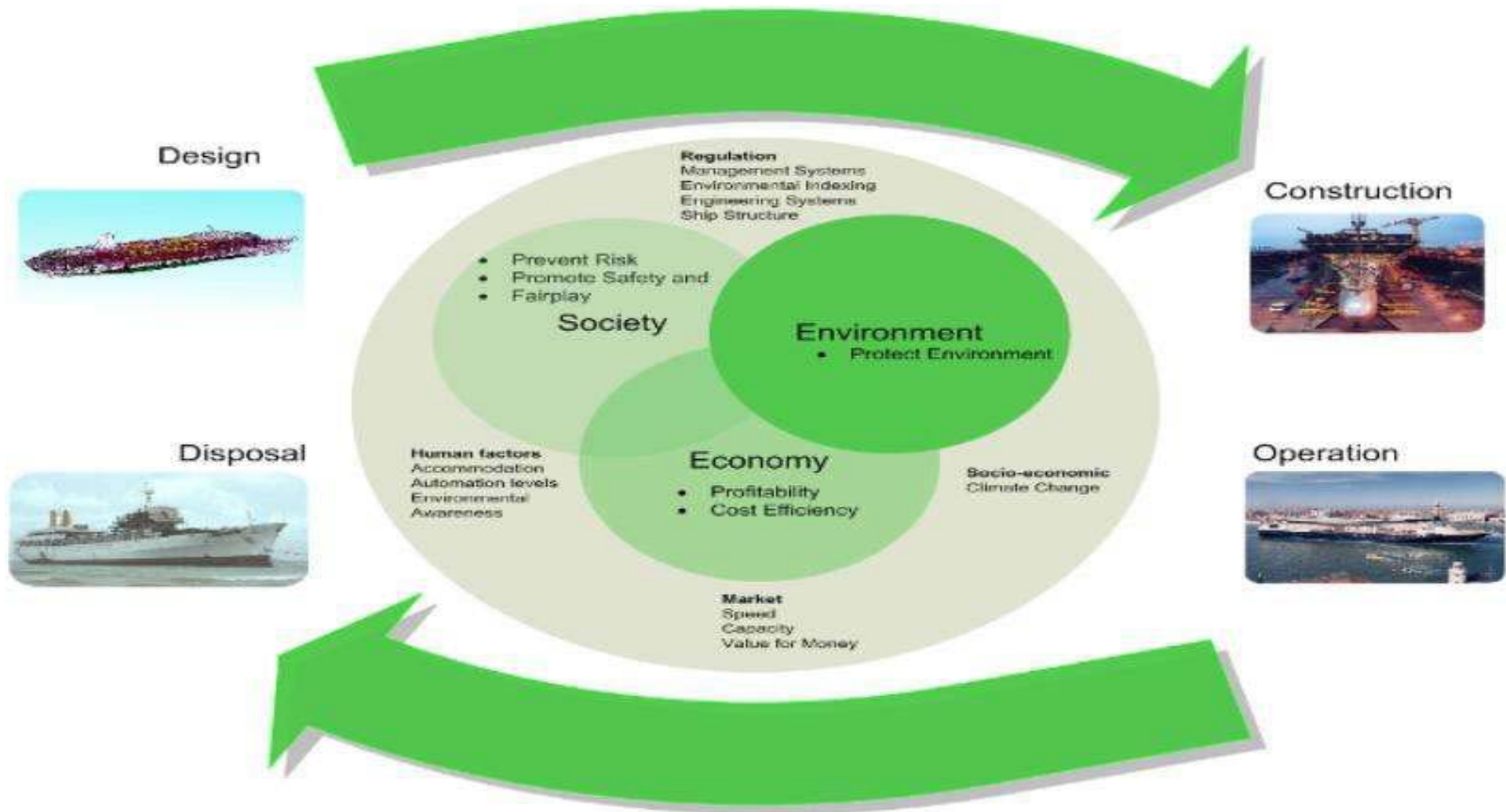
- *Harvard Business Review* says

“The purpose of the corporation must be redefined as creating shared value, not just profit per se. This will drive the next wave of innovation and productivity growth in the global economy. It will also reshape capitalism and its relationship to society.”

(by [Michael E. Porter](#) and [Mark R. Kramer](#))

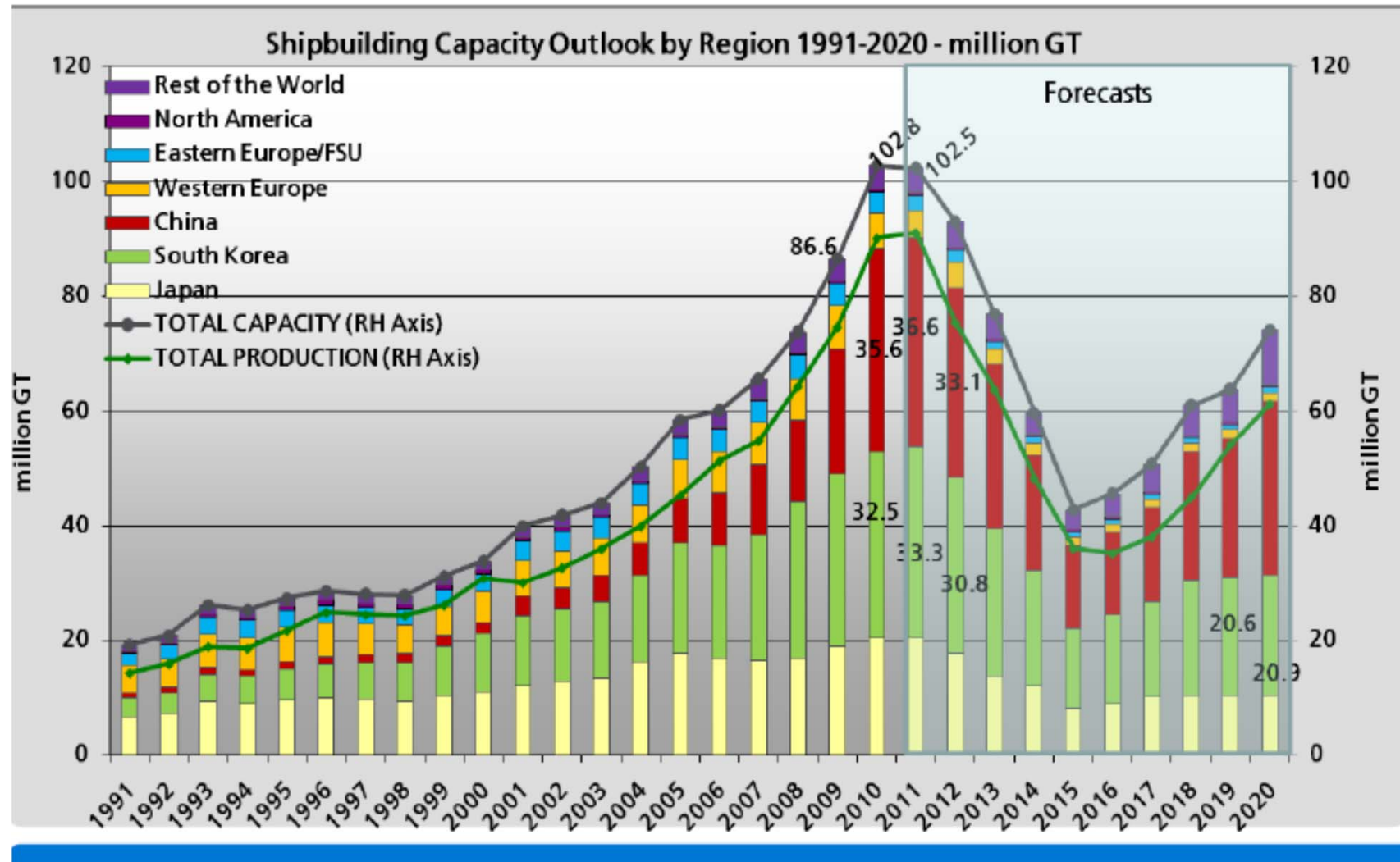
- *The concept of shared value can be defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates.*

NEED FOR CSR IN SHIPPING



Source: Lloyds Register

Global Shipbuilding capacity outlook 1991-2020 in million GT



Source: Lloyds Register

Uniqueness of the shipping industry

- *Owns responsibility for the full life cycle of ships and co responsibility for associates in business*
- *The institutional structure of shipping companies owing to the international regulations*
- *Industrial relations in a global perspective as compared to land based industries (collective bargaining)*
- *Ironically, one reason that shipping has been lagging behind to formal CSR programmes is that it appears to be, if anything "over-regulated". After all, there are plenty of rules governing social, safety and environmental practices.*
- *ISO 14000, 18000, OHSAS and the upcoming ISO 26000 are few to name.*

Uniqueness of the shipping industry

- *Regulatory compliance should be the minimum baseline, however beyond this we need to consider the overall impacts of:*
 - *Climate Change (Carbon Reduction and Energy Efficiency): Almost 90% of world trade is by shipping and transportation accounts for 22% of the greenhouse gas emissions.*
 - *Emissions to Air,*
 - *Discharges to water,*
 - *Waste Management,*
 - *Recycling, as well as*
 - *Emergency Response to pollution incidents.*

Key issues to address in Shipping

Waste Management

- *Ships are large pieces of metal travelling long distances carrying potentially polluting materials; which means that the maritime cargo industry has to deal with environmental issues as diverse as bilge water, ballast water and anti-fouling paint.*

Emission of Air and recycling

- *Sailing substandard ships, and even disposal and ship breaking policies, have both environmental and human rights implications. Then there are airborne emissions issues.*

Key issues to address in Shipping

Climate Change

- *It is predicted that, at the current rate, sulphur dioxide emissions by ships will overtake all land-based SO₂ emissions by 2015; something that, once better appreciated, promises to severely tarnish the industry's name. (Source DNV)*
- *CO₂ emissions from shipping could rise upto 75% in the next 15 to 20 years.*
- *Usage of clean fuels to reduce carbon footprint and % reduction in FO consumption.*

Emergency Response to pollution incidents

- *Risk management from oil spills, emission control through fuel oil quality and engine design, waste management and safety at sea.*

Key issues to address in Shipping

- *Ethics and corporate governance issues are exemplified in the lack of ownership transparency and flags of convenience issues.*
- *Substandard ships or poor adherence to IMO regulations by developing-world crews harm the reputation of quality shippers (and the industry as a whole), and will eventually contribute to higher running costs through greater insurance premiums, higher bank loan rates, and stiffer crew penalties and company fines.*
- *Up-front investment to reduce annual operating cost.*

The CSR areas in Shipping Industry

- *Energy use and logistics*
- *Sulphur reducing technology possibilities*
- *Marine Bio-life research and conservation*
- *Reduction of oil spillage*
- *Development of Coastal Regions*
- *Enabling Local Cluster Development*
- *Ensure manpower availability to the industry through scholarships/ grants to students pursuing Maritime education*

The CSR areas in Shipping Industry

- *Off shore vessels running in LNG*
- *Research on Fuel Cell technology*
- *Culturally conscious employment practices*
- *Repatriation of sea farers*
- *Disposal of garbage only in ports*
- *Sewage systems onboard ships*
- *Cleansing of oil*
- *Employee engagement*

The CSR areas in Shipping Industry

- *To improve Green House Gases efficiency*
- *Scope of LNG to be used as an alternative Fuel*
- *To focus on continuous improvement of processes in order to reduce wastage of resources*
- *Going a step further than IMO and other international regulations to ensure the basic rights*
- *Developing green ships right from building and operation to scrapping*

Best Practices adopted by Sea Trade Awards 2012 Finalists in CSR

- *Korean Register of Shipping:*
 - *Continue to recruit despite economic downturn.*
 - *Newcomers are a valuable asset and central in achieving corporate vision.*
- *Sembcorp Marine:*
 - *Workplace Safety & Security*
 - *People- Centeredness*
 - *Workplace Health Promotion*
 - *Contributions to the Community*
 - *Caring for the Environment*
- *Pacific Basin Shipping :*
 - *Environment*
 - *Workplace*
 - *Community*

CSR INITIATIVES BY SCI

- *SCI is a recipient of Seatrade Awards in CSR category in 2011.*

Commitment to employee and community welfare:

- *Coastal area has been identified as the major area of concern for its activities.*
- *Partnership with grass root level NGOs at the area of intervention ensures that the needs of the community/ beneficiary is identified through a baseline survey.*
- *As a result of this survey, the gap between the actual condition and the requirement if any is analysed.*
- *SCI ensures that the Needs analysis also happens by way of interaction with the Government machinery of the locality.*
- *As the need is identified, detailed plans for intervention are charted out and implemented with clear stating of milestones during the process.*

CSR INITIATIVES BY SCI

- *Breadth of company fully involved or knowledgeable about CSR commitments*
- *The CSR vision and mission of SCI clearly indicates that we aim to be a corporate with the strategies, policies and actions aligned with wider social concerns, through initiatives in education, health, environment and socially relevant matters.*
- *The guiding principle of SCI's CSR is as follows:*

<i>Inclusiveness</i>	<i>Empowerment</i>
<i>Partnership</i>	<i>Reflections</i>
<i>Accountability</i>	<i>Sustainability</i>
- *Voluntary schemes/projects initiated*

Education Initiatives

- *Financial Assistance to students from weaker sections of society*
 - *of Indian Institute of Technology (IIT) and Indian Maritime University (IMU) for courses*
 - *Nautical Sciences*
 - *Marine Engineering*
 - *Naval Architecture*
 - *Entire Fees for students in Maritime Training Institute (MTI) is provided as scholarship by SCI*
 - *Beneficiaries*
 - *206 students are availing financial assistance of SCI.*



Education Initiatives

- *“A project to ensure Every Child’s Right to Education” through PRATHAM with an aim to provide age appropriate learning inputs and opportunity for learning and cognitive development for the vulnerable group of children.*
 - *Area of intervention : Kandla, Gujarat (a hub for several economic activities)*
 - *Beneficiary : Children in the age group of 3 to 5 years and 6 to 14 years.*
- *Kindergarten Schools / Jeevanshalas to provide education & nutrition for Children in slum communities through GHAR BACHAO GHAR BANAO ANDOLAN.*
 - *Area of intervention : Ambujwadi, Mankhurd (Mumbai)*
 - *Beneficiary : Children in Slum communities*
- *Skill building through training of Nursing Assistants to poor girls through SRI RAMAKRISHNA MATH, Chennai*
 - *Area of Intervention : Coastal & Backward districts of Tamilnadu*
 - *Beneficiary : Underprivileged girls*



Health Initiatives

- *Chhatrapati Shivaji Hospital, Kalwa under Thane Municipal Corporation (TMC)*



- *upgrade the existing facility of Neonatal Intensive Care Unit (NICU) from 20 to 30 beds*
- *To establish a separate Paediatric Intensive Care Unit (PICU)*
- *T.N. Medical College and B.Y.L Nair Ch. Hospital under Municipal Corporation of Greater Mumbai (MCGM)*
 - *setting up of Central Cardio Respiratory Monitoring System in Medical Intensive Care Unit (MICU)*



Health Initiatives

- *Regional Mental Hospital under Directorate of Health Services, Govt of Maharashtra*
 - *procurement of few Medical Equipments to help them develop in-house capabilities by up gradation of facilities for better patient care*
- *Tata Medical Centre, Kolkata*
 - *Procurement of beds for General ward of this specialized hospital for cancer care*



Calamity Relief

- *To Rehabilitate the people affected by Cloud Burst at Leh, SCI has undertaken:*



- *The Construction of Flood protection work at Rongjuk Nallah at Nimoo in district LEH through Leh Autonomous Hill Development Council:*



- *Construction of 12 Prefab Houses towards rehabilitation of Flood victims in Shey Region in district LEH through Hindustan Prefab Ltd*



Hindustan Prefab Limited

(A Government of India Enterprise)

Preservation of Cultural Heritage

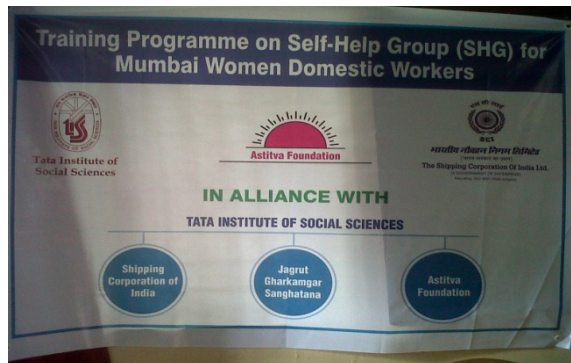
- *SCI has collaborated with ASI and NCF to preserve and promote the cultural heritage of the country*
 - *Through signages for the world heritage monuments at Mahabalipuram*
 - *Maintenance of garden (inside and outside) Shore Temple*
 - *Enhancement of tourist amenities*



ARCHAEOLOGICAL SURVEY OF INDIA

Training and Workshops

- *SCI trained Domestic Workers in Mumbai on the theme Self Help Groups (SHG) wherein issues such as SHG formation, its operational modalities, financial integrities of SHG, and its future prospectus was dealt.*
- *The project was carried out by TISS in partnership with institutions like Jagrut GharKamgar Sanghatan (JGS) and Astitva Foundation (AF).*
- *The training provided both technical and non-technical knowledge on issues concerned with Self Help Group -Formation, execution, operation, and sustainability and the participants were domestic workers who make their livelihood by serving in Mumbai based households.*
- *The age of the participants ranged between 16 to 70 years and the direct beneficiaries are 376 Domestic workers with around 1500 indirect beneficiaries also.*



CSR INITIATIVES BY SCI

- *We aim to attain these objective*
 - *by providing financial assistance to students who belong to socially weaker sections,*
 - *by supporting efforts for community health in slums and areas inhabited*
 - *by marginalised sections,*
 - *by supporting the programmes and efforts for environment protection and enhancement,*
 - *by promoting, encouraging and supporting the social and cultural heritage and traditions of our society and also*
 - *by taking proactive measures for the well-being of society, as per needs.*

Initiatives required from Stakeholders

As Shipowners:

- *Planning for forthcoming Air Quality legislation and other regulations e.g, Ballast Water Treatment, Energy Efficient Design Index (EEDI) & Ship Energy Efficiency Management Plan (SEEMP).*
- *Evaluation of ships cost/benefit of other forms of propulsion/ship enhancement/ alternative fuels.*

As shipyard and ship designer:

- *Possible improvement in EEDI via better ship, materials and machinery design*

As Industry Bodies:

- *Possible change to charter contracts to share cost/benefits from energy efficiencies*

As supply chain community:

- *Integrated management of port/ terminals infrastructure ad logistics.*

Way Forward

- *HR strategy on CSR initiatives should dovetail business strategy.*
- *More than 80% of maritime accidents are directly people related remaining 20% are equipment or machinery related.*
- *Era of “New Economy” : Industrial/manufacturing-based economies into knowledge based economies. Industrial Competition focused on Knowledge/Intellectual capital which has become a tradable commodity.*
- *Japan has suggested blueprint for Alang to handle shipbreaking as per new IMO conventions.*

Way Forward

- *So2 level from marine sources alone have jumped from 10% of all acid rain in 1990 to an estimated 45% in 2010. To promote emission reduction initiatives such as environmental taxes, subsidies and incentives such as carbon credit.*
- *Time has come for leaders in shipping industry to lobby for uniform and self enforced standards in environmental, health, safety and corporate governance.*
- *Formal and standardised approach to CSR: For instance, NYK have a laudable policy on social responsibility that includes a formal and published approach to issues such as corporate governance, IMO compliance, safety, social and environmental activities.*
- *Think long term than short term.*

Thank you...