

## CORPORATE SOCIAL RESPONSIBILITY

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Corporate Social Responsibility (CSR) refers to the ethical, legal, social, ecological and economic obligation that requires an organization to take into account the interests of the society including the stakeholders (customers, employees, creditors, shareholders) and others who are not directly related to the organization or its business.

No organization can neglect its responsibilities towards the society that provides it with the essential resources that are converted to derive profits. Not only is an entity required to give back to the society but also prevent/control possible damages by its operations.

### Ethical Responsibility:

Ethics should be the foundation of any business for it to flourish. Some basic ethical practices have been illustrated below:

- ❖ Accountability towards the stakeholders.
- ❖ Transparency in its decisions and operations as far as possible.
- ❖ Providing a safe working environment to all its employees.
- ❖ The primary focus of the management must be in sync with the mission and vision statements.
- ❖ Malfeasance must be reported and the whistleblowers rewarded.

### Legal Requirement:

In an era where the organizations are driven by profit motives and decisions influenced by financial incentives, Corporate Social Responsibility is a tool that is now indispensable and hence, a statutory requirement to ensure that the organizations work keeping in mind the larger good of the society. Therefore, as per the Companies Act, 2013, companies with a net worth of Rs. 500 crores or more, revenue of Rs. 1000 crores or more, or net profit of Rs. 5 crores or more in a fiscal year are required to spend at least 2% of its average net profit for directly preceding 3 financial years on CSR activities.

### Social Responsibility:

An organization with a wider vision that incorporates social upliftment grows and outlasts the one that doesn't contribute to the social growth of the society in any form. Taking an initiative for the betterment of the society does not necessarily equate with huge investments and extravagant campaigns. Making positive contributions might be as basic as ensuring equal pay for equal work, occupational health and safety etc.

Social issues that need attention might be-

- ❖ External to the organization like drug abuse, poverty etc.

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- ❖ Internal to the organization, such as abuse of power or discrimination
- ❖ Adverse effects of organizational activities, for example- industrial waste resulting in pollution, false claim by the entity to attract consumers, so on and so forth.

#### Ecological Responsibility:

Ecological degradation is a major concern for every being. India is ranked at 141 out of 180 countries by the Environmental Performance Index (2016). With the water bodies and air polluted, anything we consume is not entirely pure. According to a study on Global Burden of Disease Study 2017 (published in Lancet Planetary Health journal), air pollution has caused more diseases than tobacco use or smoking resulting in over 1.24 million deaths in 2017. Hence, the business houses must step up and take charge of the kind waste that is being generated by them while ensuring proper and ecologically sound waste management.

#### Economic Responsibility:

Any economic achievement of an organization is an advantage to the society too. Resources, as we know, are limited and should be utilized judiciously in a way that benefits the community. Business houses, therefore, bear a great responsibility of producing goods and services in demand, efficiently and effectively. This implies that the entities should maximize their profits ethically by minimizing the cost and the wastage and further, by sales maximization. Investment in Research & Development promotes innovation that in turn adds a feather to the cap of the business organization, improves the brand image and helps the society progress. Among others are- outsourcing, proper and yielding use of surplus, contribution to the national income, fair pricing, quality of goods produced or services rendered.

#### **RECENT INITIATIVES:**

Anita Roddick, a very successful entrepreneur and founder of The Body Shop that took cruelty-free natural beauty products to a whole new level, believed- “Being good is good business”. So, mentioned below are some of the noble CSR initiatives undertaken by business moguls.

➤ Ujjwal Bhavishya by V-Mart-

According to a company representative, “Our main aim of this program is to encourage students to pursue higher education in semi urban and rural areas. This initiative has not just transformed the lives of individuals but the society at large.”

168 meritorious students have been granted scholarships of Rs. 10,000 each with objective of promoting higher education among proficient students who are bound by financial constraints.

➤ Rain Water Harvesting Project (Phase-2) by TATA Steel-

In the trying times where one of the most valuable basic necessity- water, is depleting, this initiative by TATA Steel shows the commitment of the organization towards a collective better future.

On December 20, 2018, the CEO and MD of TATA Steel, T.V. Narendran inaugurated the Rain Water Harvesting Project (RWH) Phase-II at Joda in the presence of other senior officials of TATA Steel. This magnanimous project is an extension of the Phase-I (under the same name) occupies a land of 3.5 acres with facilities like yoga corner, children's play area, artificial area and lush green lawns to name a few. The water holding capacity of the storage cum Percolation Pond (SCP) of this RWH Project is said to be of 29,000 KL.

➤ CSR Initiatives for F.Y. 2018-19 By Mitsubishi Electric India-

Mitsubishi Electric India, a leading manufacturer of electronics, announced its CSR strategy that covers UN Sustainable Development Goals along with Government of India Initiatives with categories as- Skill Development, Community Development and Climate Action. The company is to implement the activities in various areas of its operations in India such Bangalore, Pune, Gurugram among others.

Provision for clean drinking water in various government schools have been provided benefitting approximately 927 students.

A tree plantation drive was also carried out in the playground boundaries of Government Senior Secondary School, Jamalpur, where 100 trees were planted with a drip-irrigation facility to conserve water and to ensure zero-mortality of the trees in initial years of root development.

The aforementioned initiatives by leading business entities act as a confirmation to the fact that not only do altruistic CSR activities reap results for the society but also help build a long lasting positive image of the organization that further helps the business to grow.

As is said by Robert Ingersoll "We rise by lifting others."



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