APPENDIX- 1

CORPORATE SOCIAL RESPONSIBILITY

QUESTIONNAIRE

Below you will find a list of questions concerning some of the issues that are involved in corporate social responsibility.

The purpose of this survey is to discover how the top executives view the notion of social responsibility and to secure some systematic data on what actions, if any, are being taken by the companies in Delhi and District Ghaziabad, U.P., in this field.

I would be very grateful if you would complete the questionnaire and return it on the address mentioned in the accompanying letter.

To answer the questionnaire, please put a tick along the space which you consider to be most appropriate. If you have any comments or suggestions about any of the questions, please note them at the back of the last page: I would be delighted to have them.

1. Name of the Firm __________________________

2. Designation of the person who filled in the questionnaire __________________________
3. Address of the firm

4. No. of employees


6. Main product groups

**PART I**

1. Do you accept in general the relevance of social responsibility in business? Yes____ No____

2. To which of the following groups do you think your company is socially responsible?
   
   (a) Shareholders
   
   Yes____ No____

   (b) Consumers
   
   Yes____ No____

   (c) Employees
   
   Yes____ No____

   (d) Creditors
   
   Yes____ No____

   (e) Government
   
   Yes____ No____

   (f) Public at large
   
   Yes____ No____

3. How essential would you think is for firms to pursue social goals as well as profits?

   - Extremely Essential
   
   - Very Essential
   
   - Fairly Essential
   
   - Not Very Essential
   
   - Not at all Essential
4. What are the potential gains that are likely to be achieved from social responsibility programs?

PART - II

5. Below you will find a list of social responsibility activities in the three areas, i.e. Urban affairs, consumer affairs and Environmental affairs. Would you kindly indicate the level of activity engaged in by your company. Please give the level of activities in terms of investment by your company in these activities in relation to your total investment in the year 1978. In your opinion compared to other companies, is it high, low or about the same?

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<thead>
<tr>
<th>KIND OF ACTIVITY</th>
<th>LEVEL OF ACTIVITY IN TERMS OF INVESTMENT</th>
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<tbody>
<tr>
<td>Urban Affairs:</td>
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<tr>
<td>(i) Providing equal employment and training opportunities for minority groups (male &amp; females)</td>
<td>High ______</td>
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<tr>
<td></td>
<td>Low ______</td>
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<td></td>
<td>Same ______</td>
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*Social Responsibility is defined in this questionnaire to mean an obligation on business to take account of the interests of several different groups that constitute our society beyond the consideration of profit.*
(ii) Supporting improvements in medical care facilities.

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<th></th>
<th>High</th>
<th>Low</th>
<th>Same</th>
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(iii) Contributions to education and expenditure incurred for the training of employees.

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(iv) Promoting development of housing, transportation, schools and other urban renewal activities.

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<th></th>
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<th>Same</th>
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(v) Supporting the arts and cultural improvements.

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<th></th>
<th>High</th>
<th>Low</th>
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Consumer Affairs:

(vi) Designing product improvements regarding safety, testing, reliability, effectiveness and product life.

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<th></th>
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(vii) Maintaining improved control over product quality.

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<th></th>
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(viii) Fostering marketing improvements in labelling, packaging, pricing, credit and promotion.

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(ix) Providing improved services for handling warranties and guarantees.

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<th>Same</th>
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(x) Furnishing improved product information and education for customers.

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<th></th>
<th>High</th>
<th>Low</th>
<th>Same</th>
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Environmental Affairs:

(xii) Curtailing air and water pollution.  
High ______  
Low ______  
Same ______  

(xii) Giving help to Government agencies in controlling environmental pollution.  
High ______  
Low ______  
Same ______  

(xiii) "Other", please specify.  
High ______  
Low ______  
Same ______  

6. Have any of the following changes been made in the organisation structure to accommodate corporate social activities?

(a) A post of corporate responsibility officer  
Yes______  No______

(b) A committee to monitor company's social responsibility activities.  
Yes______  No______

(c) An arrangement whereby social responsibility forms part of the executives work:  
Yes______  No______

(d) Other arrangement, please specify.  
Yes______  No______

7. Is there a statement in the company's policy relating specifically to social responsibility? If yes, please attach a copy of such statement.  
Yes______  No______
6. Does your company provide any specified budget allocations for work in this area? If yes, please specify the amount of total budget.

Yes____ No____

PART - III

9. What do you think the costs of social responsibility would inevitably be?

Very High ________
High ________
Low ________
Very Low ________

10. Does your company encounter any of the following problems in implementing social responsibility programmes?

(a) The problem of changing prices Yes____ No____
(b) The problem of developing the required technology Yes____ No____
(c) The problem of justifying increased costs of social responsibility programmes to the shareholders Yes____ No____
(d) Difficulty in adjusting to legal requirements Yes____ No____
(e) Other, please specify Yes____ No____

11. Who should monitor social responsibility?

(i) Management Yes____ No____
(ii) Unions Yes____ No____
(iii) Government Yes____ No____
12. Should Government bring in more legislation to facilitate corporate activity in social affairs? If the answer is no, would you kindly give reasons?

<table>
<thead>
<tr>
<th>Social Auditors</th>
<th>Yes</th>
<th>No</th>
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</thead>
<tbody>
<tr>
<td>Accountants</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Public at large</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Pressure Groups</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>Yes</td>
<td>No</td>
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13. Is a written company code of ethics really necessary? Would you kindly specify the reasons for and against having such codes in accordance with your answer?

P.S. Would you be prepared to be a member of a small selection of people interviewed on the issue of social responsibility?

THANK YOU VERY MUCH FOR YOUR HELP AND COOPERATION
A number of draft 'modal' codes have been drawn up by various people, none purporting to be the ideal code but all seeking to set down the main points which should be embodied in one.

Two examples are printed here, which provide a useful starting point for companies intending to draw up their own code. The first is intended as an individual company code, the second applies to companies as a whole, but the framework can be adapted and extended to suit the individual company.

A CORPORATE CODE OF SOCIAL RESPONSIBILITY STANDARDS

The ........ Company hereby publicly declares that it accepts the obligation of framing policies and conducting operations in a manner which is consistent in the letter and the spirit with the following code of standards. This affirmation is made solemnly and in good faith and every effort will be made throughout the organisation at all times to abide by it. However, the code must be regarded as binding in honour only and is not legally enforceable. Should any employee, supplier, customer, shareholder, member of any organisation or ordinary member of the public have reason
to believe that any of the company's acts or intentions violates this code, he is invited to communicate anonymously if he so wishes, with the Manager of the Company's Social Responsibility Unit at the address below. A speedy investigation and reply is promised. Any person who feels that any item in the following code should be amended is also invited to communicate with the same unit.

I. PROFITABILITY:

The Company's overall objective is to maximize its revenue surplus in the long term subject to meeting the following standards:

2. ENVIRONMENTAL POLLUTION:

2.1 The Company will not allow any operation to be carried out which results in levels of effluent/pollution (instantaneous or prolonged) greater than the limits established by law.

2.2 The Company agrees to monitor all effluent and all sources of possible environmental harm and to prepare figures giving a true and fair view of the situation at any time. These figures will be available for public inspection during normal working hours at the address below.

2.3 The Company's policy is that the level of each individual effluent shall be better than the average for the industry as a whole in this country.

2.4 The Company's policy is not to market products which, if used normally, could lead to pollution
levels exceeding legal maxima.

2.5 Products marketed will lead to a lower level of pollution for the users than the average of all competing products.

3. CONSERVATION:

3.1 Innovation:
The Company will not change any product in whole or in part, nor introduce any new product, unless the change results in a reduction in cost or an important improvement in product performance.

3.2 Product Obsolescence:
The Company will not deliberately build obsolescence into its products. Where cost-benefit considerations for the user rather than the company suggest that a longer life product would be beneficial, the company's policy is to introduce such a product.

3.3 Use of Packaging:
The company's policy is to use packaging as economically as possible to minimize the use of packaging material consistent with the proper product protection and sales appeal. The Company strongly supports in general terms the principle of returnable containers.

3.4 Recycling Waste:
The company strongly supports in general terms the principle of recycling waste product and materials and will do this wherever it is, or may be economic.

3.5 Industrial Archaeology:
The company will not destroy or convert any machine building or resource that may have permanent value.
to the local or national community (using the approximate criterion of 100 years minimum age for items of value) without holding prior communications with the main amenity bodies concerned. Wherever possible, amenity bodies will be encouraged to participate in the planning process and the company will not recklessly override widely supported public wishes. In certain circumstances the company may be prepared to make a financial contribution towards the cost of preserving buildings or machines of historic value and/or transferring ownership.

3.6 Flora and Fauna:
The company does not wish any of its policies or actions to endanger rare species of plant or animal life. If any such threat is pointed out to the company, it will consider urgently possible steps to remove or reduce the threat.

3.7 Use of Raw Materials and Energy:
The company's policy is to conserve raw materials and energy to the maximum degree consistent with economic and profitable operations. If any person or group believes that any aspect of operations violates this principle and communicates with the company, it will consider urgently possible steps to rectify the situation.

3.8 Land Development:
The company's general policy is not to use or develop land in a manner which is harmful to the environment or wasteful, whether by mining and quarrying, the erection of plant, offices or roads
or the disposal of scrap and waste. The company undertakes to publicize locally any proposed change in land use not later than the date of application for planning permission where this is relevant. Furthermore, the company undertakes to allow a reasonable period to hear representations from individuals or groups who oppose a development before starting development work. The company will make every reasonable effort to meet objections and will provide objectors with whatever details of new developments could reasonably be needed to present their case.

4. EMPLOYEE WELFARE:

4.1 Job Satisfaction:

Although the company desires that every employee should derive the maximum satisfaction from his work, it is recognised that in practice there are many and great difficulties. The company constantly monitors new developments in job enrichments, work structuring and other related techniques and will progressively implement changes where these are practical. In addition, all employees are encouraged to submit suggestions through the Suggestion Scheme. All suggestions will be published (anonymous), answered and implemented where practical.
4.2 Pay and Conditions:

(Items for possible inclusion under this category include:
Updating pay and allowances for cost-living changes
Productivity bonuses
Profit sharing
Level of wages and salaries).

4.3 Safety and Health:
The company regards safety at work and employee
health as pre-requisites for conducting operations.
Summary details of all lost-time accidents for a
moving five-year period are available for public
inspection. The company's expenditure on safety
and health will be published annually in detail.
The company provides requisite safety protective
clothing and equipment on free permanent or tempo­
rary loan to all employees as necessary. The
company is prepared to allow safety and health
inspections by suitably qualified external consul­
tants at the request of employees, local residents
or other groups. The company's basic policy is to
provide enough leadership and finance to reduce
accidents and ill health caused by unsafe or toxic
practices and conditions to a level which is better
than the average for the industry.

4.4 Participation:
(This subject demands separate detailed treatment)

4.5 Employee Rights and Freedoms:
The Company will not attempt to remove in practice
any democratic right or freedom of speech or written
comment or action from any employee which he enjoys
as a citizen, by disciplinary action, threat of
disciplinary action, victimization or threat of victimization. In particular, each employee is free to follow the dictates of his conscience outside working hours, even where this involves opposition to company policy. Where restrictions have to be imposed (e.g., publication of confidential information or of research work), these are to be specified in the Conditions of Employment.

4.6 Noise:
The company recognizes that excessive noise is a serious health hazard and a threat to the quality of life. The company will take whatever steps are required to ensure that no employee is subjected to any greater level of noise within the company's control than specified below:

- Current year: 100 decibels
- Next year: 90 decibels
- Following year: 80 decibels

The position will be reviewed again before this three-year period is completed.

4.7 Equity:
The company does not, and will not, practise any form of discrimination on grounds of sex, nationality, religion, race, personal beliefs or union membership. Recruitment is made on the grounds of ability or potential ability. If, for local or other reasons, this policy has to be broken, a public declaration will be made, e.g., the Ruritanian factory will employ only Ruritanian nationals. Once recruited, all employees have equal opportunities.
4.8 Security of Employment:

A fair system for disciplining and dismissing employees is practised and this is standard throughout the company. Details are contained in the booklet Conditions of Employment, a copy of which is given to every new employee and which is available for public inspection in the Social Responsibility Department.

The company has a 'no redundancies' policy for all permanent employees. Every effort will be made to avoid dismissals owing to redundancy by stopping recruitment and by natural wastage during difficult times. While the company cannot guarantee that there will never be redundancy dismissals, it does not guarantee that every other solution to cost-cutting problems will be explored first, and implemented if possible.

5. CONSUMER PROTECTION:

5.1 General:

The company wishes to encourage comment from customers and consumer bodies about its products so as to be well informed about public opinion. Any views should be placed before the Social Responsibility Department at the address below.

5.2 Product Safety:

The Company's policy is to market products which are safe when used in accordance with the instructions for use and to incorporate new safety features as these are developed. Since it is always possible to increase safety by increasing cost, some conflict may arise. The company will maintain a file of
all product safety proposals put to it from any source with a summary of the investigations made and the decisions taken. This file will be available for public inspection.

5.3 Price and Size Changes:
The company's aim is to give value for money and to make it as easy as possible for the customer to assess value by marketing meaningful sizes, e.g. 16 oz. rather than 15-1/3 oz., 2 pints rather than 2.1 pints. Furthermore the company will not alter sizes unless the alteration is a genuine innovation or a product rationalisation. (A comment on the company's approach to metrication could be appropriate here).

5.4 Packaging:
The company will not use any packaging which could tend to deceive the customer about the nature and quality of the contents. Furthermore, the company's aim is to minimize the cost of packaging materials consistent with the need for adequate product protection and sales appeal.

5.5 Innovation and Rationalisation:
Where potential product improvements exist, these will be incorporated in existing products wherever possible. New products will only be introduced if they are intended to meet a new need or if they are improvements, or if they reflect a change in fashion. A long-standing model will not be replaced unless at least one of the above considerations applies. Where a change is made, existing components and sub-assemblies will be used wherever possible.

5.6 Product Quality:
The company's aim is to market products which are of
the quality required by customers. Quality will not be held down or reduced in order to give short product lives which lead to repeat sales. Wherever quality or economic life can be increased and where this would be in the customer's interest, this will be done. Spares will remain available for the full economic life-time of products. Product design (e.g. access, size of modules and sub-assemblies) will be geared to minimum maintenance costs wherever possible.

5.7 Advertising:
The company undertakes in its advertising to present a fair view of its products. It will not include any matter which could tend to mislead or deceive the average viewer about the value, use or cost of the product.

5.8 Lending and Guarantee:
Where extended credit/hire purchase facilities are included in a sale, the true rate of interest will be prominently displayed on the contract document, a copy of which will be given to the buyer. The company will not use vague warranties of quality or performance or ask a customer to waive any common law rights. Where guarantees are offered, the company will either repair the product or replace it entirely free of charge if, in the company's view, the failure was the result of a genuine product defect.

5.9 Monopolistic Practices:
The company declares that it will not be a party either officially or unofficially to any price-
fixing agreement with any other supplier, or to any arrangement on sales territories or areas of influence, or new capital expenditure without full public disclosure of any such arrangement or understanding.

6. Community Responsibility:

6.1 Donations and Use of Facilities:
The company is not a charitable institution and therefore the level of donations must be severely limited. Nevertheless, the company recognizes that it shares the obligations of individuals and society as a whole to contribute selectively to worthy causes. To give effect to this, a sum equal to 0.05% of planned sales is set aside each year for gifts of cash, product and managerial time to selected outlets. Local needs and projects will take some priority over wider-based needs, e.g., the company would tend to be more favourably disposed to contribute to local appeals and charities than to international causes. A list of donations for the previous year will be made public, with the cost value of gifts of company product and a realistic valuation of the time the company’s manpower has devoted to community service.

In principle, the company is prepared to allow some of its facilities, e.g. lecture rooms, tools and machines, sports facilities, to be used by approved external groups on a selective and controlled basis. In principle, the company is prepared to allow a small proportion of managerial time to be devoted to approved community projects on a selective and controlled basis. This includes the provision of
speakers and lecturers and company visits by
parties of school children, residents, etc.

6.2 Employment:
The company does not discriminate in its employ-
ment policies against any group or individual except
as may be stated in item 4.7. Its general policy
is to employ as high a proportion of handicapped
or disabled people as exists in the local employ-
ment area.

6.3 Esthetics:
The company recognizes the importance of esthetic
values in the design and appearance of its factories,
offices and in its use of land. The general policy
is to maintain a high standard of housekeeping and
to avoid dirt, ugliness and dereliction. Buildings
will be designed to tone in to the environment
where necessary landscaping will be employed. Where
significant new developments are involved, the
company undertakes to make its intentions public
with artists' sketches and supporting data. The
company will make every effort to publicize its
plans sufficiently in advance to enable local rep-
resentations to be made, although this cannot be
guaranteed in all cases.

6.4 Treatment of Opposition:
The company's desire and intention is to operate
socially responsible policies and to be an asset to
communities in which it is placed. Nevertheless,
it is recognised that its policies will need to be
monitored continually and, inevitably that conflicts
will arise with individuals and groups. The company
has established a powerful and permanent channel of
communications between the Board and the Public
through its Social Responsibility Department. The services of this department are available to members of the public during normal working hours to provide the information noted in this code and to hear representations on any matter of concern. The company also undertakes that all comments made will be most carefully considered and that answers to requests and suggestions will be given as speedily as possible.

6.5 Criminal Activities:
The company declares that it will not consciously permit any illegal or criminal activity to take place and will not, with due knowledge indirectly or directly, support or encourage any illegal or criminal activity in others.

7. GENERAL:
The Company undertakes to appoint an independent body each year to audit the company's performance in matters relevant to this code and to report its findings to the Board. This report will be made public.
1. Extract from the Annual Accounts of a large British Company:

"Our purpose in business is to create wealth, to build a better company. For this to be possible we must please our customers and enjoy the confidence of our shareholders and employers. We must make good profits so that after providing for taxes and dividends (in present conditions financing inflation) there is available enough money to keep our factories and equipment modern and to enable us to grow in strength and maintain or improve our market position. We endeavour to provide good satisfying employment for our people. Creating wealth and building a better company is our contribution to better standards of living."
TO CREATE WEALTH WE MUST

Please our customers

Reduce Costs

Make good profits

Improve products and develop markets

These are all inter-related. Failure in one jeopardises all the others

Plough profits back into business

Provide good satisfying employment for our people

Retain the confidence of those who provide our capital—shareholders & lenders

Keep our factories modern

2. Extract from the statement of the company objectives of a British concern:

"The company objectives are derived from the company purpose which is broadly continued survival as an economic and socially acceptable entity ... The main responsibility of the management is to translate the agreed aims into workable company objectives which satisfy not only the owners but also the other groups interested in the company"
which are: customers, employers, suppliers and local and national government.

A. Owners: ... to service our borrowings and provide for a reasonable dividend. A trading profit of not less than 15% on capital employed would normally be held to satisfy this objective.

B. Customers: Customer satisfaction is achieved by reliability of quality and customer service and a reasonable and responsible pricing policy... Being customer oriented also means keeping in touch with developments in the industry which might profitably be used for the benefit of the company and its customers.

C. Employees: The aim is to be a good employer, to pay reasonable market level salaries and wages and to get a reasonable return of work for them. This is coupled with the aim to operate with the minimum necessary staff and workforce which must be properly motivated, trained and provided with working conditions both as regards safety and amenities which are at least as good as those required by legislation.

D. Suppliers: Our interests require us to maintain and foster good relationships with the suppliers to
the company of all goods and services and to ensure that these goods and services are such as will make the maximum contribution to the company's resources and results.

E. Local and National Government: The aim here is to operate an efficient and continuing enterprise which will provide continuing finance through rates and taxes and do so whilst complying with required environmental factors.

3. Extract from the Annual Report and Accounts of a large British manufacturing company:

The Company Philosophy:

A company's success depends upon satisfying as far as possible the interests of five main and independent groups:
We seek to harmonise the differing and sometimes conflicting interests of these groups. Our objective is to ensure the continuing prosperity of the company so that we can meet the expectations of the five groups in a balanced and reasonable manner.

4. Extract from the Statement on Social Policies of a British Company:

1. We intend to continue to be a respected employer of labour in our locality and industry and to maintain a high standard of labour relations.

2. We will be a good "citizen in business" taking into account the interests of the local community in which we operate.

3. We will pay proper regard to the social and environmental consequences of our business activities and not sacrifice safety in the interests of expediency of competitiveness.

4. Within reason we will encourage and help those of our employees involved in trades union and community activities to combine their responsibilities with their obligations to our company.
5. Extract from para 16 of Memorandum of Association of an Indian Company:

"To provide for the welfare of employees or ex-employees (including Directors and ex-Directors) of the company and the wives and families or the dependents or connections of such employees by building or contributing to the building of dwelling houses or quarters, to grant money, profit sharing bonuses or benefits or any other payments, by creating and from time to time subscribing or contributing to provident funds, institutions, funds, profits sharing or other schemes or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance or assistance as the company shall think fit."