

CSR PRACTICES UNDER SUSTAINABILITY VISION: AN OVERVIEW

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When we talk about prosperity of any country, the one and only word that clicks our mind is development. This word categorized the country into being developed country or developing country. This development is mainly known with economic growth of the country. The essence of this form of development is a stable relationship between human activities and the natural world, which does not diminish the prospects for future generation to enjoy the quality of life at least as good as our own by far, most common CSR activities are focused to do in a sustainable manner. Government has made many policies and rules to make them responsible towards the society as well as the nation. In this reference, Corporate Social Responsibility (CSR) refers to our responsibility towards sustainable development. Responsibility is not concern only with people but also with nature. CSR policy outlines our efforts to give back to the world as it gives to us. Enactment of companies Act 2013 by the Ministry of Corporate affairs, Government of India was one of the world's largest experiments of introducing the CSR as a mandatory provision by imposing statutory obligation on companies to take up CSR projects towards social welfare activities. This has made India the only country which has regulated and mandated CSR for some select categories of companies registered under the Act. This CSR initiative will push the nation towards achievement of sustainable development goal and public-private partnership in transforming data.

LITERATURE REVIEW:

Nikos Avlonas (2018) stated in his article that Over the past decade, the term *sustainability* has caught on in the boardroom, courtroom and living room. While the concept has reached the mainstream, opportunities abound for implementation. Corporations will increase value integrating sustainability across departments, product lines, R&D, manufacturing, infrastructure, everything! Up and down the supply chain, as imperative for international trade or a method of risk abatement – assimilating sustainability will become

essential to ameliorate corporate woes and increase profitability.

Libby Bernick (2017) pointed out Business is showing increasing interest in using the Sustainable Development Goals (SDGs) to inform and enhance their social and environmental programs and ultimately their business strategies. The SDGs were adopted by the United Nations in 2015 and include 17 ambitious goals and 169 targets aimed at ending poverty, protecting the planet and ensuring prosperity for all.

The appeal of the SDGs for companies and financial institutions is that they harmonize the social, environmental and economic aspects of sustainable development—and perhaps most importantly—provide a clear vision of what the international community wants to achieve. It gives meaning and purpose, not just to corporate sustainability programs, but to an organization's business objectives.

Sustainability is often confused with corporate social responsibility (CSR), though the two are not the same. Bansal and DesJardine (2014) focused on the difference between CSR and sustainability. He stated that the notion of 'time' discriminates sustainability from CSR and other similar concepts. Whereas ethics, morality, and norms permeate CSR, sustainability only obliges businesses to make intertemporal trade-offs to safeguard intergenerational equity. Short-termism is the bane of sustainability.^[9]

Hanson, E and Schaltegger, S (2014) has enunciated that the Sustainability Balanced Scorecard is a performance measurement and management system aiming at balancing financial and non-financial as well as short and long-term measures. It explicitly integrates strategically relevant environmental, social and ethical goals into the overall performance management system.

Susan McPherson (2017) mentioned the Tim Mohin, chief executive at GRI's belief in her article that sustainability will remain a priority for corporations.

OBJECTIVES OF STUDY: The aims of the study are:-

1- To know the changing trends of CSR activities in the corporate projects.

2-To examine whether the vision of sustainability is seen in the corporate projects. And also find out the impact of sustainability vision on the business sustainability.

3- To analyze the reasons for the difference between prescribed CSR expenditure and actual CSR expenditure.

4- To analyze the challenges in balancing the CSR activities and sustainability.

RESEARCH METHODOLOGY:

Presented study is totally descriptive and exploratory in nature. It is based on secondary sources. Articles and research papers from journals, magazines, newspapers, internet and other secondary sources as annual reports also have been analyzed for throughout the study.

The term "Corporate Social Responsibility (CSR)" can be referred as corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare. CSR is a way of conducting business, by which corporate entities visibly contribute to the social good. They use CSR to integrate economic, environmental and social objectives with the company's operations and growth. It can be understood more well by these definitions:-

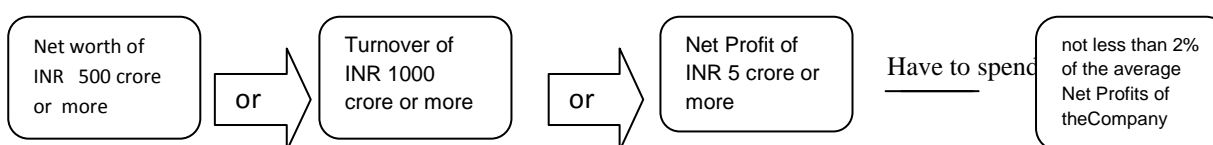
The World Business Council for Sustainable Development (WBCSD) defines CSR as "the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large."

According to **The United Nations Industrial Development Organisation (UNIDO)** "Corporate

social responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (Triple-Bottom-Line Approach), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though, later corporate make a valuable contribution to poverty reduction, women empowerment and so on, and directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that."

The Ministry of Corporate Affairs, Government of India has introduced CSR activities and notified Sub Section 1 of Section 135 of the Companies Act, 2013 for maintaining the more transparency and mandate the disclosure. In this act, the list of mentioned activities in schedule VII has been made compulsory for each companies who fulfill the prescribed criteria. The rules and policy made by government, the companies are needed to adopt them. It was also explained how the company and their stakeholders relationship can be strengthened.

The companies on whom the provisions of the CSR shall be applicable, having Net worth of INR 500 crore or more; or Turnover of INR 1000 crore or more; or Net Profit of INR 5 crore or more during any financial year shall be required to spend on schedule VII listed activities not less than 2% of the Average Net Profits of the Company made during the three immediately preceding financial years.



The activities under CSR have been specified under Schedule VII of the Act (*see for list of activities in CSR Bill, 2013*), are the commitment of a company. Companies may implement these activities taking into account the local conditions after seeking board approval. CSR activity will not be part of business profits of the Company. Corporate Social

Responsibility Committee of the Board "hereinafter CSR Committee" with effect from 1st April, 2014 exclude normal business activities of the company. This table shows summary of corporate expenditure on CSR projects in last three consecutive years. We can see the positive impact of amendment in companies act 2013 as CSR policy.

Table 1.COMPARATIVE STUDY OF EXPENDITURE ON CSR PROJECTS

Particulars	2014-15	2015-16	2016-17
Total no. of companies	14944	19184	19933
Total amount spent on CSR(INR cr.)	9565	13828	13465
States and UTs covered	36	36	36
Total no. of CSR Project	7959	17423	21171
Development sectors entered by companies	29	29	29

Source: National CSR Portal(<https://csrgov.in>)

By the notifying this section 135 in the companies act 2013, the studies believe CSR as a philanthropic concept and is designed to upgrade a particular community. Current researches also suggest that CSR needs to go beyond communities and beyond the concept of philanthropy. The law has listed out a wide spectrum of activities under CSR, which cover activities such as promotion of education, gender equity and women's empowerment, combating HIV/AIDS, malaria and other diseases, eradication of extreme poverty, contribution to the Prime Minister's National Relief Fund and other central funds, social business projects, reduction in child mortality, improving maternal health, environmental sustainability and employment enhancing vocational skills among others (Bansal & roy, 2014). N. Rana & U. Majmudar (2017) mentioned that the landmark event

of India ratifying the Paris accord in 2016 will bring in the much needed acceleration to India's sustainability journey. The trend of investors, consumers and governments requiring greater transparency from the private sector is nothing new, but today, business are becoming proactive and trying to maintain compliance. According to new concept of CSR as corporate citizenship and corporate initiative, the activities should be done in a sustainable manner and maintain the harmony between environmental sustainability, economic sustainability and socio-political sustainability. It's a big challenge to corporations to implement sustainable business practices. We can see top ten companies that go towards the sustainability vision in their activities and spent more than prescribed amount as under mentioned tables show.

Table 2. Top Ten Companies by Actual CSR Spent(INR Cr)

No.	Name of Companies	Prescribed CSR Spent (INR Cr.)	Actual CSR Spent (INR Cr.)
1	Wipro Ltd	176	186
2	Tata Steel Ltd	116	194
3	Indian Oil Corporation Ltd.	213	214
4	ITC Ltd	275	276
5	NTPC Ltd.	228	280
6	Infosys Ltd.	287	289
7	HDFC Bank Ltd.	304	305
8	Tata Consultancy Services Ltd.	446	380
9	Oil & Natural Gas Corp. Ltd.	536	526
10	Reliance Industry Ltd.	620	659

Source: CSR Analysis of BSE Big 370 Companies (FY-2016-17)
India CSR Outlook Report 2017

Table 3. Companies-Going beyond Compliance CSR

S.no.	Company's Name	Prescribed CSR Spent (INR Cr.)	Actual CSR Spent (INR Cr.)
1	Kitex Garments Ltd.	2.7	6.1
2	Allcargo Logistic Ltd.	2.5	5.7
3	Sobha Developer Ltd.	5.8	15.0
4	Piramal Enterprises Ltd.	9.2	32.8
5	UPL Ltd.	4.9	23.8

Source: CSR Analysis of BSE Big 370 Companies(FY-2016-17)
India CSR Outlook Report 2017

Above tables clear that after mandating the fund percentage spending on CSR activities, have to prepare report and keep the records of all these, companies have been competing to prove themselves more proactive. Table 2 states the compliance of top ten companies towards CSR activities, where table 3 shows that even the small companies spent much more CSR fund beyond their compliance. It clears the positive impact of CSR policy.

The Indian practice of CSR and related projects are the important components of sustainability or responsible business. It is also acknowledged in the Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises issued by the DPE in April 2013. The new guidelines, which have replaced two existing separate guidelines on CSR and sustainable development, issued in 2010 and 2011 respectively. This picture can make understandable why guidelines issued in 2010 and 2011 were replaced in the act 2013. Also we can understand the relationship between sustainability and CSR.

Features of Sustainability and CSR

SUSTAINABILITY	CSR
Viable development activity	As Philanthropic activity
The ability to save future generation Without compromising.	Responsibility with compliance and proactiveness.
Sustainability states how profit are made with the sustainable social & environmental impact.	CSR states what is done with the profit.

Features of sustainability and CSR clear that both are company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that should be transparent and ethical. Many executives believe that this growing commitment to sustainability and responsibility make corporations step up to address challenges outside the company. To maintain sustainable business with sustainable development, some favored sectors of the companies are seen in this table, where their expenditure are preferable. Corporations believe that expenditure on these areas/ sectors makes more strong sustainable development.

Table 4. Sector-Wise Performance(Actual CSR Spend in %)

Sectors →	Auto and auto Ancillaries	Banking & finance	Power Generation & Distribution	Computers (Software & Hardware)	Meta Mineral & Mining	Pharmaceutical
Prescribed CSR	464	1717	572	1254	703	383
Actual CSR	464	1474	657	1091	598	314
% of actual to prescribed CSR	100%	86%	115%	87%	85%	82%

Source: CSR Analysis of BSE Big 370 Companies(FY-2016-17)
India CSR Outlook Report 2017

Table 5. Theme -wise number of project

Thematic Area	Theme-wise CSR Spend (INR Cr)	No of Projects
Education & Skills	2973	1598
Poverty Alleviation, Healthcare and WASH	2131	1260
Rural Development	1091	433
Environment Sustainability	795	433
Protection of Heritage & Art	190	110
Rural Sports and Paralympic	181	115
Gender Equality and Women Empowerment	146	177
Technology Incubation	45	11
Benefits to Armed Forces Veteran	32	17
Others (Projects, Admin, Misc)	862	Not applicable

Source: CSR Analysis of BSE Big 370 Companies(FY-2016-17)
India CSR Outlook Report 2017

Here we see sector wise and theme wise projection of the corporate activities. In Table 4, Spending in power sector has (115%) that is beyond the compliance and thematic area-wise (table 5) no. of projects and CSR spending can be seen in most education and skill thematic area. This ensured that while our CSR programs continue to create significant, positive impact in the communities, they have remained cost-efficient. Additionally, we have used the slowdown in activity as an opportunity to enhance our existing sustainability standards and systems.

KEY FINDINGS

- 1-Through secondary sources researcher found that only top 33% companies believe in taking the long term view on responsible business.
- 2- As companies Act 2013, government has mandated to disclose the sustainability report. But very few took specific sustainability initiative on the average. Though 47% companies higher sustainability scores (YOY), 34% remained the same and 19% witness decline (Rana & Majmudar,2016).
- 3-Modi's Govt. initiative,Swachh Bharat Abhiyan, are moving towards new companies sustainability trends as cleanliness, built the toilet and they have started in the campaigning of garbage burning, littered road and many more. 39% companies have allocated fund to this campaign like public awareness.
- 4- A study said 4% of CSR fund spent by top Indian companies was given as charity. But now scenario has been changed. Now corporate believe that CSR amount should be invested in project as a proactive and compliance way not as charity, because it can give the brand value to the business.
- 5- After analysing the trends of investing in the project

of top companies, it was seen that more companies are building deeper corporate sustainability strategies which will seek to external impact and not just mitigate internal impact.

6- After the COP 21 (Conference of The Paris)(2011), the attitude to do activities of corporate has changed. It has paradigm shift towards low emission, climate resilient, gender sensitive development pathway by providing adequate resources to meet the full and incremental cost of such pathways.

7- Corporate has started to pay attention in gaining more grip in their portfolio. CSR funding on education and Skills development areas have increased by 50% from FY 15-16 TO FY 17-18.

8-6% increase in prescribed CSR and 8% increase in the Actual CSR spend from FY 16-17. Oil,refinery and petrochemical sector companies command almost 1/4th of the CSR fund of India (see India CSR Outlook report)

CHALLENGES AND SUGGESTIONS:

However, Business CSR and sustainability practices play a major role in improving stakeholder relationships. Even than companies do not pay much attention to CSR and sustainability issues. That is because of some challenges that the companies face. Its great challenge to decide the primary and strategic accountability.Because accountability goes beyond reporting results. It should be part of the reputation management strategy of any company.To make the balance between sustainability and social responsibility is much confusing situation for the corporate, they think for all stakeholders at all the same time. There is a need to be addressed in finding the right solution and identify the problem. In today's scenario, energy

conservation practices have been in place for decades and have only been improving since use of innovative technology and methods is a top priority for the companies. In India, funding for safety from climate change threaten is at an embryonic stage. While climate change mitigation and adaption will be a huge impetus to national development in short and medium term.

Businesses, governments, and other stakeholders should work together to benefit from the various initiatives on CSR and sustainability jointly put together for the developing and emerging economies to move forward and achieve the gains from globalization; as the population of India is growing, it becomes necessary to think over the ways to eliminate waste and reuse valuable materials endlessly. In order to make sustainability a part of business brand, it's need to touch the heart of internal (staff) and external (customer) stakeholders.

Stakeholders can help by partaking in the regulatory approvals process, improving relationships proactively, or solving CSR roadblocks and potential crises. In addition to above, Transparency, Innovation & Technology, Collaboration and Process Improvement are also considerable areas on to companies have to pay attention.

CONCLUSION

Being a responsible business, it's important for companies to set out their agenda with noble ethics. One said "CSR in India tends to focus on what is done with profit after they are made." This is the statement that sparks the ability of corporate. When ability goes for social activities in a right way, sustainability automatically will take place in the business. So, CSR with sustainability vision makes a corporate sure to maintain sustainable development and sustainable business too.

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