

Communication on Progress for the fiscal 2004 in respect of Central Warehousing Corporation, New Delhi, India on the 10 Principles of the Global Compact Programme (GCP)

Central Warehousing Corporation, New Delhi, is a Public Sector Enterprise under the administrative control of the Ministry of Agricultural, Food, Consumer Affairs and Public Distribution, Government of India. **It is an ISO 9001:2000 and 14001 : 1996 (under transition to ISO 14001:2004) certified service organization engaged in the business of warehousing, total Logistics Management and allied activities.**

Honoring its commitment to the Corporate Social Responsibility through Global Compact Programme of UN, CWC has embraced various principles to operate in a highly competitive global business scenario with a sense of responsibility to the Society. The ongoing action vis-à-vis progress on various principles of GCP in CWC is elaborated below:

A. Human Rights

Principle 1

Businesses should support and respect the protection of internationally proclaimed Human Rights

The Constitution of India is way ahead in the matter of providing and protecting the various human rights **like: Right to Equality, Right to Freedom, Right against Exploitation, Right to Freedom of Religion, Cultural and Educational Rights and Right to Constitutional Remedies.** The people of India have been enjoying these rights for more than 50 years.

The protection of Human Rights in India has been assured by, The Protection of Human Rights Act, 1993 which provides for the constitution of a National Human Rights Commission. State Human Rights Commission in States and Human Rights Courts for better protection of Human Rights and for matters connected therewith or incidental thereto. The Commission performs a large numbers of functions relating to protection of Human Rights, which are a supporter & protector of Human Rights provided in Indian Constitution. No one whether a business or a subject can violate the enjoyment of Human Rights.

Therefore, CWC as a business organization, all the way, supports and respects the protection of internationally proclaimed human rights also which are more or less akin to the principles of fundamental rights enunciated in the Indian Constitution.

Principle 2

Make sure they are not complicit in human rights abuses

CWC as a business organization has been performing service to the public in the field of warehousing logistics. We are a bailee of the public goods and responsible for its safety, security accountability and handing over the same to the valued depositors as and when they desire. In the entire process element of human error cannot be ruled out. Therefore at some point of time errors creep in thereby exposing the employee to inquires/investigation etc to find out the truth. In such processes the delinquent employee is given full opportunity to protect himself by following laid down investigation mechanism as per the need of Natural Justice. If the employee is found guilty he is given one more but last opportunity to appeal to the CEO for review of the award.

In businesses due to various errors & omissions one is always amenable to incur any type of administrative/economic grievance. Such grievant have full and free access to the CEO or the concerned in-house authority for solution. For redressal of grievances a well-established grievance handling mechanism is also in position under the control of Director of Public Grievances.

Various platforms of employees like Unions/Association also help redress grievances of the employees.

A large number of warehousing services/operations are carried out manually and are out-sourced. CWC while protecting interests of its own employees also emphasizes protection of legitimate rights of such work-force as a Principal Employer under Contract Labour (Abolition & Regulation Act) 1970 and Rules 1971 made there under. The Contractor makes the payment of wages to the contract labour in presence of an authorised representative of the Principal Employer. **The very objective is to ensure payment of minimum wages without fail.** In addition the labour

have the facility of the canteen, crèches, uniform, drinking water, rest room, First Aid, etc.

The Constitution of India and the other laws of land ensure **non-complicity of all the businesses in human right abuses. CWC is no exception to it.**

B. Labour Standards

Principle 3

Businesses should uphold the freedom of Association and the effective recognition of the right to collective bargaining.

At present, 40 registered Trade unions including 3 apex bodies of trade union are operating in the Corporation. These 3 apex bodies of trade unions/Federations represents the employees working in the Corporation at all India level. The rest 37 regional trade unions are representing the employees at Regional level. The Management settles/resolves the issues pertaining to wage revision and fringe benefits of the employees through collective bargaining with the apex bodies of TUs/Federation at corporate level. The regional issues like medical, uniform and other facilities of the employees of particular region are resolved/settled by the regional Management through collective bargaining with the respective regional Trade Unions. The Management gives due recognition to the union/association in settling the general issues related to the interest of the employees.

Principle 4

The elimination of all forms of forced and compulsory labour

The Corporation has fixed the norms of the working hours in its Corporate Office as well as Regional Offices. All the employees of the Corporation are following the same working timings. However, in case any employee stays beyond office hours during emergency, overtime allowance is paid as per the Govt. rates. The Corporation is providing the facility of Casual leave, Earned leave, medical leave etc. besides Govt. Gazetted holidays, which can be availed by the employee, if required by him. Thus, employees are not forced/compelled to work, if they require so.

Principle 5**The effective abolition of Child Labour**

The Corporation has its own Recruitment Rules & service conditions duly approved by the Govt. & notified in the Gazette of India in the name & style CWC (Staff) Regulations 1986. The service conditions of employees are governed under these Regulations. As per the staff regulations, the minimum recruitment age of an employee has been fixed 18 years. No employee is recruited below 18 years. In addition to this, H&T contractors appointed at Warehouses are also instructed not to engage any labour below the age of 18 years in order to observe strict compliance of abolition of child labour.

Principle 6**Eliminate discrimination in respect of employment and occupation**

The Corporation recruits its employees as per the rules and procedure stipulated under the CWC (Staff) Regulations 1986 and no laxity/discrimination is observed in filling the vacancies in any cadre. The Corporation selects suitable candidate by conducting written test/interview and after thorough examination of the attitude and conduct of the candidate.

C. Environment***Principle 7*****Businesses should support a precautionary approach to environmental changes**

Corporation went for Environmental Management system (ISO 14001:1996) Certification in June 2003 for 50 units. The present coverage is in 51 units that include Corporate Office, 17 Regional Offices and 33 field units.

The transition of ISO 14001:1996 to ISO 14001:2004 is under progress. MOU target for 2005-06 is to prepare and certify 30 units for the revised standard.

Principle 8**Undertake initiatives to promote greater environmental responsibility**

The Corporation has established Environment Policy that specifies its concern and commitment for the environment. It states –

“CENTRAL WAREHOUSING CORPORATION IS COMMITTED TO CARRY OUT WAREHOUSING AND OTHER FUNCTIONS IN AN ENVIRONMENTALLY RESPONSIBLE MANNER AND COMPLY WITH APPLICABLE LEGISLATIONS. WE SHALL ENSURE CONTINUAL IMPROVEMENT IN ENVIRONMENTAL PERFORMANCE, PREVENTION OF POLLUTION AND CONSERVATION OF NATURAL RESOURCES”

Principle 9**Encourage the Development and diffusion of environmental friendly technologies**

The employees shareholders, customers and suppliers have been adequately informed about the environmental Policy and objectives of the Corporation, which includes conservation of natural resources namely paper, water and electricity, beside waste management and tree plantation.

The maintenance of the system is being continuously monitored through internal and 3rd party Audits.

Principle 10***Businesses should work against corruption in all its forms, including extortion and bribery*****VIGILANCE SET-UP**

The primary & ultimate responsibility for the maintenance of integrity, purity & efficiency of administration in a particular organization is that of Head of the organization who is assisted in his work by the Vigilance Department at the Corporate level

The Vigilance Division under the CVO, examine the cases pertaining to different activities of different branches of Division of an organization like Engineering, Finance, Technical, Commercial etc. in the perspective of rules and regulations framed for every activity. Keeping in view the rules, regulations, guidelines, Vigilance Division recommends the necessary action to the Disciplinary Authority at Corporate Office level.

Thus, Vigilance Division is recommendatory body and functions under the guidelines framed by the Central Vigilance Commission (CVC). CVC is the apex body in the vigilance matter and established by Central Government to monitor the activities of public bodies. The Central Warehousing Corporation reports to its Controlling Ministry i.e. Ministry of Food & Public Distribution and also to CVC.

BUSINESS & CORRUPTION

With globalization, the opportunity for business world-wide have opened up tremendously trade barriers. The regime of World Trade Organization (WTO) has provided an opportunity to all participating countries to do business with each other on equitable term. The developed countries are more or less self sufficient hence corruption is on lesser side whereas in developing countries generally the resources are in short supply, technology is poor and population is more, scope for corruption is on higher side as each individual wants his dominance to grab the opportunity by hook or crook. Thus, corruption enter into the business. The damage which corruption can cause is well known. It is anti-national, anti-economic development & anti-poor. Corruption is basically lack of integrity. This could be intellectual, financial or moral integrity. The corruption erodes the economy & enter into the minds of people. Corruption can be highly devastating for a nation, be at lower level or at a mass scale. Contracts of major development project may go in wrong hand due to corruption. Quality of infrastructure which is essential and back bone of any country may remain poor. In view of poor quality infrastructure & supply of poor material, a country may lag behind in development which ultimately affects the quality of life of the citizen of country. In an article published in a leading newspaper it is estimated that – India spends about Rs.24,000 crore per annum on corruption. At this rate the amount likely to be spent on corruption in a decade will be about Rs.2 lakhs crore which will

be sufficient to feed, provide drinking water, basic education, employment to a large population, built good roads, & other infrastructure for the country. Any country aspiring for good rate of growth can ill afford such situation. Corruption can not be totally eliminated as there are definitely some bad people in Organizations. However, corruption can be minimized to a manageable level. The corruption at the cutting edge level i.e the level at which an ordinary citizen comes in inter face with Government agencies, is the highest among the developing countries.

CUSTOMER SATISFACTION

Customer satisfaction is the ultimate measure of the quality of a product or service. Customer reaction may be immediate or delayed. Customer seldom volunteer their assessment about the quality to the Organization. Dissatisfied customer often cease to use or purchase products or services without waiting for corrective action by the organization . An organization has to have a customer focused approach, which require for it to be open to the feedback from its customers including complaint and show committment to resolving them by its action.

HOW TO MANAGE CORRUPTION

Eradication of corruption from our society is, perhaps, the biggest challenge we are facing today. Bribery, nepotism and misuse of office for personal gain has not only eroded our values but have also impeded our social & economic progress. This challenge can be met only by observing a highest standard of conduct and probity in public life.

In today's materialistic world, when every individual have many temptations, it became essential not only to educate the people about pitfalls of the corruption but also sensitize them by making them aware about norms & procedures and the punitive action which awaits those who get entrapped in the vicious circle of corruption.

Businesses can help in fighting corruption by taking following steps:

1. (a) By having contract process more transparent, terms and conditions of the tender/contract non restrictive,

abolition of discretion so that fair opportunities are available to all concerned.

- (b) By having deterrent provisions like denial of contract , forfeiture of Earnest Money Deposit (EMD) and black listing of contractor on detection of payment of bribe/commission besides criminal and disciplinary action against its employees.
2. By having internal vigilance set up for identifying those practices, which result in delays and complicated situations resulting in the growth of corrupt practices. Besides, it should create vigilance awareness among the employees so that corrupt practices not only get discouraged but elements resorting to those practices are also punished. Thus vigilance set up will assist the management in preventive, detection and preventive vigilance.
3. By modifying or even simplifying the rules to prevent recurrence of corrupt practices.

In short the functions of vigilance set up can be summarized as under:-

- Function as a service organization to Management.
 - Develop intelligence against corruption etc.
 - Identify black spots and make fair investigations.
 - Encourage managers for in house vigilance.
 - Suggest ways of qualitative improvement by plugging loopholes, improving procedures.
 - Protect & encourage honest employees.
 - Conduct regular & surprise checks/raids
 - Correct gently & constructively those doing mistakes without malafide motives.
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