

[SB. 27]

A BILL

FOR

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE CORPORATE SOCIAL RESPONSIBILITY COMMISSION

Sponsored by SENATOR UCHE CHUKWUMERUJE
(Abia North)

[]

Commence-
ment.

ENACTED BY THE National Assembly of the Federal Republic of Nigeria—

1 PART I — ESTABLISHMENT OF CORPORATE SOCIAL RESPONSIBILITY COMMISSION

2 1.—(1) There is hereby established a Commission to be known as
3 Corporate Social Responsibility Commission.

Establishment
of Corporate
Social
Responsibility
Commission.

4 PART II — COMMISSION

5 2.—(1) (a) Shall be a body corporate with perpetual succession and
6 common seal; and

Commission.

7 (b) May sue and be sued in its corporate name and may, for the purpose
8 of its function, acquire, hold or dispose of property.

9 (2) The Commission shall be headed by a Director General who shall
10 be responsible for the overall operations of the Commission, and shall be
11 equivalent in rank to a Permanent Secretary in the Public Service of the
12 Federation.

13 (3) The Director General shall be the Accounting Officer of the
14 Commission:

15 (i) The Director General shall be appointed by the President and confirmed
16 by the National Assembly - the appointment shall be based on professional
17 competence and qualification, and without regard to political and partisan
18 affiliations;

19 (ii) The Director General shall hold office in the first instance for a period
20 of 4 years and may be re-appointed for a further period of 4 years and not
21 more than such terms and conditions as may be determined, from time to
22 time by the Presidency.

Staff of the
Commission.

Governing

C 1240 2007 No. Corporate Social Responsibility Commission (Establishment, etc.)

	1	3.—(1) There shall be office of Directors:
	2	(a) a Director of Admin and Supply;
	3	(b) a Director of Legal Services;
	4	(c) a Director of Finance;
	5	(d) a Director of Operations and Research.
	6	(2) The Terms and condition of service including remuneration,
	7	allowances, benefits and pensions of officers and employees of the
	8	Commission shall be determined by the Board provided that:
	9	(a) the staff of the Commission shall be public officers as defined in the
	10	Constitution of Federal Republic of Nigeria 1999;
	11	(b) service of the Commission shall be approved service for the purpose of
	12	the Pension Act and accordingly and officers and other persons employed
	13	in the Commission shall, in respect to their services be entitled to pension,
Board of the	14	gratuities and other retirement benefits as prescribed there under.
Commission.	15	4.—(1) The Governing Board of the Commission shall consist of —
Functions and	16	(a) a chairperson;
powers of the	17	(b) a human Rights lawyer;
	18	(c) a person from environmental protection agency;
	19	(d) a person not below the rank of a Director from the office of the Secretary
	20	to the Government of the Federation;
	21	(e) a person not below the rank of a Director from Ministry of Commerce
	22	and Industries;
	23	(f) a person from the organized private sector;
	24	(g) a person form Manufacturers Association of Nigeria;
	25	(h) the Director General Security and Exchange Commission or his
	26	representative;
	27	(i) a community development expert;
	28	(j) the President Nigeria Labour Congress or his representative; and
	29	(k) the Chief Executive of the Commission.
	30	(2) The members of the Governing Board, other than the Director
	31	General and the Secretary, shall be part time members.
		(3) The members of the Governing Board other than ex-officio members

1 shall be appointed by the President and the appointment shall be subject to
2 confirmation by the Senate.

3 (4) The members of the Governing Board other than ex-officio members
4 shall hold office for a period of 4 years and may be reappointed for a further
5 term of 4 years and no more.

6 (5) A member of the Governing Board may at any time be removed by
7 the President for inability to discharge the functions of his (whether arising
8 from infirmity of mind or body or any other cause) or for misconduct.

9 (6) A member of the Governing Board may resign his membership by
10 notice in writing addressed to the President and that member shall, on the
11 date of receipt of notice cease to be a member.

12 (7) Where a vacancy occurs in the membership of the Governing Board,
13 it shall be filled by the appointment of a successor to hold office for the
14 remainder of the term of office of his predecessor.

15 (8) The Governing Board may take a standing order regulating its
16 proceedings or those of its committees.

17 PART THREE

18 5.—(1) Subject to this Act and in addition to any other functions
19 conferred on it by other provisions of the Act, the Commission shall —

Commission.
Financial
provisions.

20 (a) create a standard for social responsibility of corporate organizations
21 that is consistent with international standards;

22 (b) integrate social responsibility in Nigeria trade policies while respecting
23 WTO rules and not creating unjustified trade barriers by seeking to
24 introduce provisions in bilateral regional or multilateral agreements;

25 (c) conduct research and investigation of needs of host communities of
26 Corporate Organizations;

27 (d) serve notices of social responsibility requests to organizations;

28 (e) identify socially responsible behaviour in compliance with National and
29 Community legislation on equality and non-discrimination in all activities
30 of companies;

31 (f) implement social and environmental regulation consistent with

- 1 convention and serve as inspection regime of these agreements;
- 2 (g) carry out classification of corporate organizations, ranking them
- 3 according to organizational size and magnitude of investment, which shall
- 4 determine the nature of corporate social responsibility expected of them;
- 5 (h) publish annual reports on social and environmental impacts of
- 6 company's direct activities on communities;
- 7 (i) develop policies to encourage corporate organizations to undertake
- 8 community engagements as part of corporate social responsibility, and
- 9 ensure that companies sponsor cultural and educational activities that offer
- 10 added value to Nigeria's socio-political and technological development.
- 11 Provided the cost of a company's total corporate social responsibility for
- 12 a given year is not less than 3.5% of its gross annual profit for that year.
- 13 (j) promote statutory labour standards and collective social governance
- 14 in the context of globalization;
- 15 (k) ensure that companies are accountable not only to employees and
- 16 their trade unions, but to investors, consumers, host communities and the
- 17 wider environment;
- 18 (l) sanction through fines or offer incentives to companies who default or
- 19 comply with corporate social responsibility rules and principles;
- 20 (m) develop environmental guidelines that need to be met by corporations
- 21 doing business in Nigeria;
- 22 (n) peg and monitor the implementation of local contents in terms of
- 23 employment and sourcing of raw materials;
- 24 (o) introduce and ensure social responsibility compliance labels which do
- 25 not violate WTO rules;
- 26 (p) generally enter into any contract or perform any act, whether within
- 27 the Federal Republic or outside, as will in the opinion of the Governing
- 28 Board contribute towards attainment of the Commissions objectives;

PART FOUR

- 30 6.—(a) The Commission shall establish and maintain a fund which shall
- 31 cover all expenditure incurred by the Commission;
- (b) There shall be credited to the fund, established in pursuance of

1 subsection (a) of this section, such payments as may be made by the Federal
2 Government for the running expenses of the Commission and all other assets
3 accruing from time to time to the Commission; and

4 (c) The Commission may establish and maintain one or more funds into
5 which shall be credited such payment as may be made to it by donor and
6 other agencies from time to time for the purpose of supporting corporate
7 social responsibility and programmes in Nigeria.

8 PART FIVE

9 7.—(1) The Commission shall seek and receive information that will help
10 it in the discharge of its responsibility. Such information cannot be withheld
11 by persons, organizations and corporations.

Citation.

12 (2) The Commission shall have the power to temporarily shut down
13 and suspend operations of an organization, corporation or a company for a
14 minimum of 30 working days as a penalty for non-compliance with statutory
15 requirement of the corporate social responsibility as stipulated in this Act.

16 (3) An organization that fails to comply with the statutory requirement of
17 this Act commits an offence under this Act and is liable on first conviction to a
18 fine not less than 2% of its gross annual profit and on subsequent violation to
19 a fine of not less than 3.5% of its annual gross profit in addition to compliance
20 with statutory corporate social responsibility within the given period.

21 (4) A person that willfully obstructs the Commission or its authorized
22 staff in the exercise of any of the powers conferred on its by this Act commits
23 an offence and is liable to imprisonment upon conviction of not less than six
24 months.

25 8. This Act may be cited as the Corporate Social Responsibility
26 Commission (Establishment, etc.) Bill, 2007.

C 1244 2007 No.

Corporate Social Responsibility Commission (Establishment, etc.)

(Note that this introduction does not form part of this Act.
It is only intended to explain its purport).

This Bill seeks to provide for comprehensive adequate relief to communities which suffer the negative consequences of the industrial and commercial activities of companies operating in their areas.

The Bill seeks to create a specific body for the execution of this highly important social responsibility.

It also provides for penalty for any breaches of corporate social responsibility.