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## Maritime Affairs and CSR

Corporate Social Responsibility

# CSR, Credits from Society or Is It More?

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Today, we see that an increasing amount of global players sponsor events or activities that benefit the society that they are working in or company's activities that affect the society in their immediate neighborhood.

When viewing annual reports of these companies, it is often noticed that these sponsored activities are listed in a dedicated paragraph named Corporate Social Responsibility (CSR).

It is without saying that these activities could have a positive effect on the relationship between the company and its environs and can be regarded as a sign of goodwill.

Can this be regarded as a proper implementation of Corporate Social Responsibility as it is described in the ISO 26000 standard?

Sometimes one could get the feeling that CSR is just another hype that is embraced by companies in order to manoeuvre themselves into a better market position. What are the drivers for a company to become socially responsible? Is it ethical responsibility, customer demand, keeping up with competitors or just showing that one tries to do business in a sustainable way? The answer is not easy, although it seems likely that customer demand and industry competitiveness are the main drivers of today.

Perhaps this is too idealistic to some extent,

but shouldn't CSR principles be commonly accepted as a part of our daily business, in other words "business as usual"?

### What is CSR?

The ISO standard 26000 describes the concept of CSR and offers voluntary guidance for consideration to find the optimum/suitable effects.

This standard is meant to guide a company to implement CSR principles and is certainly not meant as a standard to be used for certification with compliance requirements. Nonetheless, unfortunately, you will notice that there are some certifiable standards offered as an ISO 26000 spinoff here and there.

The fundamental aspects of CSR lie in the so-called Triple Bottom Line (3BL), the People, Planet and Profit. A good implementation of CSR entails juggling the 3BL and establishing a balance that contributes to society as a whole, in consultation with company stakeholders.

Up to 7 key recommendations can be taken into consideration when determining the best actions to be utilized addressing the 3BL. Actions that are efficient and effective for one company are not necessarily useful for another. All depends very much on the nature of the business, the geographical impact and the stakeholders involved.



### A tragic incident

Perhaps we can use a very recent, tragic incident as an example to see how this could be linked to a CSR policy for a company.

In April 2013, the building collapse of a clothing manufacturer resulted in over 1000 workers being killed. The various clothing brands using this manufacturing site are now accused by the public of having focused on "quick profits" as well as having disregarded concerns about safety, environment and labor practices.

These public accusations very much reflect some of the 7 key recommendations in the ISO 26000: Organizational governance, human

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rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development.

It is too early to determine who is to be blamed for this tragedy, but certainly if a company were to implement CSR policies, focusing on the 3 key subjects in their evaluation - relevance, significance and influence - then perhaps things would have gone differently.

In their communications with the stakeholders (manufacturers, consumers, local community, etc.) a different approach to the basis of CSR (People, Planet, and Profit) could have led to a healthier situation.

### Pertinence to the Maritime Industry

The Hong Kong convention on ship recycling, the type and quality of fuel used for propulsion, innovations on energy conservation, labor employed on board ships, cargo operations, and navigational routes - these are just a few examples of topics to be considered when developing CSR policies, by juggling the 3BL when determining their relevance, significance and link to the stakeholders of the company.

Several of the above mentioned examples are dealt with by international regulations, although this is not at a desirable speed. Therefore, from an ethical point of view, shipping companies, shippers and charterers could decide to go the extra mile in the early implementation of upcoming regulations or to maintain high standard policies on issues that are not regulated.



On the other hand, for ports, the implementation of CSR policies becomes more complex, since they deal with both the "wet" and "dry" sides of the industry along with their direct relationship to society. It is a real "juggling" act, concerning the demands from the local industries, society and shipping companies, with the ports sitting right in the centre of the maritime supply chain. For this reason, the impact the ports can make on the social aspects of the maritime industry is immense, regardless of the complexity of their implementation.

### Initiatives from the Maritime Industry

Some organizations promote the best practices in many different forms: providing guidelines and recommendations, promoting the newest technology, regulating air emissions, educating & training for awareness, etc. The certification/incentive scheme of Green Award Foundation and those other social, environmental or safety initiatives are used as tools to motivate the maritime industry to go the extra mile in addressing the aforementioned topics.

Using Green Award as an example, the main objective of the foundation is to create a network of ship managers/owners and other maritime related organizations to gain international recognition and a marketplace for quality tonnage for extra clean and extra safe vessels. The certification scheme ensures that both the ship manager and the ships are audited/surveyed in order to verify the link between the management system and the

implementation. To do so the ships are applied for individually by the ship managers and every ship is surveyed by the in-house trained exclusive Green Award surveyors. Besides running the certification scheme, Green Award also creates a network of Incentive Providers, who reward certified ships with either financial or operational incentives. From ports, pilot organizations, ship routing companies, training organizations, manufacturers, to banks, there are diverse forms of organizations granting incentives.

At Green Award, we aim to work with other initiatives that strive for similar goals by finding synergies to create a win-win situation. Green Award works closely with quality shipping promoters such as Rightship and Equasis, both of which provide extra recognition to Green Award certified ships. Green Award also belongs to the core working group and closely collaborates with the ESI system run by the IAPH/WPCI (World Ports Climate Initiative), in which the system is integrated into the Green Award requirements and shipping companies and ships are granted scores for participation and a high ESI index. Besides these, many industry representatives such as IACS, BIMCO, OCIMF, SIGTTO, INTERTANKO, INTERCARGO, CDI, P&I, HELMEPA, etc., act as governing bodies to the foundation, where each member shares its expertise in implementing the best practices.

### Conclusion

Considering the broad involvement of the maritime industry in social aspects, it is inevitable for the entire industry to not only consider the shipping side, but also the whole supply chain; to re-think the true essence of social responsibility. Again, is CSR merely credits from society? Can it not be embedded into our daily business routine? Whether you are a manufacturer, shipper, charterer, ship owner/manager, port, certification body, service provider, and last but certainly not least, a simple end-user, you can make a difference by feeling responsible for that one thing happening on the other side of the world. Green Award believes that with the certification scheme, a network of incentive providers, and synergizing with other organizations, a true industry-wide social responsibility is achieved.

