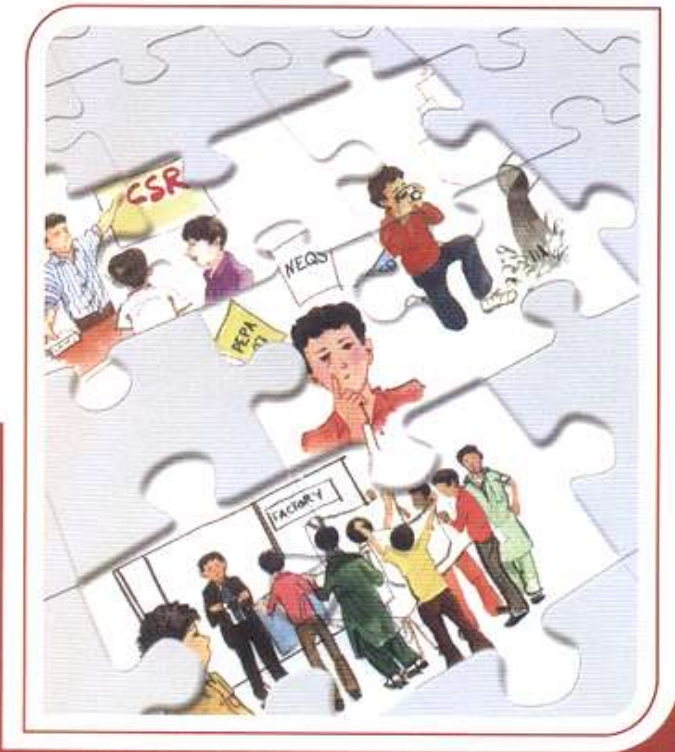


# CSR and the Environmental Footprint a starterkit for the media

Sahar Ali  
Farhan Anwar



## The world of CSR...

Corporate Social Responsibility is a concept with a growing currency around the globe. CSR is a concept that frequently overlaps with similar approaches such as corporate sustainability, corporate sustainable development, corporate responsibility, and corporate citizenship and as such does not have a standard definition or a fully recognized set of specific criteria. While CSR does not have a universal definition, many see it as the private sector's way of integrating the economic, social, and environmental imperatives of their activities while at the same time addressing shareholder expectations. While business compliance with laws and regulations on social, environmental and economic objectives set the official level of CSR performance, CSR is often understood as involving the private sector commitments and activities that extend beyond this foundation of compliance with laws. CSR may also include within its scope a company's responsibility for rectifying the consequences of its misbehavior, for example by cleaning up the pollution it caused or paying damages to those who suffered from their irresponsible business conduct. There is increasing focus on both the private and public sectors to be proactive in the area of CSR that are being challenged from consumers, shareholders, non-governmental organizations, international organizations, and other stakeholders. Stakeholders challenge corporations to adopt socially responsible business practices - at both the domestic and international levels. Challenges and demands usually focus on one or more elements of CSR such as environmental protection, health and safety, corporate governance, human resource management practices, human rights, community development and consumer protection.

This *Toolkit* is an effort to build capacity within a key sector of civil society - the media - on the definitions, practices and challenges of CSR, with a focus on the environment sector and within the context of Pakistan. It is expected that this effort will contribute to a better understanding of the concept and practice of CSR, better reporting and improved investigative work on related matters - and ultimately towards ensuring a better environment for the people at large.

# CSR and the Environmental Footprint a starterkit for the media

Sahar Ali  
Farhan Anwar



# Contents

	<b>Preface</b>	
	<b>Acknowledgements</b>	
	<b>The First Word</b>	
	<b>Section 1 – Understanding CSR</b>	
2	CSR in the modern age: Charity vs sustainability	
5	Triple bottom line – the essence of CSR	
	<b>Section 2 – Legislative Instruments</b>	
9	CSR instruments: Who is interested?	
10	Towards identifying the more relevant CSR instruments	
10	The most relevant CSR instruments	
11	International treaties	
11	How green is Pakistan's legislation?	
	<b>Section 3 – CSR in Pakistan – Environmental Concerns</b>	
13	Case #1 – Endangering human lives	
15	Case #2 – Violating the law of the land	
16	Case #3 – Wildlife at peril	
17	Lessons learnt: Defining the context	
	<b>Section 4 – What the Media can do</b>	
18	Top tips: The essential 8!	
19	Investigating the Corporate Environmental Footprint: A Framework for Action	
21	Investigative tools: A Sectoral Overview	
22	Interview: Javed Jabbar	
	<b>Section 5 – Resource Pack</b>	
25	Government organizations	
25	Conservation groups	
26	Private organizations	
26	Experts	
27	Websites/Blogs	
	<b>Annexure</b>	
	Annex A- Relevant National Environmental Laws	
	Annex B - OECD Guidelines on MNEs - Environment	



## Preface

Shehri-CBE strongly feels that the media has a critically important role to play in ensuring transparency, accountability, social justice and rule of law in the society. Recently, the media has assumed a greater sphere of influence and power to impact on important issues and challenges facing the country. While the new found strength of the media is welcome, it also places a huge responsibility on this important pillar of the state to wield this power with knowledge, honesty and sincerity of purpose. This *Toolkit* is an effort on the part of Shehri-CBE to contribute in this process of media empowerment by providing them with a resource that can be utilized for facilitating more informed, more pro-active reporting of issues related with corporate operations as they impact upon our environment within the context of emerging ethics of Corporate Social Responsibility.



It is hoped that this pioneering effort of ours will lead to further research and documentation on the subject and more importantly towards improved reporting on CSR related matters that in turn should result in improved and more responsible, appropriate and ethical CSR practices.

*Amber Alibhai, General Secretary, Shehri-CBE  
June 2009*

## Acknowledgements

The writers would like to thank *Shehri- Citizens for a Better Environment*, for its vision in recognizing the need for a resource such as this *Toolkit*, and to *SOMO – Centre for Research on Multinational Corporations* for funding the initiative, and for supporting the production of it. Thanks are due to Khadeeja Balkhi and David Watson for their initial guidance in the initial conceptualization and design phase, and for their ready-and-willing assistance throughout the writing of it. For much of the content of this *Toolkit*, we'd like to thank the speakers who shared their knowledge and experience of CSR with journalists in the Focus Group Discussions that were organized as a corollary to the preparation of the *Toolkit*. They are: Shahid Lutfi, Dr. Syed Raza Gardezi (*Shehri*), Rahat Najam, Ghazah Abbasi (*The Collective for Social Science Research*), Noor Rehman (*Society for Safe & Healthy Environment*), Khadim Hussain Ansari (*Badin Rural Development Society*), Shabana Sheikh (*Action Aid Pakistan*), and Shahid Hussain (*The News*). Special thanks to Faisal Siddiqui (*Malik, Chaudery, Ahmed & Siddiqui Advocates Barristers & Attorneys*) for the time he took to explain instances of successful public interest litigation cases that helped promote CSR awareness in Pakistan, and to Javed Jabbar for his wisdom on CSR, as contained in his interview given exclusively for this *Toolkit*.

Last but not least, thanks are due to the reporters who have engaged in the process of understanding the principles and practice of CSR. They have used their learning to remind the corporate sector of its social responsibility, and bring to task those that shirk it.

*Sahar Ali - Editor*  
*Farhan Anwar - Technical Advisor*  
*June 2009*

## The First Word

*Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has.*

*- Margaret Mead*

When we embarked on this task – of producing a *Toolkit* for the media on Corporate Social Responsibility – we discovered at the outset that we were breaking new ground. There was no precedent of such a publication or resource, and this made our task even more difficult – and significant.

This *Toolkit*, therefore, is quite literally ‘the first word’ on an information resource for media on CSR. The mistakes and omissions, therefore, will likely be many, and we’d like to apologize at the very outset for them. Being the first of, we hope, many other such attempts to collate useful information on CSR, the contents of this *Toolkit* are not definitive; they are an introduction – a primer of sorts – to the concept, principles and practice of CSR as it relates to environmental considerations in Pakistan.

As a journalist, I had the privilege of witnessing the ‘wonder years’ of environmental journalism in Pakistan. What began with a handful of dedicated beyond-the-call-of-duty investigative journalists in the mid-80s had, by the early 90s, developed into a media mission to ensure that not just the poor, but future generations as well, do indeed ‘inherit the Earth’. Pakistan’s environment movement stood shoulder-to-shoulder with the global concern for our natural and built environments; in making them cleaner, healthier and better places for all of the planet’s ‘creatures great and small’ to inhabit collectively. Twenty years on, I am delighted to see that environment reporting has been mainstreamed in the Pakistani media and through the media’s awareness-raising, in Pakistani society.

The concept of corporate social responsibility seeks to spur this awareness into action at the level of institutions of society, to embed into the everyday practices of organizations, companies, factories, and industries a sense of responsibility towards the social environment in which they exist, locally, nationally and globally. The role of the media is bringing about this transition in thinking and practice – in essence, a paradigm shift or change of behavior – is a very important one. Media, especially the newly emerging private broadcast media in the country, reaches the ears, eyes – and through these faculties, the hearts and minds – of an overwhelming majority of Pakistanis.

It also makes the movers and shakers – those whom Pakistanis have assigned the task of governance, or law-making, or justice – take note of transgressions against society by individuals or institutions among us, and also to keep their own houses in order. It is this watchdog role of media – which contributes to the critical task of accountability of institutions of state, government, business, industry, and society – that this *Toolkit* is aimed at supporting. There is much more to learn and know about CSR. This *Toolkit* explains, in *Section 1*, in as simple terms as possible, the concept of CSR and how it is



defined by various actors and stakeholders. It provides a basic understanding of what this principle means in practice for business and industry, particularly in terms of the environment.

In *Section 2*, we have attempted to provide a list and summaries of the key legislations and voluntary principles and codes of conducts – international and national – that protect natural and built environments and the living beings that inhabit them.

*Section 3* is a compilation of instructive cases of judicial, individual, collective and media activism which has challenged transgressions by business and industry in contravention of the laws of the land, and in so doing endangered lives and damaged the environment.

Finally, in *Section 4*, is a distillation of all the information and learning in the preceding sections, and of the knowledge and experience of the many sources that have been tapped, directly and indirectly, for the preparation of this *Toolkit*. This has been translated into tips for the media on how it may report on CSR as it relates to the environment.

*Section 5* is a compilation of resources – names and contact details of individuals and organizations that can be tapped for further information; and website addresses where more information may be found, as well as a comprehensive listing of Pakistan's environmental legislation.

We have tried to make this *Toolkit* easy to understand and use. We invite you to critique it, and to share with us your experiences of using it to aid you in your work, so that we may learn from our mistakes and omissions and improve ours – and others' – future attempts to develop resources for the media on CSR.

In the end, we'd like to urge you to share this *Toolkit* with your colleagues so that other journalists and reporters may also benefit. This we ask because social responsibility isn't just for the corporate sector. We all co-habit the earth, and while corporations may carry a greater responsibility in view of the benefits they reap from the planet, we are all duty-bound to exhibit a sense of responsibility towards society in protecting, preserving and improving our environment. This we owe to the generations that will follow. So, in sharing this awareness and knowledge of CSR, we hope that we may, in the words of Javed Jabbar, inculcate among journalists and in Pakistanis at large a shared sense of national social responsibility.

*Sahar Ali*



# Section 1



## Understanding CSR

## Understanding CSR

The term *Corporate Social Responsibility (CSR)* implies that *businesses or corporations have a responsibility towards society.*

It is broadly understood as companies and businesses acting in a manner that protects the interests of society as well as the company's shareholders. Thus, profitability is to be achieved without compromising the greater good of society.

There is no standard global definition of CSR. In the West, CSR as a concept and practice has evolved rapidly in recent years, and is broadly defined in the following way:

“ A socially responsible corporation is one that runs a profitable business that takes account of all the positive and negative environmental, social and economic effects it has on society. ”

*Chris Marsden, Chair,  
Amnesty International Business Group*

In Pakistan, where CSR is a relatively new term in business circles, Quaid-e-Azam Mohammad Ali Jinnah articulated the concept during his address to the *Karachi Chamber of Commerce* on 27th April, 1948.

“ Behave in such a way that the power and prestige of Pakistan gains added strength by every action you take. ”

More recently, the *Federation of Pakistan Chambers of Commerce & Industry (FPCCI)* constituted a *CSR Standing Committee* which has localized the CSR definition in the following words:

“ CSR is the strategic and practical link between inclusive development and economic growth realised by business behaviour that generates a trustworthy reputation with the commitment of key stakeholders. The effectiveness of CSR is directly dependent upon an organization’s implementation of its values, corporate governance, business relationships and impacts. ”

In practice, this means a concern for human rights, health and safety, business ethics, the environment, employees and labour, consumers, the community at large, suppliers, as much as those who share the company’s profits.

CSR isn’t simply about protecting the environment, the community at large, or consumers but also promoting well-being by creating solutions to social problems and environmental challenges. Corporations are motivated to practice CSR because businesses are beginning to wield greater power across the globe and their actions have an increasing impact upon society and the environment.

### **CSR in the modern age: Charity vs sustainability**

Traditionally, CSR was understood to mean charity or philanthropy – corporations donating a portion of their profits towards good causes. As the concept has evolved, this is no longer enough. The link between CSR and the environment is now explained through the concept of sustainability, and this concept lies at the heart of corporate social responsibility.

Sustainability is defined as *“an ability to meet current needs without compromising the ability of future generations to meet their needs.”* For example, our need for water must not be fulfilled in a way as to deprive future generations of this resource.



### ***Corporate Social Responsibility: A short history***

The idea of a business having a role beyond the economic is not new. Throughout recorded history, organizations producing goods and services for the marketplace frequently had political, social, and/or military roles. Close to home, this can be seen in the case of the East India Company and its exploration of colonial territory for the British Empire.

During the 19th century, the corporation envisaged that its board of directors and management had a responsibility towards shareholders (*i.e. fiduciary duty*). Moreover, public policy began to address specific social concerns such as health and safety for workers, consumer protection, labor practices, environmental protection, etc.

By the middle of the 20th century, corporate social responsibility was being discussed in the US by business management experts and in business literature. In 1970, economist Milton Friedmann publicized his view that the social responsibility of corporations is to make profits within the boundaries of societal morals and laws.

In the last decade, CSR and related concepts such as corporate citizenship and corporate sustainability have expanded, perhaps in response to new challenges posed by increased globalization. CSR is now an important part of the business manager's and stakeholder's vocabulary. It is also an item of the agenda of academics, professionals, NGOs, consumer groups, employees, suppliers, shareholders, and investors.

*Courtesy: Industry Canada, Department of the Federal Government of Canada*

This relates directly to the environment and to resources. Our use of resources to create goods for consumers should not deplete resources to such an extent that future generations are unable to provide for their needs. Similarly, the impact on the environment of the processes by which these goods are created must not pollute our air, rivers, forests and seas in such a way that future generations are unable to enjoy the same natural environments.

So the new definition of CSR now encourages companies to think beyond philanthropy to the impact its business operations are having on the society at large. While on the one hand it is creating profits for its shareholders, and jobs for its employees, is it also taking care of the community where its operations are based? Is it taking care that while it pays its taxes, all the suppliers with



whom it does business are doing the same? Is it taking care of its employees and their families? Is it paying its labourers wages that are calculated to offset inflation levels rather than the minimum wage? Are the products it produces protecting the health and well-being of its customers?

“ CSR in Pakistan is generally understood to mean the building of schools or hospitals, or some kind of environment conservation activities, by a profit-making corporation. Such activities often have nothing to do with the core operations of a company and contribute to an incorrect understanding of the concept and practice of CSR. As a guiding light, CSR needs to be embedded in the core functions of the corporate sector - policy making, operations, investment and client-customer relations. For the civil society to act as viable watchdog it needs to educate itself on how the corporate sector impacts the consumers and the society at large – its production and investment footprint - and what rules, regulations and standards it needs to comply with internationally, nationally and locally. This knowledge would empower civil society groups and consumers to determine if CSR is truly embedded ‘*from the cradle to the grave*’ in corporate functions in order to protect consumer interests. ”



*Farhan Anwar – Urban Planner & Member, Shehri-CBE*

### ***Examples of viable CSR practices and actions***

- A computer manufacturer supplying schools and classrooms with computers
- A pharmaceutical company building an incineration facility to treat hazardous hospital waste
- A biscuit manufacturer developing a sugar-free product that is good for health
- A paper manufacturer planting trees to replenish forests

### ***Triple Bottom Line – the essence of CSR***

The concept of social responsibility and sustainability has led to the idea of “triple bottom line” or TBL which translates into “People, Planet, Profits”. This concept forms the the most common quantifiable guage and driving mechanisms of CSR. The idea is that businesses can add value to society in three ways: *economic, social and environment*. The triple bottom-line is a wide set of economic, environmental and social parameters used primarily to drive and measure an organization’s value creation as a corporate citizen. A company’s bottom line is its net profit. However, in triple bottom line, financial profit is but one of three indicators of a company’s success. Equally significant is the impact, or benefits, to the environment and to society brought about by the company’s activities.

“A good company delivers excellent products and services, and a great company does all that and strives to make the world a better place.”

*William Ford Jr. Chairman, Ford Motor Co.*

### ***When CSR becomes part of a company's DNA: Recycled messenger bags cut costs considerably***

The HP Pavilion dv6929 is served up in a recycled, reusable, messenger bag instead of a box, cutting cardboard and plastic packaging by 97%. Thinking outside the box helped HP win Wal-Mart's Home Entertainment Design Challenge, which judged suppliers products on attractive design, environmental innovation and less wasteful, less toxic packaging. Wal-Mart says 25% less truck space is now needed to schlep the computer to stores, cutting transportation costs by 31%.

*Courtesy: Grist, an online environmental news magazine*





“ The state of CSR in Pakistan is at a pivotal stage. Pakistan has a long history of business philanthropy, yet an ill-developed understanding of business social responsibility. The pressure on businesses in the West to behave more responsibly has tended to come from government through regulation, and from consumers through purchasing power. But neither of these levers are currently effective in Pakistan. Firstly, because the definition and implementation of legal frameworks for CSR is weak, inconsistent and largely ineffective and secondly, because consumers are largely too poor to take ethics or social responsibility into account when making purchasing decisions. It is hard to persuade people to pay a little extra for an ethically-traded or environmentally-friendly product when they struggle to feed and clothe their families. But there is hope. Many Pakistani companies themselves are looking to understand more about CSR, about why it is good for business as well as for society. With supporting legal frameworks from government, and with encouragement from civil society, leading Pakistani companies can develop effective approaches to social responsibility that will benefit us all. ”



*David Watson, Business & Sustainability Consultant*



## EBM: Aiming for best practices in CSR

**Saadia Naveed**, Deputy Managing Director, English Biscuit Manufacturers (Pvt.) Ltd. shares her views exclusively for the Toolkit on CSR in general and on EBM's CSR philosophy and program

There was a time when the concept of CSR was an alien notion to all save a few. A number of developments have changed this. Perhaps the two biggest factors have been the advent of globalization and improvements in information technology. Globalization has now advanced best practices across borders and into the realm of local companies as well while technology has made implementation more efficient. At EBM our mission is to inculcate a high degree of social consciousness not only in our employees, but also in all others we do business with. In relation to the EBM Centre of Excellence, this is our way of demonstrating that we care for our employees, consumers, society and the environment. There was a time when local companies pursued the single goal of profits. But today local companies that ignore the community have no future. EBM truly pursues the Triple Bottom Line and through which all our best practices emerge.



## Flash into the Business End

**Khadeeja Balkhi**, a noted Sustainability Consultant and Editorial Director, tbl-triple bottom-line writes exclusively for the Toolkit on how CSR is being perceived and practiced in Pakistan by the corporate sector – the gains made and the challenges faced

As I was writing for the Pakistan chapter on the World Guide to CSR, I was pleasantly surprised with my research. Numerous platforms and efforts have sprouted over the past decade, some misguided, some underfunded, some under-led – and hence few sustainable in terms of promoting CSR meaningfully. The list is rather endless, there's the specialist-led 'tbl-triple bottom-line' publication and platform; the Employees Federation of Pakistan –led 'UN Global Compact' forum for over 50 corporate members; and even the dormant yet regular award-dispensing, NGO-led 'CSR Association'.

The primary focus remains on philanthropic endeavors that fall under the CSR umbrella for most companies. A few have begun to understand and implement strategic philanthropy, where the company's core business is tied to their community work – thereby making it more 'sustainable'. It is however alarming that profits prevail over both the social and environmental bottom-lines with issues like labour-fairness remaining a key sore spot, with cheap labour demanding few rights in a poverty-stricken environment. Reckless hazardous waste disposal is a manifestation highlighted by the media.

Gaps between public statements and actual implementation (*and sometimes intention*) are a global phenomenon that has not spared Pakistan. CSR thus often becomes another PR bandwagon without capitalizing on the massive positive symbiosis inherent in a meaningful CSR-PR exercise. Sustainability reporting, while picking up pace in Pakistan, is one such example – the strategic planning and progress-measuring tools built in to the process of publishing a regular Sustainability report akin to a financial report are often totally ignored with only the PR-based pats on the back realized. Social enterprise is beginning to find its merry overlap with CSR too – to everyone's expectant joy. While at this embryonic stage, confusion seems to prevail when it comes to organized corporate-SE relationships. Overall, CSR in Pakistan has gathered serious momentum. While experiencing typical, universal growing pains, some corporations and platforms are leveraging global experience and local business ethics heritage while tailoring their CSR strategies, thus leapfrogging their way into cutting-edge CSR practices.





# Section 2



## Legislative Instruments

## Legislative Instruments

A starting point for CSR is compliance with international, national and local legislation – in other words, playing by the rules. Legislation exists at two essential levels, both of which should be adhered to if a company wants to go beyond lip service and philanthropy in its CSR practice.

The first is national legislation – laws of the land or country in which a company operates. The second is international laws which relate to issues that go beyond borders- such as industries or trade or natural resources.

A CSR-conscious company should follow an ascending path of compliance beginning first and foremost with abiding by the laws of the country in which it operates. The next stage is to strive to obey international legislation. And finally, at the top of the CSR ladder are companies that are committed to international 'best practices' – procedures that may not be required under any legislative framework but set the highest standards of CSR performance

### CSR instruments: Who is interested?

If we consider first, the compliance instruments specific to CSR then we have to first consider that they are voluntary in nature and are of a diverse nature. Slowly but gradually, they are gaining acceptance, particularly in the western and developed world. So, who is interested in knowing about them?

**Businesses** everywhere want to know what CSR instruments they can use to improve their performance, reputation and relations with stakeholders and to reduce risk

**Governments** need to be confident that voluntary private initiatives complement and support regulations and do not undermine public policy

**Civil society** (including worker's organizations and non-governmental organizations) want to be sure that CSR instruments further the public interest, and cover key issues

**All sectors** understand the potential of CSR instruments to encourage dialogue and effective public/private partnerships. They want to know who uses them and how they work



## Towards identifying the more relevant CSR Instruments

Key considerations:

- Are directly relevant to the social and environmental aspects of globalization
- Build on and advance internationally agreed norms
- Are applicable to business
- Use voluntary mechanisms
- Optimize partnership based approaches

## The most relevant CSR Instruments

Due to their unique importance in the CSR instrument universe, three instruments are identified as follows:

- ILO Tripartite Declaration of Principles concerning MNEs and Social Policy (*MNE Declaration*)
- OECD Guidelines for MNEs
- UN Global Compact

### Analyzing Key CSR Instruments

Voluntary CSR mechanisms			
Structure	CSR Instruments		
	<i>ILO MNE Declaration</i>	<i>OECD MNE Guidelines</i>	<i>Global Compact</i>
Sponsor/s	181 members of the ILO, and their workers/employers organization	30 full member countries of the OECD/10 non-member countries	UN Secretary General with support from UN Agencies, members, and representatives of business, labor and civil society bodies
Scope	General policy, employment, training, conditions of work and life, industrial relations	Employment, industrial relations, human rights, environment, information disclosure, bribery, taxation, competition, s&t, consumer interests	Human rights, labor standards, environment, anti-corruption
Audience	MNE's, SME's, Government, workers /employers bodies	MNE's/SME's belonging to the OECD member countries	Business sector, public agencies, labor and civil society organizations
Relation with other Instruments	References other instruments	References other instruments	Derived from a set of declarations and conventions



## International treaties

At the top of the 'legal food chain' are international agreements. Pakistan has signed all major international agreements (called *Conventions*) that relate to the conservation of natural resources. These include:

- ▶ **Convention on Wetlands of International Importance, especially focused on the Waterfowl Habitat (1971)** – also known as the *Ramsar Convention* because it was signed in Ramsar, Iran in 1971, this is an international treaty which provides for the conservation and sustainable use of wetlands and their resources by nations and governments
- ▶ **Convention concerning the Protection of the World Cultural and Natural Heritage (1972)** – this piece of legislation protects the common cultural heritage of humanity - the spectacular natural areas and historic sites – for present and future generations of the world's citizens
- ▶ **Convention on International Trade in Endangered Species of Wild Flora and Fauna (1994)** - an international agreement between governments whose aim is to ensure that international trade in specimens of wild animals and plants does not threaten their survival
- ▶ **Convention on Biological Diversity (1993)** – often seen as the key document on sustainable development, it calls for the conservation of biological diversity, sustainable use of its components, and a fair sharing of the benefits derived from genetic resources. It was signed at the Earth Summit in Rio on 5 June 1992, coming into effect after ratification in 1993
- ▶ **Convention on Combating Desertification (1994)** – this treaty is aimed at combating desertification and reducing the effects of drought, particularly in Africa

## How green is Pakistan's legislation?

At the national level, the subject of environment is to be found on the *Concurrent Legislative List* which means both the federal and provincial governments can make laws on matters relating to natural resources. But this has mostly been left to provincial governments. Most of the laws in force in Pakistan predate the *1973 Constitution*, and are more than 50 years old. Several laws date back to the 1800s (see *Annex A*).



No environmental laws were enacted in Pakistan until the late 1950s and early 60s. An *Environment Ministry* was established in 1975, as a follow up to the *Stockholm Declaration of 1972*.

The most significant environmental legislation in Pakistan was developed in the 1980s and 90s. After the promulgation of the *Pakistan Environment Protection Ordinance (later converted into an Act in 1997)* in 1983, a process of enacting a series of laws on the environment began and continued for another 15 years culminating in the enactment of the *Pakistan Environment Protection Act in 1997*.

During this period – a phase of major global activism on the environment – Pakistan participated in the *Earth Summit (Rio, 1992)* and became a signatory to several international conventions and protocols to protect the environment and natural resources.

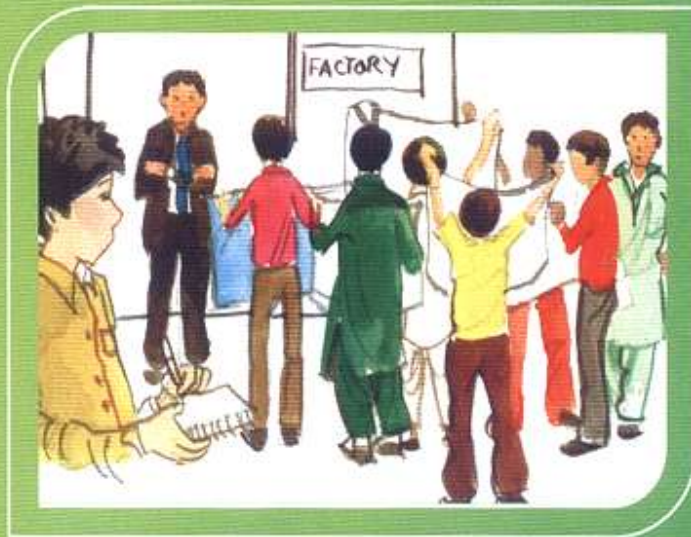
Pakistan also developed a *National Conservation Strategy* during this period (*it came into effect on March 1, 1992*) which served as the country's agenda for the environment. Provincial governments also went on to develop provincial conservation strategies.

Pakistan's key environmental legislation is the *Pakistan Environmental Protection Act, 1997*. In the PEPA definition, environment includes natural resources like water. Some of the highlights of the legislation are:

- it establishes the *Environment Protection Council* – a powerful national regulatory body – and federal and provincial Environment Protection Agencies (EPAs)
- it provides for fines (*up to Rs 1 million*) and/or punishment (*up to 5 years*) for offenders
- it takes accountability seriously - government agencies, local authorities, and businesses along with their top-ranking officials/chief executives are deemed responsible in case of an offence
- it provides for *Environmental Tribunals* to be set up, to hear cases of PEPA contravention
- it makes PEPA the supreme law, empowering to over-ride other laws
- it defines and describes various forms of pollution in detail
- it sets emission standards for air pollutants (*even noise*); discharge of effluents; and waste.
- it calls for *Environmental Impact Assessments (EIA)* for all projects to ensure that industrial activity does not damage natural resources like lakes and rivers
- it covers all industrial activities other than mining; transport (*motor vehicles*); import and export (*of hazardous waste*)



# Section 3



CSR in Pakistan - Environmental Concerns

## CSR in Pakistan - Environmental Concerns

This *Section* showcases and profiles a few selected cases where a public campaign was initiated against what were perceived as corporate practices that adversely impacted communities and the physical environment. At the end of the section, some key queries are raised regarding the nature of such actions in Pakistan and the context within which they are required to be reported upon so that the media can understand and focus on some critical shortcomings in ensuring good corporate practices and define a role for itself.

### Case #1 - Endangering human lives

Type/Name of Corporate Enterprise	Chipboard Manufacturing Factory/Gharib Sons Local Group
Nature of the Project/Activity	In January 2006, a company by the name of Gharib Sons - a Chipboard Manufacturer located in Karachi, dumped hazardous waste on an empty plot (#F 620-621) in SITE Town. This plot was frequented by children as a playground. By April 2006, 20 individual cases of burn injuries among the boys who played in the plot had been reported. The children were from 8 residential colonies in SITE town, essentially an industrial zone. The injuries were mostly on the boys' hands, feet and legs - areas that came into direct contact with the toxic waste. 9 years old Shiraz had to have his finger and legs amputated while Iftikhar, 8 years old, died of severe chemical burn wounds. While a medico-legal report has yet to be issued, three years on, a private television network, Geo TV's coverage of the incident brought the issue to the notice of the Sindh ( <i>provincial</i> ) EPA. When the EPA swung into action, an FIR was registered and the factory owners were arrested. This emboldened the community and an <i>Action Committee</i> was formed comprising local residents and activists, trade unions from the factories in SITE, the <i>Human Rights Commission of Pakistan (HRCP)</i> , and the affectees. They began to raise awareness through the media, which did its part in giving the story continuous coverage. The <i>Action Committee</i> also urged the authorities to take action.
Nature of the Citizen Campaign	The <i>Action Committee</i> began to raise awareness through the media, which did its part in giving the story continuous coverage. The <i>Action Committee</i> also urged the authorities to take action. A case was filed in court against the perpetrators and the Committee networked with researchers, lawyers, doctors, development workers, and the media to publicize the issue and push for a favorable decision in court.



Action (if any) by the environmental regulatory authorities (EPA's)	The EPA took note of the incident, and an FIR was registered and the factory owners were arrested
Judicial Action (if any)	Finally, in January 2007, a High Court ruling ordered the hazardous waste to be removed from the site, banned the future dumping of hazardous chemicals in open areas, commanded businesses and government to ensure proper disposal of hazardous waste, and mandated businesses and government to submit monthly reports of their waste disposal activities.
Role of the Media	Geo TV's coverage of the incident brought the issue to the notice of the Sindh EPA. <i>The News</i> consistently followed the case, and this kept the issue alive and created a public narrative of the incident.
Any kind of satisfactory dispute resolution	After a series of appeals, a public settlement – the first with a corporate entity - was reached in November 2008 and is part of public record.
Final Status	Case settled; victims compensated; local activists have formed an NGO, <i>Society for Safe and Healthy Environment</i> , which continues advocacy and activism on environmental digressions by industries in SITE area.

“ If corporate groups want to focus their CSR related contributions towards improving the environment then a number of options are open – they can assist in raising awareness through use of the media, something they are skillful at, for example by sponsoring programs focusing on the environment. They can adopt a habitat or particular specie and develop a model conservation project. Because of their international exposure and local presence they can blend global contemporary issues like global warming, desertification with local interventions that can have a positive impact on both the environment and the associated social implications of a degrading environment. ”



Rahat Jabeen - Conservationist

## Case#2 – Violating the law of the land?

Type/Name of Corporate Enterprise	Wholesale store/MAKRO-Habib Joint Venture (MNC/Local Group)
Nature of the Project/Activity	The wholesale store, MAKRO, built in Jacob Lines ( <i>popularly known as Lines Area in Karachi</i> ) were accused of committing three kinds of violations; land use violation – a claim that the store was built on an amenity plot ( <i>a playground</i> ); environment/health hazard – a claim that the construction damaged sewerage lines causing sewage to overflow, heavy-duty generators created noise pollution; disrespect of rule of law – a claim of utter disregard of court orders. The store was built next to a poor residential neighborhood and residents complained of ventilation blockage, noise pollution from generators ( <i>105 db when the maximum can be 85 db</i> ), sewage overflows, blocked access to the local school, and encroachment on the area's playground
Nature of the Citizen Campaign	A former local councilor of the area filed a case in the provincial High Court claiming land use violation. The Court requested <i>Shehri-Citizens for a Better Environment</i> – a local citizen group to assist the petitioner in the case
Action (if any) by the environmental regulatory authorities (EPA's)	None
Judicial Action (if any)	A case was filed against the land grab of the playground. A <i>Stay Order</i> was issued by the High Court, but the work did not stop, and the case was dismissed by the Court on the grounds that the petitioners were not following up on the case, a ruling challenged by the petitioners. Later, the Supreme Court of Pakistan took <i>suo moto</i> action to revive the case
Role of the Media	Coverage mostly confined to news reports
Any kind of satisfactory dispute resolution	None - the matter is still in Court
Final Status	Supreme Court of Pakistan has taken <i>suo moto</i> action to revive the case

“ Makro is a classic case of the retelling of the David vs Goliath tale. Whereas in the original tale David won over Goliath, unfortunately in Pakistan, Goliath always wins over David. The rights of the poor, referred correctly as children of a lesser God, are always trampled under the juggernaut of the enormous wealth of the high and mighty. That, unfortunately, is the unpalatable TRUTH. ”



Dr. Syed Raza Ali Gardezi, Vice Chairperson,  
*Shehri – Citizens for a Better Environment*



### Case #3 – Wildlife at peril

Type/Name of Corporate Enterprise	Oil & gas exploration/Premier – Shell Pakistan Group Joint venture (MNC)
Nature of the Project/Activity	In 1997, the <i>Directorate General of Petroleum Concessions</i> , an affiliated body of the Federal Ministry of Petroleum and Natural Resources, Government of Pakistan, granted a concession to the Premier Oil Group, to explore for oil and gas in the <i>Dumbar Block</i> . Premier Oil later merged with Shell Oil, to form the <i>Premier-Shell Pakistan Group</i> . 90% of the Dumbar Block comprised of the <i>Kirthar National Park</i> , the largest National Park of Pakistan and the first of Pakistan's park to be included in the UN's listing of National Parks in 1975. In addition, Kirthar qualified for the strict criteria fixed by the World Conservation Union for a <i>Category II Protected Area</i> . According to the <i>Provincial Wildlife Protection Ordinance 1972</i> , all kinds of mining/ exploration activities were prohibited in the provincial national parks
Nature of the Citizen Campaign	IUCN Pakistan formed a <i>Sub-Committee</i> on Kirthar within its Pakistan National Council membership. This Sub-Committee then expanded to form the <i>Citizens Committee on Kirthar</i> , as more and more NGO's became part of the campaign that were not members of IUCN Pakistan. A vigorous campaign was initiated for cancelling the Concession at various forums and apart from prominent national NGO's, globally based citizen activist networks like <i>Friends of the Earth and Global Response</i> facilitated this campaign by writing letters of protest to the relevant government agencies and MNC's involved in the project
Action (if any) by the environmental regulatory authorities (EPA's)	None
Judicial Action (if any)	The <i>Citizens Committee on Kirthar</i> filed a petition in the provincial High Court appealing for the cancelation of the Concession. However, before a decision could be made on the merits of the case, the provincial government amended the contested legislation by allowing oil and gas exploration activities to take place in the National Park subject to the fulfillment of certain conditions. The Court then termed the petition infructuous in view of the change in legislation
Role of the Media	The media caught on very quickly to the brewing conflict, raising the profile of the case enormously. A number of articles were published in the press, and a huge amount of information dissemination took place. The international media, in particular, took keen interest in the case mainly owing to the involvement of the MNC giant Shell Oil
Any kind of satisfactory dispute resolution	The matter was taken before the Governor of Sindh in May, 1999, who constituted a high-level committee chaired by the Chief Secretary to examine and resolve the issue. While involving all stakeholders, the <i>Committee</i> proved ineffective and nothing could be resolved
Final Status	Though Shell Oil pulled out of the project – in the wake of intense media and conservation groups pressure (a claim of NGO's refuted by Shell Oil), Premier Oil continued with the exploration activities



## Lessons learnt: Defining the context

- ▶ Regulatory enforcement has proven inadequate
- ▶ No proper channel of communication exists between the civil society and the corporate sector
- ▶ Dispute resolution mechanisms do not exist – All cases ended up in the courts
- ▶ Citizen activism, though not adequately informed, does exist
- ▶ Intense media pressure can have an impact in case of involvement of high stakes multi-national corporate groups
- ▶ It is desirable to network with the international media and conservation groups

# Section 4



What the Media can do

What the Media  
can do

## What the Media can do

After clearing the concepts on CSR and understanding the sectoral, institutional and legislative contexts, the media can find itself in a better position to define its own role and move towards more informed reporting of the sector. Following are few tips on facilitating such a role that deal with defining the broad contours of the role of the media and then developing a checklist of issues and actions that can lead to better and more informed reporting on the subject and specific instances that require media coverage:

### Top tips - the essential 8!

- urge public to boycott products/services of errant companies and business
- create a *Hall of Shame* for companies that violate the law and/or CSR principles
- create a public narrative by consistent coverage of CSR violations – remember, judges read newspapers and watch TV!
- educate the public about consumer rights and make them aware of CSR as a concept
- empower victims by depicting the incident as an atrocity or a human rights violation
- join hands with advocacy NGOs to put pressure on government to act
- take responsibility for their role in creating public discourse
- give voice to the marginalized – let victims speak and be heard

“ The laws are important only to provide a framework to initiate legal proceedings. But environmental laws on their own aren't enough. You have to create a public narrative. The media's reporting of the Gharib Sons case, carried out as a campaign in the media, reinforced it in the public domain. The media created its own notion of CSR and enforced it. ”



*Faisal Siddiqui, Corporate/Human Rights Lawyer*



## Investigating the Corporate Environmental Footprint: A Framework for Action

### Background Research...

<b>The Queries</b>	<b>The Actions</b>
What are company's environmental commitments to the consumers and the society at large that it has developed on its own initiative?	Look into the company profile, mission statement, environmental policies/CSR mandate of the company
What are the international, national and local environmental laws/standards that the company has to comply with?	Check with the relevant environmental regulatory authorities such as the provincial EPA's, visit the company website ( <i>if any</i> ) and inquire from the relevant company personal, inquire from the relevant experts, conservation groups
What are the environmental management and reporting systems in place within the company for meeting its environmental commitments?	Check with the relevant environmental regulatory authorities such as the provincial EPA's, visit the company website ( <i>if any</i> ) and inquire from the relevant company personal
What is the nature and scope of the company's CSR practices, if any?	Visit the company website ( <i>if any</i> ) and inquire from the relevant company personal, look into the company's environmental policies/CSR mandate of the company, annual reports - visit any of the targeted communities benefiting from the company's CSR practices and get their views
Do the CSR practices, in any way relate with the core operations of the company	Relate the company's core operations ( <i>check from the company annual report</i> ) with the CSR practice on ground
In the case in question, are the company's stated environmental commitments to the consumers and the society at large in any way in conflict with its practices on ground?	Based on the data collected so far, form an informed opinion
In the case in question, is the accusation that the company is violating any environmental law based on physical evidence or just an opinion?	Check against the applicable international, national and local laws and standards and verify from the accusing parties for presence or lack of any physical evidence
Has the company had any past record of violation of environmental laws, internationally, nationally or locally?	Get in touch with relevant journalists/ conservation groups in other areas of company operations and also check through internet search
Has the company ever been accused by anyone in the past of practices that in any way are harmful to the environment and to the people it serves?	Get in touch with relevant journalists/ conservation groups in other areas of company operations and also check through internet search
Has any product of the company been found in any way to be harmful to the environment and to the people it serves?	Check with relevant regulatory authorities, check through internet search
Has such a case happened elsewhere in the past with same or other corporate entity and how did it evolve and was handled?	Get in touch with relevant journalists/ conservation groups in other areas of company operations and also check through internet search

On the Ground,.....	
What does the affected party has to say?	Get in touch first with the affected communities ( <i>personal visits</i> ) and relevant government authorities ( <i>personal visits</i> ) to get their point of view
What to ask and where to visit?	Question them in the context of your background research on the accused company. Personally visit the affected site to get a first hand feeling of the situation
What is the response of the accused party?	Get in touch with the accused company ( <i>personal visits</i> ) to get their point of view
What is the balanced and neutral assessment?	Get in touch with relevant experts ( <i>personal visits</i> ) on the subject to solicit their views on the positions that have been stated by the two parties in question
How to file the first report?	Based on the data/information collected, opinions formed, file an informed and un-biased ( <i>based only on facts and evidence</i> ) initial report
How to follow-up	Follow-up is essential! Develop a Matrix identifying responsibilities / actions/clarifications required on the part of each concerned stakeholder – the corporate entity, the affected communities/conservation groups, government – and follow-up on actions taken or not taken by each concerned stakeholder
How to link with a wider debate?	Within the context of the case in question, develop a larger debate around the issue in terms of policies, regulation, technology, accountability, awareness etc. to push for and advocate for lasting and sustainable solutions

Just as an example of the tools available during case investigation, provided as follows is a *Regulatory Matrix* that describes the national legal requirements of compliance for the oil and gas sector in Pakistan. This *Matrix* also provides the media with an overview of the key environmental legislations pertaining to the industrial sector in Pakistan.

## Investigative Tools: A Sectoral Overview

The Health, Safety & Environment Oil & Gas Sector Regulatory Requirements Matrix

Law/Regulation	Section/Rule	Regulator	Compliance Requirements
Mines Act 1923 & Consolidated Mines Rules 1952	Section 17/Rule 5-(1)	Chief Inspector Mines	Conservancy/Sanitary
	Section 17 A/Rule 10 C (1)	-	Canteens
	Section 17 B	-	Shelters
	Section 18/Rule 10	-	Medical Appliances
	Section 18 A/Rule 10 A	-	First Aid Rooms
Factories Act 1934 & Sindh Factories Rules 1975	Section 13/Rules 18, 21 & 22	Chief Inspector Factories	Cleanliness
	Section 14/Rules 19 & 20	-	Disposal of Waste & Effluents
	Section 15/Rule 23	-	Ventilation & Temperature
	Section 16/Rule 24	-	Dust & Fume
	Section 17	-	Artificial Humidification
	Section 18/Rule 40	-	Over Crowding
	Section 19/Rule 40	-	Lightening
	Section 20/Rule 41	-	Drinking Water
	Section 21/Rule 44	-	Latrines & Urinals
	Section 22/Rule 48	-	Spittoons
	Section 23 & 24 A/Rule 49	-	Precautions against Contagious & Infectious Diseases
	Section 26/Rule 55-62	-	Fencing of Machinery
	Section 27/Rule 67-73	-	Work on or near Machinery in Motion
Section 33 G/Rule 78	-	Protection of Eyes	
Oil & Gas (Safety in Drilling & Production) Regulations 1974	Regulations 352-357	Chief Inspector Mines	Fire Fighting & Equipment
Pakistan Environmental Protection Act 1997	Clause 11	Pakistan Environmental Protection Council	Prohibitions of certain discharges or emission
	Clause 12	-	Initial Environmental Examination and Environmental Impact Assessment
	Clause 13	-	Prohibition of Import of Hazardous Waste
	Clause 14	-	Handling of Hazardous Substances
	Clause 15	-	Regulation of Motor Vehicles
	Clause 6	-	Environmental Protection Order
National Environmental Quality Standards (Self Monitoring and Reporting by Industry Rule, 2001)	Clause 3	Federal Agency	Responsibility for Reporting
	Clause 4	-	Classification of Industrial Units
	Clause 5 (1)	-	Category "A" of Industrial Units



## INTERVIEW

### The corporate sector's 'national responsibility' to Pakistan

*The leadership of representative organizations of the corporate sector is not fully sensitized to the principles of corporate social responsibility. The corporate sector must feel a sense of corporate national responsibility and work to build national solidarity and self-confidence. The media, on the other hand, see CSR as a business matter not a social imperative. They, too, need to be trained and sensitized. Former information minister and senator, Javed Jabbar, a former Senator who is Regional Councilor and Global Voice President, IUCN shares insights with Sahar Ali on the practice of corporate social responsibility in Pakistan, and the media's role in promoting it.*



*What are your views on CSR as it is being practiced in Pakistan by local corporate entities and the MNCs, particularly as it relates to the environment?*

It's a mixed track record. Institutions that are well-developed in terms of identity and responsibility have demonstrated high standards of CSR. Among these, there are MNCs as well as local organizations. . Small can be very responsive to local considerations. For example, raw materials may be sourced locally (*which is often not the case with large corporations*) thereby benefiting the local community, and employees may be drawn from the local environment creating jobs. Small enterprises do show capacity for CSR, and fulfill obligations to community while MNCs often do not show empathy for local dwellers – there is token employment, for instance

*Do you agree that CSR practice in Pakistan is basically philanthropy? If so, do you think it needs to go beyond this definition?*

Some segments recognize it as ensuring "best practices" in various aspects - ethicality in record-keeping and their relations with the immediate community. The multi-dimensionality of CSR is perhaps being better understood but not fully incorporated

*Please list in order of priority, the three key challenges that hinder and restrain establishment of good CSR practices in Pakistan?*

First, there is lack of sensitization among the leadership of representative organizations like the FPCCI (*Federation of Pakistan Chambers of Commerce and*

Industry), or city chambers or sector groupings like APTMA (*All Pakistan Textile Manufacturers Association*) etc. Their leadership is not fully sensitized to CSR. This will require an orientation campaign which is sustained and intensive. Second, it is a question of scale. There are large, medium and small corporations and the last, though small, are numerous in number and therefore have significance at the micro-level, and the numbers add up. They too need to be sensitized. This has happened in pockets and segments, but it needs to be across the range. The SMEs also have their own representative body, SMEDA (*Small and Medium Enterprise Development Association*), and this is perhaps the forum where sensitization can begin. Third, the media has a close nexus with corporations, and it needs to become willing to conduct orientation campaigns. The media tend to see this as a corporate matter, not a social matter relevant to society and politics. Moreover, only foreign donors are supporting CSR activism. There are few consumer and CS organizations, and they are yet to recognize this as their role

*In your opinion, are improved CSR practices in Pakistan more likely to be "consumer driven" or "legally driven"?*

It has to be both consumer and legally driven. We now have had a functioning parliamentary system, whose capacity is under-utilised – they must legislate and enforce (*the latter is very weak*). On the consumer side, organisations representing voices of citizens are weak. Political society should be developed more vigorously – what I call "active citizens", people who are politically partisan and active between elections

*How do you see the role of the media as it has evolved over the years in efforts to protect and preserve the environment in Pakistan?*

The media has played a valuable role in enhancing awareness on environment issues in terms of mass public awareness. However, emerging issues need constant updating (*like climate change*). On this, media need to significantly improve their own knowledge and find a way to transmit it. Media also need to monitor and report compliance of government corporations and society with regard to implementation of existing environment legislation

*How do you feel the media can be better enabled to report on sophisticated development sectors such as corporate operations and CSR?*

Media owners have to be made conscious of their responsibility, to balance public service content and advertising. There needs to be much more intensive training of staff in media. A new cadre of journalists has to be developed. The criteria for employment in this sector are far too loose compared to other

professions. When you are dealing with the dissemination of truth, the issue of credentials becomes critical

*What role can conservation groups like IUCN play in this regard?*

IUCN has unrivalled converging power. It brings together governments, NGOs and scientists, and can therefore be the source of the latest knowledge and data on environment for government, for media and for civil society. It can be a source of guidance and professional training for media as well as the corporate sector

*How do you feel the situation can be improved?*

We need to improve the internal cohesion between citizens and state institutions. The corporate sector should not see itself as a political entity and set itself the task of building national solidarity and national self-confidence. This is the essence of corporate national responsibility within which CSR is located. It must restore our sense of faith and confidence in Pakistan as a nation



# Section 5



Resource Pack

## Resource Pack

In this *Section* are provided contacts of some individuals and organizations that are either actively engaged in the CSR sector or find relevance with the environment sector. Also provided are some CSR related website/blogs. It is hoped that the media community would find this *Pack* useful for reference and capacity building while working on CSR related assignments.

### *Government Organizations*

#### **Federal EPA**

311, Margalla Road  
Sector F-11/3, Islamabad  
Tel: (92-51) 9267621/9267625 – Fax: (92-51) 9267625

#### **Sindh EPA**

ST-2/1, Sector-23  
Korangi Industrial Area, Karachi  
Tel: (92-21) 5065950/5065598/ 5065637

#### **Ministry of Environment, Government of Pakistan**

CDA Block-4, Civic Centre, G-6,  
Near Lal Masjid, Islamabad  
Tel: (92-51) 9224579  
Website: [www.environment.gov.pk](http://www.environment.gov.pk)

#### **Secretary Environment, Government of Sindh**

ST-2/1, Sector-23,  
Korangi Industrial Area, Karachi  
Tel: (92-21) 5070871/ 5071598 - Fax: (92-21) 5070872

### *Conservation Groups*

#### **IUCN – Pakistan**

1, Bath Island Road, Clifton, Karachi  
Tel: (92-21) 5861540/ 5861541/ 5861542 - Fax: (92-21) 5870287  
Website: [www.iucn.pk](http://www.iucn.pk)

#### **WWF – Pakistan**

Room No: 606-607, Fortune Centre  
Block-6, P.E.C.H.S.  
Main Shahrah-e-Faisal, Karachi  
Tel: (92-21) 4544791-2 - Fax: (92-21) 4544790  
Website: [www.wwfpak.org](http://www.wwfpak.org)

**The Helpline Trust**

15-C, 12 Itehad Lane, Phase-2, Ext. DHA, Karachi

Tel: (92-21) 5889643, 5889645

Email: [info@helplinetrust.org](mailto:info@helplinetrust.org)

Website: [www.helplinetrust.org](http://www.helplinetrust.org)

**National Forum for Environment & Health (NFEH)**

309, Alsehat Centre, Regent Plaza

Shahra-e-Faisal, Karachi

Tel: (92-21) 5653676/5213853 – Fax: (92-21) 5651797

Email: [info@nfeh.org](mailto:info@nfeh.org)

Website: [www.nfeh.org](http://www.nfeh.org)

**Private Organizations****Triple Bottom Line Magazine**

House No. A-7, Street 1

Bath Island, Clifton

Karachi

Tel: (92-21) 5837674/ 5823334 - Fax: (92-21) 5867103

Website: [www.tbl.com.pk](http://www.tbl.com.pk)

**Responsible Business Initiative**

52-B, New Muslim Town, 54612

Lahore

Tel: (92-42) 5856842

Email: [rbik@yahoo.com](mailto:rbik@yahoo.com)

Website: [www.rbi.org.pk](http://www.rbi.org.pk)

**The Standing Committee on CSR –FPCCI**

M. Siddique Sheikh, Chairman

Website: [www.fpcci-csr.com](http://www.fpcci-csr.com)

**Experts****Khadeeja Balkhi**

Sustainability Consultant and Editorial Director, TBL Magazine

House No. A-7, Street 1, Bath Island, Clifton, Karachi

Tel: (92-21) 5837674/ 5823334 - Fax: (92-21) 5867103

Email: [kbalkhi@gmail.com](mailto:kbalkhi@gmail.com)



**David Watson**

Director

Seed Business Consulting

20-E, Block 6, P.E.C.H.S, Karachi

Tel: 03443243105

Email: [dwatson@seedbusinessconsulting.com](mailto:dwatson@seedbusinessconsulting.com)

**Ambreen Waheed**

Executive Director

Responsible Business Initiative

52-B, New Muslim Town, 54612

Lahore

Tel: (92-42)5856842

Email: [ambreen@RBIpk.org](mailto:ambreen@RBIpk.org)

**Fasih-ul-Karim Siddiqui**

Director, Hinopak Pakistan

(Pakistan Focal Point – Global Compact)

Tel: (92-21) 2563510-8/2563525-7

Email: [FKSiddiqui@hinopak.com](mailto:FKSiddiqui@hinopak.com)

**Shahid Lutfi**

Environmental Consultant

Cell: 03332131228

Email: [shahid.lutfi@exponent.com.pk](mailto:shahid.lutfi@exponent.com.pk)

**Websites/Blogs**

[www.somo.nl](http://www.somo.nl)

[www.oecdwatch.org](http://www.oecdwatch.org)

[www.accaglobal.com/pakistan/publicinterest/sustainability/2008](http://www.accaglobal.com/pakistan/publicinterest/sustainability/2008)

<http://corporatewatchpakistan.blogspot.com>

[www.corporateresponsibility.net](http://www.corporateresponsibility.net)

[www.eiu.com](http://www.eiu.com)

[www.globalreporting.org](http://www.globalreporting.org)

[www.unglobalcompact.org](http://www.unglobalcompact.org)

[www.ethicalcorp.com](http://www.ethicalcorp.com)

# Annexure

## Annex A - Relevant National Environmental Laws

### Environmental Laws related to Air Pollution

- The Pakistan Penal Code, 1860 (Section 278)
- The West Pakistan Prohibition of Smoking in Cinema Houses Ordinance, 1960
- The Punjab Local Government Ordinance, 1979 (Section 512, sub-section 'L' and Section 93, sub-section 1 and 2)
- The Factories Act, 1934 (Section 16, 33K and 33L)
- Pakistan Environmental Protection Council (Procedure) Rules, 1993; and
- The Pakistan Environmental Protection Act, 1997

### Environmental Laws related to Water Pollution

- The Canal and Drainage Act 1873 (amended in 1952, 1965, 1968 and 1970)
- The Punjab Minor Canals Act, 1905
- Karachi Joint Water Board Ordinance, 1949; and
- Karachi Joint Water Board Rules, 1956
- Sindh Fisheries Ordinance, 1980
- The Factories Act, 1934
- The West Pakistan Water and Power Development Act, 1958 (amended in 1958, 1964 and 1967)
- The West Pakistan Land and Water Development Board (Authority for Payment from Board Fund) Rules, 1966
- The Greater Lahore Water Supply, Sewerage and Drainage Ordinance, 1967
- The Pakistan Penal Code, 1860 (Section 277)
- The Punjab Local Government Ordinance, 1979 (Section 59 and 61)
- The Baouchistan Ground Water Rights Administration Ordinance, 1978
- The N.W.F.P Fisheries Rules, 1976
- Pakistan Environmental Protection Council (Procedure) Rules, 1993; and
- The Pakistan Environmental Protection Act, 1997

### Environmental Laws related to Marine Pollution

- The West Pakistan Fisheries Ordinance, 1961
- Balochistan Sea Fisheries Ordinance, 1971



- Pakistan Environmental Protection Council (Procedure) Rules, 1993; and
- The Pakistan Environmental Protection Act, 1997
- National Maritime Policy of Pakistan, 2002
- Ports Act, 1908
- Pakistan Territorial Waters and Maritime Zones Act, 1976
- Maritime Security Agency Act, 1994
- Karachi Port Trust (Amendment) Ordinance, 1994

#### **Environmental Laws related to Noise Pollution**

- The Motor Vehicles Ordinance, 1965
- The Motor Vehicles Rules, 1969
- The West Pakistan Regulation and Control of Loudspeakers and Sound Amplifiers Ordinance (II), 1965
- Pakistan Environmental Protection Council (Procedure) Rules, 1993; and
- The Pakistan Environmental Protection Act, 1997

#### **Environmental Laws related to Hazardous Substances and Wastes**

- The Explosive Act, 1884
- The Factories Act, 1934 (Sections 33 L, 33 Q and 66)
- Pakistan Environmental Protection Council (Procedure) Rules, 1993; and
- The Pakistan Environmental Protection Act, 1997

#### **Environmental Laws related to Solid and Effluent Management**

- The Factories Act, 1934 (Section 14)
- The Punjab Local Government Ordinance, 1979 (Section 51, 54, 60, 61 and 67)
- Pakistan Environmental Protection Council (Procedure) Rules, 1993; and
- The Pakistan Environmental Protection Act, 1997

#### **Environmental Laws related to Public Health**

- The Pakistan Penal Code, 1860 (Sections 278, 284, 285 and 286)
- The Pakistan Criminal Code, 1898 (Section 133)
- The Public Health (Emergency Provisions) Ordinance, 1944
- The West Pakistan Epidemic Diseases Act, 1958
- The West Pakistan Factories Canteen Rules, 1959 (Rules 6 and 7)
- The Punjab Local Government Ordinance, 1979 (Sections 51, 52 and 53)
- The Pakistan Environmental Protection Act, 1997

## Environmental Laws related to Occupational Health and Safety

- The Dock Laborers Act, 1934
- The Mines Act, 1923
- The Consolidated Mines Rules, 1952
- The Oil and Gas (Safety in Drilling and Production) Regulations, 1974
- DGPC's Guidelines for Operational Safety, Health and Environmental Management (Petroleum Exploration and Production Sector) 1996
- The Factories Act, 1934
- The Pakistan Nuclear Regulatory Authority Ordinance, 2001
- The Pakistan Nuclear Safety and Radiation Protection Regulations, 1990
- The Electricity Act, 1910
- The Electricity Rules, 1937
- The Petroleum Act, 1934
- The Petroleum Rules, 1937
- Explosive Act, 1884
- The Hazardous Substances Rules, 1999
- The West Pakistan Hazardous Occupations (Chromium) Rules, 1963
- The West Pakistan Hazardous Occupations (Miscellaneous) Rules, 1963
- The West Pakistan Hazardous Occupations (Sand Blasting) Rules, 1963
- The West Pakistan Hazardous Occupations (Petrol Gas Generating Plant) Rules, 1963
- The West Pakistan Hazardous Occupations (Sodium and Potassium Bi-chromates) Rules, 1963
- The West Pakistan Hazardous Occupations (Lead) Rules, 1963
- The West Pakistan Hazardous Occupations (Aerated Water) Rules, 1963
- The West Pakistan Hazardous Occupations (Cellulose Spraying) Rules, 1963

## Annex B - OECD Guidelines on MNEs - Environment

### **The OECD Guidelines for Multinational Enterprises: Setting the standards for improved CSR through a participatory approach**

An interesting initiative has been taken at the level of the OECD to structure a comprehensive set of 'Guidelines' for the Multinational Enterprises (MNE's) to facilitate adherence to the key principles of CSR and to establish a framework for voluntary and non-binding implementation of the 'Guidelines'. This process and the resulting 'Guidelines' and their implementation mechanism has been a participatory process and the 'Guidelines' represent a negotiated document agreed upon between the relevant governments, business, trade unions and NGOs. This process therefore merits a detailed review given its capacity and potential to influence more such initiatives at other forums and the problems in its effective implementation that share many similarities with CSR implementation efforts elsewhere through other voluntary tools and mechanisms.

The 'OECD Guidelines for Multinational Enterprises' were drawn up in the 1970's a decade during which the activities of corporations became a topic of discussion among international organizations. The sometimes negative impact of corporations on developing countries was given increased attention and harmful activities of companies to countries where they were established met growing opposition. The legal regulation of businesses was called for and international guidelines controlling their conduct were set up by international organizations such as the OECD.

The 'Guidelines' were adopted on 21 June 1976 and represent non-binding recommendations addressed by governments to multinational enterprises operating in or from adhering countries. The 'Guidelines' are supported by 30 OECD participating countries and eight non-member countries. They provide voluntary principles and standards for responsible business conduct in areas such as:

- Information Disclosure
- Employment and industrial relations
- Environment
- Combating bribery
- Consumer interests
- Science and technology
- Competition and
- Taxation

Originally, the 'Guidelines' only applied to companies operating within the OECD countries. However, the latest review of the 'Guidelines', conducted in 2000, widened their scope to include companies operating in or from OECD member states. The latest review also included supply chain responsibility which means that companies should encourage business partners, including sub-contractors, to do business in a manner compatible with the 'Guidelines'.

The only formal obligation that the Guidelines put on countries is to set up 'National Contact Points', NCP's, whose primary responsibility it is to ensure the follow-up of the Guidelines. The NCP's gather information on experiences with the Guidelines, promote



them, deal with enquiries, and discuss matters related to the 'Guidelines' and assist in solving problems that arises in matters covered by the 'Guidelines'. The institutional set-up of the 'Guidelines' consists of three elements: the National Contact Points, the OECD Investment Committee and the advisory committees of business and labor, BIAC and TUAC

### The OECD Guidelines for MNEs - Chapter on Environment

*This Chapter is particularly useful for anyone, including the media, who is interested in finding what aspects of an MNE's operations have environmental repercussions and of what nature*

Enterprises should, within the framework of laws, regulations and administrative practices in the countries in which they operate, and in consideration of relevant international agreements, principles, objectives, and standards, take due account of the need to protect the environment, public health and safety, and generally to conduct their activities in a manner contributing to the wider goal of sustainable development. In particular, enterprises should:

1. Establish and maintain a system of environmental management appropriate to the enterprise, including:
  - Collection and evaluation of adequate and timely information regarding the environmental, health, and safety impacts of their activities;
  - establishment of measurable objectives and, where appropriate, targets for improved environmental performance, including periodically reviewing the continuing relevance of these objectives; and
  - regular monitoring and verification of progress toward environmental, health, and safety objectives or targets.
2. Taking into account concerns about cost, business confidentiality, and the protection of intellectual property rights:
  - provide the public and employees with adequate and timely information on the potential environmental, health and safety impacts of the activities of the enterprise, which could include reporting on progress in improving environmental performance; and
  - engage in adequate and timely communication and consultation with the communities directly affected by the environmental, health and safety policies of the enterprise and by their implementation.
3. Assess, and address in decision-making, the foreseeable environmental, health, and safety-related impacts associated with the processes, goods and services of the enterprise over their full life cycle. Where these proposed activities may have significant environmental, health, or safety impacts, and where they are subject to a decision of a competent authority, prepare an appropriate environmental impact assessment.

4. Consistent with the scientific and technical understanding of the risks, also into account human health and safety, not use the lack of full scientific certainty as a reason for postponing cost-effective measures to prevent or minimize such damage.
5. Maintain contingency plans for preventing, mitigating, and controlling serious environmental and health damage from their operations, including accidents and emergencies; and mechanisms for immediate reporting to the competent authorities.
6. Continually seek to improve corporate environmental performance, by encouraging, where appropriate, such activities as:
  - a. Adoption of technologies and operating procedures in all parts of the enterprise that reflect standards concerning environmental performance in the best performing part of the enterprise.
  - b. development and provision of products or services that have no undue environmental impacts; are safe in their intended use; are efficient in their consumption of energy and natural resources; can be reused, recycled, or disposed of safely;
  - c. Promoting higher levels of awareness among customers of the environmental implications of using the products and services of the enterprise; and
  - d. Research on ways of improving the environmental performance and the enterprise over the longer term.
7. Provide adequate education and training to employees in environmental health and safety matters, including the handling of hazardous materials and the prevention of environmental accidents, as well as more general environmental management areas, such as environmental impacts assessment procedures, public relations, and environmental technologies.
8. Contribute to the development of environmentally meaningful and economically efficient public policy, for example, by means of partnerships or initiatives that will enhance environmental awareness and protection.

## About the Authors

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