

**Presentation at CSR-BEN RoundTable, IIC
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CSR - Challenges

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Evolution of CSR

- ❑ Traditionally CSR undertaken by city *seths* through dharmshala, pios, etc. ~ based more on religious sentiments
- ❑ Gandhiji's call for 'Trusteeship' was an important part of evolution of CSR in country.
- ❑ Several industrialists of this era have contributed to welfare (GD Birla, Jamanalal Bajaj, Sarabhai, Murugappa Group, to name a few)
- ❑ Institutions like BITS Pilani, IIM Ahemdabad, Physical Research Lab, Shri Ram College, etc are all result of initiatives of industrialists
- ❑ 50s -70s was lull period for CRS
- ❑ Huge growth in CRS since the industrial growth has picked up

Questions

- Who is a driver of CSR – an individual or a corporate ?
- Does CSR help build Brand value ?
- Do you consider it unethical to invest in CSR for building brand value ?
- What role social media is contributing in enhancing CSR ?
- Does peer pressure help enhance CSR?
- Will proposed legislation enhance CSR?
- Is growth of business good for CSR ?

Drivers of CSR

- ❑ Individuals wanting to be altruistic
- ❑ Corporates imbibing this culture
- ❑ Corporates wanting to create a brand value
- ❑ Increasing connectivity within the world creating pressures on the corporates
- ❑ Govt legislation
- ❑ Peer pressure
- ❑ Good business growth

Sustainability of CSR

- ❑ Difference in Sustainability & Sustainability of CSR
- ❑ Only sustainable businesses can bring sustainable CSR
- ❑ How does one ensure that CSR will not be misused – additional monitoring mechanism or will it be self-correcting mechanism ?

Model developed to measure Transparency in CSR

- Has company disclosed CSR contribution for the year ? (3)
- Has company distinctly disclosed activities undertaken during the year ? (3)
- Does it prepare Business Responsibility Report ? (2)
- Does it disclose a CSR strategy ? (1)
- Are CSR activities disclosed on web? (1)

Transparency relating to CSR

- ❑ 59 cases CSR amount has not been disclosed
- ❑ No distinct information about 39 cases what CSR activities undertaken during the year
- ❑ Even among 61 cases where we have taken CSR information for the year as available, one would need to put in great effort to decipher this.
- ❑ There is a huge need to enhance transparency in CSR.
- ❑ Study has developed a CSR Transparency Index. We hope this will help in improving disclosure of CSR.
- ❑ Further areas for enhancing transparency, fix independent monitoring / impact assessments.

ESG Principles

- ❑ Environment, Social, Governance Principles
- ❑ Idea is that only an approach which helps Sustainability will help fulfill all these principles.
- ❑ National Voluntary Guidelines identify 9 principles which have become the basis of Business Responsibility Report (BRR) Framework.
- ❑ Companies closing their financial year after 31 Dec 2012, the Annual Report should include BRR Report.

Nine Principles for BRR Framework

- ❑ P1 – Conduct and govern themselves with Ethics, Transparency & Accountability
- ❑ P2 – Provide goods and services that are 'safe' and contribute to sustainability throughout their life cycle
- ❑ P3 – Businesses should promote wellbeing of all employees
- ❑ P4 – Respect the interests of and be responsive towards all stakeholders, especially disadvantaged, vulnerable
- ❑ P5 – Respect and promote Human Rights

Nine Principles for BRR Framework.....cont'd

- ❑ P6 – Respect, protect and make efforts to restore the environment
- ❑ P7 – Any influencing of public and regulatory policy should be done in a responsible manner
- ❑ P8 – Support inclusive growth and equitable development
- ❑ P9 – engage with and provide value to their customers and consumers in a responsible manner.

Thank You.

