

REPORT ON
FIFTH SOCIALLY RESPONSIBLE
BUSINESS DEVELOPMENT
NETWORK

June 17, 2005

Socially Responsible Business Development Network

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ACKNOWLEDGEMENT

On behalf of Socially Responsible Business Development Network we would like to thank the presenters namely Mr. Dipesh Man Shrestha, HR Officer, Surya Nepal Pvt. Ltd. and Ms. Bina Rana, Head – Corporate Affairs, Standard Chartered Bank Ltd. for their inspiring presentation. We would also like to thank Mr. Rajiv Pradhan, MD, Lotus Opportunities for moderating the forum.

Our thanks goes to all the participants who attended the fifth forum on Socially Responsible Business Development Network, who took time to participate, discuss and share their views, ideas and made this program a success.

EXECUTIVE SUMMARY

The fifth forum on Socially Responsible Business Development Network (SRBDN) took place at Yala Maya Kendra, Patan Dhoka on June 17, 2005. The fifth forum theme was **“Corporate Social Responsibility in Nepal”**.

Mr. Dipesh Man Shrestha, HR Officer of Surya Nepal Pvt. Ltd. briefly introduced Surya Nepal private companies involve in the production of cigarettes, garments and leaf development. Surya Nepal has been involved in different types of community development activities for years. The focus of these activities have been more on a need basis like safe drinking water to villagers, donating ambulance and organizing health camps. Surya Nepal mostly does their community work in areas where they have set up their factories as their business strategy to motivate their workers. The management and employees of the organization are well communicated about the different CSR activities carried out by Surya Nepal.

Ms. Bina Rana, Head – Corporate Affairs, Standard Chartered Bank Ltd., was the next speaker and spoke on “Protecting Reputation and Enhancing Brand”. According to Ms. Rana CSR is a part of the banks strategy to protect their reputation and to promote the brand. Standard Chartered Bank is also involve in lot of CSR activities like HIV AIDS awareness in the workplace and also involve in a project “Seeing is Believing”. To do all the development activities the banks staff themselves are involve which according to Ms. Rana motivates them do it and believe in it.

Corporate Social Responsibility helps an organization in building their brand, protecting their companies’ reputation and management discipline. CSR has to be the core business strategy of an organization and those organizations that are doing responsible business should come out and speak more of their good deeds to the stakeholders. It has to be communicated to the stakeholders whether it’s the employees or customer or shareholders through different channels. Private and NGO partnership is a very good way to carry forward the development activities of private sectors.

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ACRONYMS

CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
EVCO	Electric Vehicle Company
F-SKILL	Franchising Skill
GTZ	German Agency for Technical Co-operation
HIV and AIDS	Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome
HR	Human Resources
HRD	Human Resources Department
Ltd.	Limited
MD	Managing Director
NGO	Non Government Organization
Pvt.	Private
SME	Small Medium Enterprise
SNV	Netherlands development organization
SRBDN	Socially Responsible Business Development Network
SNPL	Surya Nepal Pvt. Ltd.

1. RATIONALE BEHIND THE MEETING

Corporate Social Responsibility (CSR) is part of an international drive towards transparency and accountability of business activities and a way of monitoring how business perform against environmental, ethical and social. A platform to share information, knowledge and experience on CSR was felt. The rationale behind the meeting was to have a well functioning knowledge and information-sharing network on CSR.

Objective of SRBDN

- Facilitate sharing information, experiences and ideas on Corporate Social Responsibility in Nepal.
- Facilitate identification of common interests and development of joint efforts and create synergy among facilitators, providers and donors.
- Cooperation between large organization, SME and NGOs
- Integrate CSR in education

2. OBJECTIVE OF THE FIFTH FORUM

The objective of the fifth forum on SRBDN was

- To know the corporate sector involvement in CSR in Nepal
- To share their experience and what do they think the benefits are to get involve in responsible business
- To learn what are their strategies and how can one replicate it in ones own business.

3. PROCEEDINGS OF THE PROGRAM

3.1 Programme Overview

The fourth Socially Responsible Business Development Network initiated by ActionAid Nepal and Lotus Opportunities took place at Yala Maya Kendra Hall, Patan Dhoka on June 17, 2005. The theme for the forum was **“Corporate Social Responsibility in Nepal”**.

Ms. Reema Shrestha Coordinator of the forum welcomed the entire guest. She informed the participants that a working committee has been formed to improve the quality of the network where the first meeting was held on June 16, 2005. This committee will be meeting once in two months to discuss on the way forward for the forum. The first working committee-meeting outcome was to develop the vision, mission and objective of the SRBDN. She also introduced the working committee team viz. Ms. Shizu Upadhyia, ActionAid Nepal, Mr. Rajiv Pradhan, Lotus Opportunities, Mr. Binod Krishna Shrestha, KUSOM, Ms. Monica Mathema, Laxmi Bank and Ms. Nina Shahi, Fair Trade Group. She informed the participants that if anybody is interested to be a part of the committee are most welcome to contact her. The website of the SRBDN was also launched on the same time. The website address of the network is www.lotusopportunities.com.np/srbdn.

Mr. Rajiv Pradhan moderated the fifth forum and briefed the Program details. He cited that this forum is different as compare to other four forums as both the speakers are from the corporate world (multinational companies). The focus of this forum is private sector involvement in Corporate Social Responsibility. Mr. Pradhan invited the first speaker of the forum Mr. Dipesh Man Shrestha, HR Officer, Surya Nepal Pvt. Ltd. for his presentation.

3.2 Corporate Social Responsibility in Corporate Sector of Nepal

First Presentation

Mr. Dipesh Man Shrestha, HR Officer of Surya Nepal Pvt. Ltd. was the first speaker of the Forum. He gave the brief introduction of Surya Nepal an organization involve in the production of Tobacco, Garments and leaf Development. It has been working in the field of CSR since 2000. As part of their corporate responsibility Surya Nepal have been involved in activities such as Community Empowerment, Community Health, Environment Preservation and Promoting Sports. Mr. Shrestha mentioned that CSR is a part of their core strategy and without it the organization cannot sustain for a long period.

Surya Nepal Pvt. Ltd. is also working towards CSR Scope. They are working in different field like Water Positive Company, which is basically about rainwater harvesting. This plan has been successful in India and they are planning to do in Nepal as well. Their other plan is Carbon Positive Company, which is basically about planting more trees in order to balance the composition of Carbon Dioxide. They are also working on programs like Zero Solid Waste, which promotes the use of recyclable materials only. They also have a new program as E Chautari basically about installing Internet stations in villages, which will help in weather forecasting, and other knowledge on better agriculture.

Issues:

Surya Nepal is a multinational company involve in the production of tobacco. Due to the tobacco production many of the participants felt that it is not a society acceptable company. On this topic varies issues were raised by the participants. The major issues raised are as follows:

- Surya Nepal involvement in creating awareness on hazards of smoking cigarette as a responsible organization to their consumers and the youth. .
- Surya Nepal's strategy on CSR activities and its involvement after profit and before profit.
- The activities carried out by Surya Nepal are philanthropy that is expecting no return or is it their core business strategy.

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- The percentage of profit used on CSR activities.
 - The individual or department responsible to decide on the activities to take up as part of their socially responsible business.
 - The communication between the top level and staff of the organization on the corporate social responsibility strategy.
 - Involvement of Surya Nepal in Cancer research activities as part of their CSR.

Mr. Shrestha informed that Surya Nepal has been paying taxes, which comes to 4% revenue to the government. They have also been organizing health programs targeting youth about the harm of cigarette smoking and also they do not sell or promote tobacco consumption in educational areas. They do not target youth as their customers. He also said that tobacco consumption is bad but if they stop their production some other international brand will take the market share due to which the 4% revenue will decrease and also the cigarette smokers will not stop smoking.

Mr. Shrestha said that their main focus of community development is the Bara district as their factories are located in that area. Surya Nepal wanted to first focus on the community development in the area where their workers were situated which is their core strategy to motivate their employees and to be safe from unwanted trouble. He also mentioned that Surya Nepal had also been involved in philanthropy activities like providing ambulance and safe water drinking facility to other district where they do not expect any return. He also shared the fact that Surya Tobacco changed their name to Surya Nepal, as they wanted to introduce others products like garments in their business.

Surya Nepal has appointed an officer known as CSR officer who looks at the activities of CSR in Surya Nepal. The CSR activity the organization is involved in is well communicated with all the department and staffs of the company. The information is disseminated through a newsletter, which is produced regularly by the organization about their activities.

Mr. Shrestha was not sure about the amount spending on CSR activities. He also said that profit making is important to Surya Nepal and by making CSR activities their core strategy they want to increase their profit.

The participants also recommended Surya Nepal to get involve in research on health like for cancer relief.

Second Presentation

The second speaker of the forum was **Ms. Bina Rana, Head - Corporate Affairs, Standard Chartered Bank Ltd.** Her presentation title was “*Protecting Reputation and Enhancing Brand*”. In the beginning Mr. Rana gave a brief introduction of Standard Chartered Bank and its work since its establishment in 1987. CSR is an important part of Standard Chartered Bank strategy and it does help in protecting reputation and enhancing brand. She explained this by saying that if an organization does something wrong to the society than it would have a negative image of the organization which eventually decreases its customers. The bank believes in transparency and as part of being transparency the bank also publishes their annual reports and is shared with their stakeholders.

As for the community development, the banks focus on youth, health and children. Ms. Rana cited that globally Standard Chartered Bank is focusing in two programs as part of their CSR strategy, which are “HIV AIDS prevention”, and ‘Seeing is believing” which has been running successfully. In HIV AIDS issues the bank staffs themselves are trained to create awareness on CSR with very easy and understandable tools. All the employees have to go through this training. The Bank has also shared this awareness tool with other organizations like colleges and manpower agencies. For the program Seeing is Believing, in partnership with Til Ganga Hospital they have done many cataract operation and have also organized awareness programs about restoring eyesight, and precautions from eye infections.

Ms. Rana said that in all their CSR activities they involve their employees so that they are aware about the Banks strategy. They have also made their staff aware on not to waste paper, electricity and water. As part of their philanthropy activities Standard Chartered Bank has provided scholarship to students, have helped in restoring the heritage of Nepal and also donated used (but functioning) computers to schools in village area.

Issues

- Involvement of Standard Chartered Bank in rural area
- Employee understanding of the banks CSR strategies like HIV AIDS issue
- Standard Chartered Banks continuity of the CSR after the banks financial loss
- The amounts spend on CSR activities.

Ms. Rana informed that Standard Chartered Bank Nepal follows the global strategy on CSR and does not have any local strategy as she felt the global strategy was enough. She also said that the bank as part of their community development does not work directly in rural areas but would like to work in partnership with other organization.

Ms. Rana also mentioned that training to employees on HIV AIDS awareness is compulsory so that they realize the importance of the program. The CSR activities of the Bank are communicated through monthly newsletter to the staff. She also said that CSR is for sustainability and more than 300 staff is engaged in other activities than their regular job. CSR is part of their strategy and therefore CSR will always be there whether the company is in loss or profit. Ms. Rana also said that the Bank would like to grow more and more in CSR activities and would want their stakeholders viz our customers, and community to come along to our program. On this thought one of the participants added that CSR is not a separate cost and it cannot be allocated, responsibility is the cost.

4. WRAP UP

Mr. Rajiv Pradhan wrapped up the forum praising the quote from Henry Ford. If the company is established only for the profit, then it won't be long lasting. Business should make profit but not only profit. CSR has to be sustainable and should be part of their core business strategy. CSR helps in building brand, protecting companies and management discipline.

Mr. Pradhan further added that one of the forums objectives is learning and replicating and whatever is learned in this forum have to be replicated. He also shared his end learning from the two presentation which were as follows:

- Newsletters are one the very good communication tool to disseminate information.
- It is important that the communication in organizations have to be from CEO to bottom level employees
- Giving incentive to staff helps in motivating staff to get involve in CSR activities
- Organization should speak out more to their stakeholders about the good things done.
- Human Resource people should also be aware of figures
- Private sector should work in partnership with NGOs to carry forward their CSR activities.

5. CONCLUSION

Corporate Social Responsibility is a new concept but there have been organization/corporate who have been practicing it as their core business strategy in Nepal. This can be shown through the two presentations of Standard Chartered Bank and Surya Nepal Pvt. Ltd. Both this organization does not take CSR as an extra activity but looks at it as a long-term commitment to give back to society so that it eventually benefits their business.

As goes the famous quote of Buddha “Look back at your business and life, at their end, and honestly say that the years of doing business have had some meaning. We should be able to look back and see that we have conducted ourselves and out business in a way that had some lasting meaning and which left some good mark on the world”.

6. ANNEXURE

6.1 Program Schedule

Fifth SRBDN Forum Program Schedule

Date: 17th June, 2005

Venue: Gaushala Hall, Yala Maya Kendra
Patan (next to Patan Dhoka Post Office and Madan Puraskar Pustakalaya)

Theme: “Corporate Social Responsibility in Nepal”

2:45 - 3:00	Registration
3:00 - 3:15	Welcome by Ms. Reema Shrestha, SRBDN Coordinator
3:15 - 3:35	Mr. Dipesh Man Shrestha, HR Officer Surya Nepal Pvt. Ltd.
3:35 - 4:00	Discussion Round
4:00 - 4:20	Ms. Bina Rana, Head - Corporate Affairs Standard Chartered Bank Nepal Limited
4:20 - 4: 45	Discussion Round
4:45 - 4: 55	Moderator’s Wrap up by Mr. Rajiv Pradhan
4:55 pm onwards	Networking / Tea Coffee

6.2 List of Participants

	I	First Name	Second Name	Designation	Organization
1	Ms.	Shizu	Upadhaya	Theme Leader	ActionAid Nepal
2	Ms.	Sadhana	Shrestha	Country Representative	Ashoka - Innovators for the Public
3	Ms.	Shreeyukta Thapaliya	Pandey	PRO	Bank of Kathmandu
4	Ms.	Mahalaxmi	Shrestha	Director	Beekeeping and Research Centre
5	Mr.	Dhan Lal	Shrestha	Program Officer	Danish Embassy
6	Mr.	N. B.	Shahi	Manager	E-Sewa
7	Mr.	Pushpa Prasad	Pokhrel	Engineer	EVCO
8	Ms.	Jalina	Shrestha	Monitoring Supervisor	F-Skill
9	Ms.	Chet Kumari	Gurung	Monitoring Supervisor	F-Skill
10	Mr.	Bhusan Das	Shrestha	Business Development Strategic Advisor	Gandaki Bee Concern
11	Mr.	Rahish	Shrestha	Manager - Sub Sector	GTZ PSPP
12	Ms.	Hemlata	Rai		GTZ PSPP
13	Mr.	Babu	Raja	Executive member	Handicraft Association of Nepal
14	Ms.	Jenny	Shrestha	Acting Program Director	Hoste Hainse
15	Ms.	Bobby	Malla	Manager	HRD & Projects Soaltee Hotel Ltd.
16	Ms.	Monica	Mathema	Head of HR & OD	Laxmi Bank Limited
17	Ms.	Laxmi	Sharma		Laxmi Wood Craft Udhyog
18	Ms.	Tashi	Penzom	Senior Administration Officer	Lotus Bizport
19	Ms.	Swokriti	Sigdel	Marketing Officer	Lotus Bizport
20	Ms.	Sanju	Manandhar	Documentation and Communication Officer	Lotus Bizport

21	Mr.	Rajiv	Pradhan	CEO	Lotus Opportunities
22	Mr.	Suresh L.	Rimal	Manager	Nepal Grihini Udyog
23	Mr.	Manjushree	Karjee		Sana Hastakala
24	Ms.	Agatha	Thapa	Ashoka Fellow	Seto Gunrans National Child Development Services
25	Ms.	Brigitt	Lienhart	Tourism Consultant	SNV/N
26	Mr.	Viswa Raj	Gyawali		Social Tours
27	Ms.	Bina	Rana	Head - Corporate Affairs	Standard Chartered Bank Ltd.
28	Mr.	Dipesh	Shrestha	HR officer	Surya Nepal Pvt. Ltd.
29	Ms.	Archana	Naidu	Reporter	The Boss
30	Mr.	Suren	Shahi	Director	Third World Craft
31	Mr.	Rajendra	Poudyal		TIPS/WINNER
32	Mr.	Hemraj	Bhandari	MA	TriChandra College
33	Ms.	Dominique	Morel	Operational Coordinator	Lotus Opportunities