Corporate Social Responsibility

Alex Bernard @ 13.4.2021
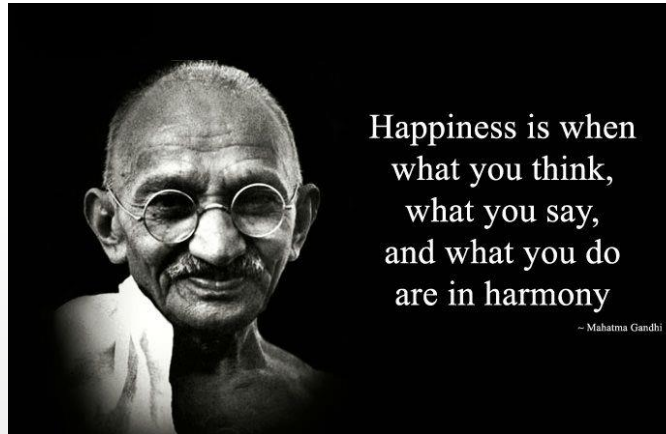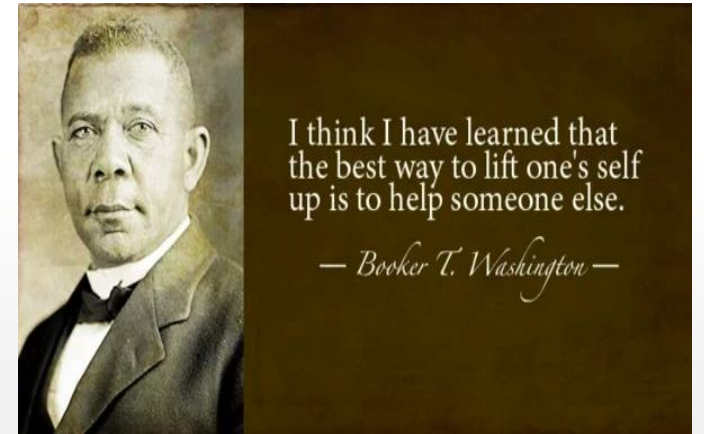
Responsibility

The opportunity or ability to act independently and take decisions without authorization

Social Responsibility
The practice of producing goods and services in a way that is not harmful to society or the environment

What Is Corporate Social Responsibility (CSR)?
Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable—to itself, its stakeholders, and the public.

Howard Bowen is widely regarded as the father of modern CSR. An American economist, he's been credited with coining the term "Corporate social responsibility"

CSR TIMELINE
the startup way

50'S
(SR)
Social Responsibility
Bowen (1953)
Drucker (1954)

60'S
(SR)
Social Responsibility
Davis (1960)
Frederick (1960)
McGuire (1963)

70'S
(CSR)
Corporate Social Responsibility
Heald (1970)
Johnson (1971)
Steiner (1971)

80'S
(CSR)
Corporate Social Responsibility
Jones (1980)
Tuzzolino dan Armandi (1981)
Strand (1983)

90'S
CSR as Philantropic Responsibility
Carroll (1991)
Elkington. (1998)

20 00's
CSR as Philantropic Responsibility
Porter dan Kreamer (2006)
Carroll (2004)

2011
(CSV)
Corporate Shared Value
Porter dan Kreamer (2011)

CSR (Corporate Social Responsibility)

Internal areas of responsibility
- Market responsibility/ economic efficiency
- Legal compliance without loopholes

Middle areas of responsibility
- Values
- Environmental standards
- Labor standards
- Supply chain management
- Stakeholders

External areas of responsibility
- Contributions (corporate giving)
- Sponsoring
- Social Activities (corporate volunteering)

A case study on Corporate Social Responsibility in NESTLE, TATA, ITC

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Abstract

Since the times of the barter system to present era of plastic money, the mankind has stridden out long path. There is no doubt in this that "profitability" has always been the primary force and main motivation behind all this development. This motive actually increased cut throat competition between the business forms. Because of this competition, the companies stated exploiting the quality of product as well as the environmental concern. Slowly and gradually the business houses realized that they have to give back to the society because they are surviving because of the society only. This realization gives the birth to the concept of Corporate Social Responsibility. However, the companies started using this concept for brand building more than delivering it as a responsibility. The studies also revealed that the companies used the corporate social responsibility for enhancing their profit as well.

This present study attempts to investigate about the core concept of corporate social responsibility (CSR), and finding out its scope taking the case study of the TATA Group, ITC and NESTLE.

Indian context

CSR in India has conventionally been understood as a charitable activity. And in keeping with the Indian tradition, it was an action that was executed but not considered.(2) In the Indian contingent, the model of CSR is ruled by clause135 of the company's act, 2013. CSR in India aims to keep a watch on what is done with profits by the corporate once they receive it. *(CII handbook on CSR in India 2013)*

Qualifying company (Section 135):- CSR is applicable to every Indian Companies including **its holding or subsidiary** which meet least of the following threshold Limit in any of the three preceding financial years:-
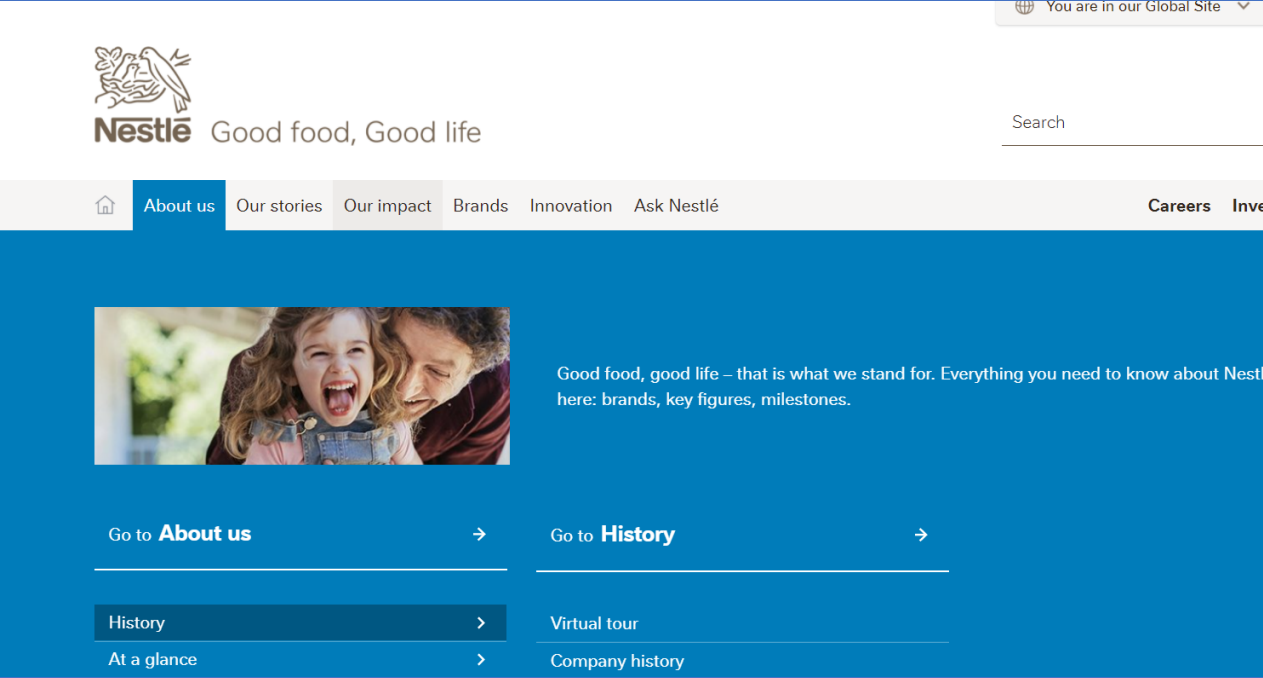* Net worth of at least Rs 500 Crore
* Turnover of at least Rs1000 crore
* Net Profit of at least Rs5 Crore
  It is also applicable to branch and project offices of a foreign company in India.

Surplus Generated from CSR Activities: - Surplus arising out of CSR activities shall not be considered as business profit of the company rather it will go back to CSR fund over and above the 2% contribution.

Nestlé is the world's leading nutrition, health and wellness company. There are 33 thousand employees working in this organization. Nestle is a MNC which operates in 83 countries with the help of 461 factories. Nestle operates mainly in the developing countries. Approx. 50% of its plants operates in the developing countries. Nestle claims to protest the trust of customers and stakeholders with the strong principles. The principles and their related policies are concerned with actions related to:

Nestlé Good food, Good life

Search

⌂ About us Our stories Our impact Brands Innovation Ask Nestlé   Careers Inve

Good food, good life – that is what we stand for. Everything you need to know about Nestl here: brands, key figures, milestones.

Go to **About us**   →   Go to **History**   →

History   >   Virtual tour

At a glance   >   Company history

For example: Nestlé purchase cocoa directly from the farmers at all its plants and use it make the products i.e., KIT KAT, AERO® and SMARTIES. The companies claim that by doing this they help to increase the profit of farmers as well as to ensure the pure quality for the consumers. Nestle is company work in more than 80 countries and many of these countries are developing. Thus it becomes the responsibility of the company to coexist by create value for its stakeholders and at the same time enrich the nature. This concept refers as Creating Shared Value. Nestle tend to work for Creating Shared Value which includes the following of international laws, Codes of countries with the principles of the company.

Nestle gives special emphasis on creating value in for nutrition, water and rural development. These are essential to its corporate activities and vigorous for its value chain:

TATA Approach towards CSR

TATA group has chosen the following channels to drive its CSR initiatives:

- Building ground-breaking solutions to address large-scale societal problems by applying core competence of the organization.
- Volunteering for assignments that address the felt requirement of society in which TATA operates, while associating with the core themes of TATA's CSR.
- Contributing in community improvement program.
- Associating with select non-government and civil society organizations and other government bodies.
- Accompanying large-scale reasons such as disaster assistance or any other reason as unwavering by the Corporate CSR Association.

TATA

TATA is the one of the prime organizations of India. The business of TATA varies from automobiles to Steel and telecommunications to consumer good. TATA group has more than 80 companies under their umbrella. TATA has the privilege to be the largest private organization of India and there are more than 2 Lac employees are working in its different

Infosys | Corporate Social Responsibility

Volunteering

Building the future of our aspirations

Infosys has been an early adopter of a strong CSR agenda. Along with sustained economic performance and robust eco-sustainability management,we believe in the importance of social stewardship. We embrace responsibility to create a positive impact in the communities in which we work and live. Our key programs are driven by the valuable CSR platforms we've built over the years.

Days of learning through the 'Hour of Code'

Taking computer science to classrooms in the Czech Republic

Learn more

Infosys Foundation

Creates opportunities for the underprivileged and strives to build a more equitable society through support for programs in the areas of education, arts and culture, healthcare, rural development, and destitute care

Learn more ▷

Infosys Foundation USA

Infosys Foundation USA's mission is to expand computer science and maker education to K-12 students and teachers across the US, with a specific focus on underrepresented communities.

Learn more ▷

Infosys Science Foundation

Instituted the Infosys Prize, an annual award, to honor achievements of researchers and scientists across engineering, computer science, physical sciences, social sciences, humanities, mathematical sciences, and life sciences

Learn more ▷

Sustainability at Infosys

Delivering on our commitment to make our business, our clients' businesses, and our ecosystem sustainable across the three dimensions of economic, social, and environmental development

Learn more ▷

https://youtu.be/EDJZFlPhD_I

Why ?

66% of Global consumers say they are willing to pay more for sustainable brands

Water usage decreased by more than 50,000 cubic meters. That is a reduction of 26% since 2013

30% decrease in greenhouse emissions

Natural Gas usage went from 29,808 to 11,424

Energy Consumption Dropped from 145,677 to 98,253 gigajoules

Rate of recycling increased from 75% in 2013 to 82% in 2015

23% reduction of total waste volumes

01
02
03
04
05
06
07

Why should you embrace **Social Responsibility?**

ISO 26000 Social Responsibility

What is ISO 26000?

ISO 26000 is an international standard, which was developed to provide guidance on how to behave in a socially responsible way. This standard is applicable to all organizations, whose aim is to contribute to the health and wellbeing of society, regardless of their size or industry. ISO 26000 is a guidance standard that helps organizations to enhance their operational processes and ensure healthy ecosystem.
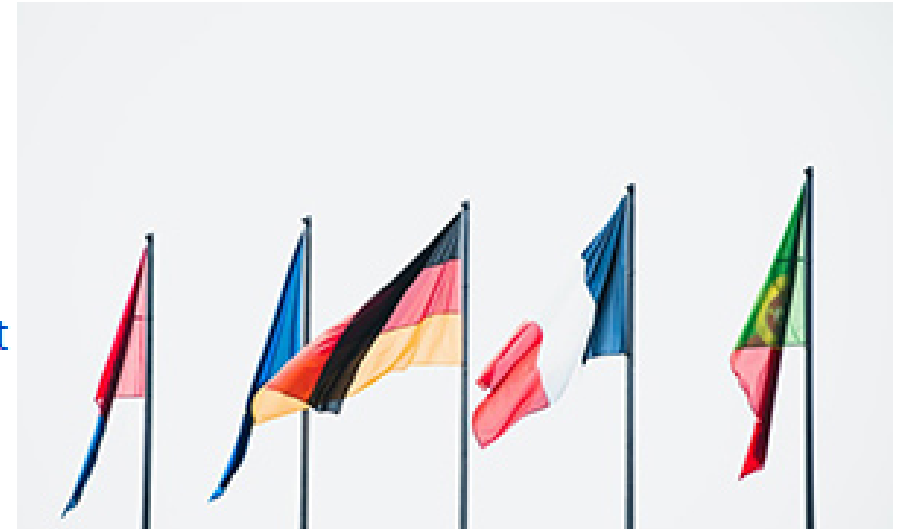
Benefits of ISO 26000 Social Responsibility

By becoming ISO 26000 certified, you will be able to:

- Increase your profits
- Help the organization behave in a more socially responsible manner
- Enhance the internal processes so that you contribute to the environment
- Increase the awareness of the impact of social responsibility
- Motivate the employees

International standard

ISO 26000 is an International Standard related to management and many users expect the standard to be certifiable. The standard is not certifiable as for example ISO 14001 Environmental management system and ISO 9001 Quality management system. ISO 26000 is however written in a way that makes it easy to use with management system standards.

What benefits can be achieved by implementing ISO 26000 ?

An organization's performance on social responsibility can influence, among other things:

- Competitive advantage
- Reputation
- The ability to attract and retain workers or members, customers, clients and users
- The maintenance of employee morale, commitment and productivity
- The perception of investors, owners, donors, sponsors and the financial community
- Relationships with companies, governments, the media, suppliers, peers, customers and the community in which it operates

Notable Work by Some Companies

Ashok Leyland

Operates a FunBus in Chennai and New Delhi. This bus, equipped with a hydraulic lift, takes differently abled children and those from orphanages and corporation primary schools on a day's picnic. The company also runs AIDS awareness and prevention programmes in its Hosur factories for about 3.5 lakh drivers.

Axis Bank

The Axis Bank Foundation runs Balwadis which are learning places for children living in large urban slum clusters. It also conducts skill development programmes (PREMA and Yuva Parivartan) in motor driving, welding, mobile repairing, tailoring etc, for the youth in backward districts.

Bharat Petroleum Corporation

Its rain water harvesting project Boond, in association with the Oil Industries Development Board, selects draught-stricken villages to turn them from 'water-scarce to water-positive'. Some of BPCL's other social programmes include adoption of villages, prevention and care for HIV/AIDS and rural health care.

Mahindra & Mahindra

Nanhi Kali, a programme run by the KC Mahindra Education Trust, supports education of over 75,000 underprivileged girls. The trust has awarded grants and scholarships to 83,245 students so far. In vocational training, the Mahindra Pride School provides livelihood training to youth from socially and economically disadvantaged communities. M&M also works for causes related to environment, health care, sports and culture.

Oil & Natural Gas Corporation

It offers community-based health care services in rural areas through 30 Mobile Medicare Units (MMUs). The ONGC-Eastern Swamp Deer Conservation Project works to protect the rare species of Easter Swamp Deer at the Kaziranga National Park in Assam. ONGC also supports education and women empowerment.

Tata Consultancy Services

Its Computer Based Functional Literacy (CBFL) initiative for providing adult literacy has already benefitted 1.2 lakh people. The programme is available in nine Indian languages. Besides adult education, TCS also works in the areas of skill development, health care and agriculture.

Case studies

Apple Supporting Local Communities

- In Oregon, USA, Apple partners with Bluestone Natural Farms to transform compostable materials generated onsite into rich organic material for use on the farm.

- The tech giant launched a 100-kilowatt rooftop solar project at an educational premise for disadvantaged children in Philippines.
- The company added 50-kilowatt solar power system and a 260-kilowatt-hour battery to supply clean electricity to off-grid fishing community in Thailand.

Apple Educating and Empowering Workers

- The multinational technology company provided training courses to about 4 million people since 2008.
- The tech giant has competitive employee benefits practices. For example, expectant mothers can take up to four weeks before a delivery and up to 14 weeks after a birth, while fathers and other non-birth parents are eligible for up to six weeks of parental leave.
- Apple suppliers paid back USD 32.2 million recruitment fees to their 36,599 employees since 2008.

"The Triple Bottom Line", first conceived by Elkington in 1994 as a sustainability framework that balances the company's social, environmental and economic impact.

Later, Elkington (1998) explained that the way to achieve an outstanding triple bottom line performance (social, environmental, and economic) is through effective and long-term partnerships between the private and public sectors, and also among stakeholders.

The triple bottom line concept became popular in the late 1990's as a practical approach to sustainability and it has remained relevant in the CSR discussion because it indicates that corporations need to have socially and environmental responsible behavior that can be positively balanced with its economic goals

The Triple Bottom Line

Economic
Prosperity

An
Integrated,
Balanced
Strategic
Approach

Social
Responsibility

Environmental
Stewardship

Opportunity??

Environmental

Social

Economic

It can be clearly be summarized by a triangular relationship below:

Ethical Responsibilities

Social Responsibilities

Legal Responsibilities

Economic Responsibilities

CSR models

There are various models to describe the CSR complexity. These can be divided in accordance to time as follows

- Premodern
    - Minimalist
    - Self Interested
- Modern
    - The social contract
- Postmodern
    - Stakeholder (management and stewardship)

The dual responsibility and goal for each of the model position are shown hereunder;

Position	Responsible to	Therefore…
Minimalist	Stockholders/ owners	Maximizing profit
Self interested	Stockholders/ owners/ cost "controllers"	Do good when furthers quest for growth and profit
Social contract	Those with social and legal contract	Goes beyond law to spirit of commitment
Stakeholder Management	Those who influence direction and fortunes	Develop responsive strategies
Stakeholder stewardship	Society as whole / future	Solutions for social problems

World CSR Ranking

Rank	Home	2018	Score	
1	United States	Google	71.9	⬆
2	United States	The Walt Disney Company	69.5	⬆
3	Denmark	LEGO	69.4	⬇
4	Brazil	natura	69.4	
5	Denmark	novo nordisk	68.7	
6	United States	Microsoft	68.1	⬇
7	Germany	BOSCH	68.1	
8	Japan	Canon	67.6	⬆
9	France	MICHELIN	67.6	⬆
10	Sweden	IKEA	67.2	⬆

India CSR Ranking 2020

My own company experience

- Safety Training company
- Over 20 years of experience
- Unique training provider in GCC

Thank you