

A BILL

FOR

AN ACT TO ENCOURAGE, PROMOTE AND REGULATE THE CONCEPT AND PRACTICE OF CORPORATE SOCIAL RESPONSIBILITY BY BUSINESS CONCERNS, COMMUNITY, ORGANISATIONS AND PUBLIC BODIES, TO ENABLE VOLUNTARY CONTRIBUTIONS, ETC. TO BE MADE BY ANY SUCH ORGANISATIONS TO MAJOR NATIONAL CHALLENGES SUCH AS EDUCATION, ENERGY, THE ENVIRONMENT, CREATION OF JOBS AND ENHANCEMENT OF EMPLOYEE SKILLS, NEIGHBOURHOOD REGENERATION, AGRICULTURAL ADVANCEMENTS, REDUCTION OF POVERTY, ETC. AND FOR OTHER CONNECTED PURPOSES

Sponsored by Senator Kwari, Suleiman Abdu

[] Commencement

ENACTED by the National Assembly of the Federal Republic of Nigeria as follows:

1 1.-(1) Subject to this Act, and the social and economic policies
2 adopted or propagated by the Government of the Federation under any law,
3 every private, voluntary and public sector organisation (in this Act referred
4 to as "organization (s)") shall, as from the commencement of this Act, be
5 obliged to take ethical and complimentary action, to the best of its capability,
6 to address key social, economic and environmental challenges confronting
7 any part or parts of the Federation in which the operations and activities of
8 any such organisation is prevalent (in this Act referred to as "Corporate
9 Social Responsibility"), and as prescribed under and pursuant to this Act.

Activities,
initiatives, etc.
that constitute
Corporate Social
Responsibility
contributions, etc.

10 (2) Accordingly, the Corporate Social Responsibility obligations,
11 expectations and contributions from any organisation to the social,
12 environmental and economic challenges confronting any part or parts of the
13 Federation shall, without prejudice to the preferences that may be made
14 from time to time by the Government of the Federation, by resolution or law,

1 include any or a combination of any of the following national challenges that is
2 to say-

3 (a) improvements and progressions as regards-

4 (i) educational structures, facilities, learning processes, standards,
5 learning aids, and materials,

6 (ii) setting up education centres for the enhancement of adult literacy
7 and numeracy levels of members of rural communities, sub urban areas, etc., in
8 which activities of an organisation is prevalent,

9 (iii) sponsorship of or scholarship for individuals, workers or other
10 group of persons to educational institutions for learning, research studies or
11 acquisition of special skills in industry or other enterprise, within or outside
12 Nigeria;

13 (b) initiatives and programmes that enhance the application of varied
14 sources of energy generation and distribution for the benefit of inhabitants of
15 any area or community in which an organisation's operations and business
16 activities is prevalent;

17 (c) programmes and activities aimed at-

18 (i) protecting the environment and bringing environmental benefits,
19 (ii) cleaning and detoxification of polluted or degraded
20 environments,

21 (iii) nurturing shelter belts and providing other erosion control
22 mechanisms for environmentally degraded areas in the Federation,

23 (iv) promotion of designs and approaches for the prudent use and
24 conservation of natural resources, water and ecology,

25 (v) reporting or disclosing environmental information and data that is
26 beneficial to the purposes of government, and for tackling environmental
27 problems in any part of the Federation;

28 (d) programmes and initiatives that seek to-

29 (i) improve the quality of life of members of any community and
30 renew the outlook and aesthetic values of neighbourhoods, communities, etc.

- 1 in which an organisation operates or carries on its business,
- 2 (ii) carry on repairs, improvements or construction of roads,
3 streets, alley ways, public facilities and structures,
- 4 (iii) improve existing healthcare structures and healthcare delivery
5 for clinics, medical centres, maternities, or set up new ones,
- 6 (iv) facilitate the proper functioning of water works, and construct
7 boreholes, public conveniences and shelter for economically disadvantaged
8 persons,
- 9 (v) provide and equip playing grounds, recreational centres, sports
10 facilities and structures, etc. within and around any such neighbourhoods, in
11 which it carries on its business or other activities;
- 12 (e) activities and programmes that-
- 13 (i) create jobs, enhance the skills and knowledge of its workforce
14 and those of the wider community in which it operates, and provide housing
15 facilities for its workforce or members of the community thereof,
- 16 (ii) empower members of the community in which an organisation
17 operates, to be involved in the economic and social mainstream of modern
18 developments, and carry on other initiatives that are designed to alleviate
19 poverty in any such community;
- 20 (f) improvements and programmes that seek to galvanize the
21 agricultural sector as regards-
- 22 (i) enhancement of the agricultural skills and knowledge of
23 farmers,
- 24 (ii) application or distribution of modern technological methods,
25 equipment, inputs and processes to enhance agricultural production yields
26 of farmers,
- 27 (iii) promotion and implementation of activities and other
28 arrangements in which improved seedlings, variety of fingerlings, poultry
29 and animal stocks, feeds, medicaments, etc. are distributed at subsidized
30 rates or freely to farmers to assist in boosting crop yields, improving the

1 flourishing of fisheries, poultry, animal husbandry, etc.;

2 (g) any other activity, initiatives, improvements or programmes
3 which are incidental or supplementary to the foregoing national challenges
4 mentioned and described under this subsection of this section.

5 (3) Subject to this Act, any activity, initiatives or programme carried
6 on by any organisation, to which this Act relates, that essentially deviates or
7 departs from the national challenges enumerated under subsection (2) of this
8 section, shall not be regarded, counted, recorded or classified as Corporate
9 Social Responsibility contribution of any such organisation to any part of the
10 Federation.

11 (4) For the avoidance of any doubt, any activity, initiative or
12 programme of any organisation in the Federation that purports or proposes to
13 offer, to members of the public and consumers of the products, goods or
14 services of any such organisation, gifts of money, materials, benefits,
15 equipages, etc. under certain terms and conditions stipulated under any such
16 activity, initiative or programme, shall not be regarded, counted, recorded or
17 classified as Corporate Social Responsibility contribution of any such
18 organisation to the national challenges enumerated under subsection (2) of this
19 section.

20 (5) Without prejudice to the foregoing provisions of this section of
21 this Act, an organisation which proposes to carry on Corporate Social
22 Responsibility contribution to any number of the national challenges
23 enumerated under subsection (2) of this section, shall notify the Minister in
24 writing under its seal of such intention, and the Minister shall acknowledge any
25 such notification.

Duty of
organisations
to report Corporate
Social Responsibility
performance to
the Minister, etc.

26 2.-(1) Every organisation to which section 1 (5) of this Act relates,
27 shall be required to present a report, on its Corporate Social Responsibility
28 performance on one or more of the national challenges enumerated under
29 section 1 (2) of this Act, to the Minister not later than the last day of June of a
30 financial year.

1 (2) The report required to be presented to the Minister in terms of
2 subsection (1) of this section shall provide the following information, that is
3 to say-

4 (a) description of the particular national challenges or challenges
5 which the organisation question selected for implementation;

6 (b) the objects and intendment of the organisation in question for
7 selecting any particular national challenge or challenges as its Corporate
8 Social Responsibility contribution;

9 (c) description of the parr or parts of the Federation in which it
10 carried out its preferred Corporate Social Responsibility, and the list of
11 authorities, credible persons, etc. in that part or parts of the Federation that
12 can attest to its claims of performance of Corporate Social Responsibility
13 with respect to its selected national challenge or challenges, including any
14 other evidence to attest to its purported performance;

15 (d) a compendium of the expenditure incurred for the
16 implementation of its Corporate Social Responsibility with respect to its
17 preferred national challenge or challenges;

18 (e) the extent of the organisation's estimation of the impact or level
19 of success or otherwise of its Corporate Social Responsibility contribution
20 to any part or parts of the Federation in which its activities, etc. is prevalent
21 or targeted;

22 (f) any other information which the organisation in question may
23 wish to disclose in respect of problems and impediments encountered in the
24 course of its implementation of its Corporate Social Responsibility,
25 including lessons learned in carrying out the exercise thereof; and

26 (g) a synopsis of the organisation's plans or contemplations as
27 regards its future, Corporate Social Responsibility contributions to any
28 number of national challenges in any part or parts of the Federation.

29 (3) Every report on the Corporate Social Responsibility
30 performance of each organisation compiled in accordance with subsection

1 (2) of this section, shall be authenticated by a reputable accounting
2 body, and an auditor appointed by the organisation in question, from the list of
3 auditors and in accordance with the guidelines supplied by the Auditor-General
4 for the Federation.

5 (4) Notwithstanding the foregoing provisions of this section of this
6 Act, an organisation to which this section applies may, in addition to its
7 compliance with the requirements of this section of this Act, elect to publish or
8 disseminate its own report of Corporate Social Responsibility performance in
9 or through any medium of information, for its own purposes.

Minister to verify
claims of Corporate
Social Responsibility
performance of
organisations, etc.

10 **3.-(1)** Upon his receipt of a report in terms of subsection 2 (1) of this
11 Act, the Minister shall appoint a team of its officers in his Ministry to carry on
12 verification of the claims made by each organisation in their respective reports,
13 not later than one month after receiving the reports thereof.

14 (2) On completion of the verification exercise specified under
15 subsection (1) of this section, the Minister shall prepare and present to the
16 President, as soon as may be. a comprehensive report containing his
17 observations, findings and recommendations with respect to each report
18 presented to him in terms of section 2 (1) of this Act.

19 (3) The President shall upon receipt of the Minister's report in
20 pursuance of subsection (2) of this section, declare as satisfactory or
21 unsatisfactory the Corporate Social Responsibility performance report of each
22 organisation brought before him, in consonance with the Minister's
23 observations, findings, and recommendations thereof, not later than one month
24 of his receipt of the Minister's report.

Satisfactory
conduct of
Corporate Social
Responsibility to
attract incentives,
etc.

25 **4.-(1)** Where an organisation's report of its purported Corporate
26 Social Responsibility performance is declared to be satisfactory by the
27 President in accordance with section 3 (3) of this Act, the organisation in
28 question shall be eligible to obtain the benefits, incentives and privileges
29 described under section 5 (1) of this Act.

30 (2) Where an organisation's report on its purported Corporate Social

1 Responsibility performance is declared by the President to be
2 unsatisfactory, in terms of section 3 (3) of this Act, the organisation in
3 question shall not be entitled, or eligible to obtain any of the benefits,
4 incentives and privileges described under section 5 (1) of this Act.

5 (3) Where the report of an organisation in respect of its purported
6 Corporate Social Responsibility performance is found to be false in every
7 material particular or calculated to deceive the relevant authorities under
8 this Act, the organisation shall be guilty of an offence, and liable on
9 conviction by a court of competent jurisdiction to a fine of an amount not
10 exceeding ten million Naira, in addition to any other sanctions or
11 punishment that the court may, in its discretion, impose on the organisation
12 in question or any of its high ranking officers found to be involved in
13 committing the offence.

14 (4) A court of competent jurisdiction under this Act shall be a
15 Federal High Court.

16 5.-(1) Subject to this Act, an organisation to which this Act relates,
17 whose Corporate Social Responsibility performance in any part or parts of
18 the Federation has been declared by the President to be satisfactory, shall be
19 eligible and entitled-

Incentives, benefits,
etc. for organisations
with satisfactorily
Corporate Social
Responsibility
performance

20 (a) to obtain a variety of tax incentives, holidays, deductions, etc.
21 from the Federal Inland Revenue Service, in consonance with the extent and
22 volume of its Corporate Social Responsibility performance ratings,
23 compiled and maintained by the Minister;

24 (b) to obtain waivers and other concessions for any import of
25 goods, equipment, raw materials, etc. which is may require for carrying on
26 its business, subject to the extent which the President may determine and
27 approve, from time to time;

28 (c) be registered and appropriately ranked in the register of
29 organisations with the best corporate practice, which register shall be kept
30 and maintained by the Minister;

1 (d) to Obtain government grants-in-aid, bailout packages or other
2 forms of compensation in the event of any economic losses it may suffer as a
3 result of any natural disaster, nonphysical disaster or other economic recession
4 or down turn that may affect its operations, provided that any of the foregoing
5 occurrences is not as a result of any negligence or poor management by the
6 affected organisation; and

7 (e) to be invited to send its representatives to State functions and
8 ceremonies, and be listed to accompany presidential business delegations and
9 trade missions to any part of the world.

10 (2) The incentives, benefits, privileges, etc. enumerated in subsection
11 (1) of this section shall become effective immediately after the publication, in
12 the Federal Government Gazette of the President's declaration of satisfactory
13 conduct of an organisation made pursuant to section 3 (3) of this Act, by the
14 Minister.

15 (3) Without prejudice to the provisions of the last foregoing
16 subsection of this section, the incentives, benefits, etc. contained in subsection
17 (1) (a), (b) and (d) of this section, made available to an organisation whose
18 Corporate Social Responsibility performance is declared to be satisfactory by
19 the President in terms of section 3 (3) of this Act, shall be valid for a period of
20 two years beginning from the date of the publication made pursuant to
21 subsection (2) of this section.

22 (4) Notwithstanding the provisions of subsection (3) of this section,
23 the registration of an organisation made pursuant to subsection (1) (c) of this
24 section shall not be expunged from the register kept thereof at the expiration of
25 the period specified in that paragraph of the subsection of the section, but its
26 ranking thereof for best corporate practice, and its eligibility contained in
27 subsection (1) (e) of this same section, shall be subject to review and variations
28 annually in consonance with other entries made in the said register, kept and
29 maintained by the Minister.

1	6. Without prejudice to the relevant provisions of this Act, the	Copies of reports, etc. to be presented to the National Assembly for information, etc.
2	Minister shall have responsibility for furnishing each House of the National	
3	Assembly with copies of every report, declaration, etc. authorised to be	
4	prepared and presented pursuant to the relevant provisions of this Act	
5	thereof, as soon as they become available in terms of any such relevant	
6	provision of this Act, for their information and records.	
7	7. The Minister shall, by regulations of a general nature, prescribe	Regulations
8	anything falling to be prescribed for the purposes of giving full effect to the	
9	provisions of this Act.	
10	8.-(1) In this Act, unless the context otherwise requires, the	Interpretation
11	following words and expressions have the meanings respectively assigned	
12	to them, that is to say-	
13	"Corporate Social Responsibility" refers to the ethical, complimentary or	
14	obligatory actions taken by an organisation to address key social, economic	
15	and environmental challenges confronting any part or parts for the	
16	Federation in which the operations or business activities of any such	
17	organisation is prevalent;	
18	"Minister" means the Minister of the Government of the Federation	
19	charged, for the time being.	
20	9. This Bill may be cited as the Corporate Social Responsibility	Citation
21	Bill, 2020.	

EXPLANATORY MEMORANDUM

This Bill seeks to encourage, promote and regulate the concept and practice of corporate social responsibility by business concerns, community, organisations and public bodies, to enable voluntary contributions, etc. to be made by any such organisations to major national challenges such as education, energy, the environment, creation of jobs and enhancement of employee skills, neighbourhood regeneration, agricultural advancements, reduction of poverty, etc.