

Environmental Performance by C.S.R.

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Introduction

A company as a business unit gets different kinds of inputs required by it like land, labour, capital and managerial skills from the society. Therefore the business is highly indebted to the society and it should accept its accountability to the society. There are different groups of society who are stake holders in the company. Like shareholders, employees, consumers, society at large and the state. This gives birth to the concept of "Social Responsibility" which indicates that each and every act and decision of management should be consistent with the real spirit of social responsibility. Management decisions should safeguard the investment of share holders and ensure fair rate of return, provide job security to the employees, good value to the customers for the price paid, and most importantly protect the interest of the society against **environmental pollution**.

Growth of Emphasis on CSR

The concept of CSR among business corporate had taken proper shape from the year 1960ⁱ and gaining momentum ever since and peaked after 1991.

Businesses houses generally compete on price, efficiency or quality of their products to gain advantage over their competitors.ⁱⁱ The globalization of business activities during the past two decades compelled them to think beyond this and to redefine their strategies for sustainability. This placed CSR activities by the business houses at a higher gear. CSR campaign gained further momentum with growing awareness on environment protection that forced companies which cause severe damage to the environment such as large oil companies, mining companies and companies that extensively use underground water to take environment protection initiativesⁱⁱⁱ.

Indian companies are not lagging behind their peers in other countries in this respect. Indian business, be it a big business conglomerate or SME, has incorporated CSR in their vision statements in varied manner and practice it.

Corporate India and CSR Practice – A Glimpse

Indian philosophy believes that service to humanity is service to God and it believes further that God is infinitive and there are infinitive ways to reach God^{iv}. Aligning to this, corporate India has been shouldering the responsibility of addressing many socio-economic problems prevailing in this country. The CSR initiatives of Indian business houses cover education, health, women empowerment, livelihood promotion, sanitation, agriculture, environment protection, etc.

Times Foundation's Study^y: With an objective to understand the role played by corporate and public sector undertakings in CSR domain and their perceptions about it, Times Foundation undertook a national survey covering 11 PSUs, 39 private national agencies, and 32 private multinationals from various sectors such as information technology, insurance, automobile, cement, paper and pulp, construction, petrochemicals, metal, media, pharmaceutical, sugar, mining, etc. The survey findings revealed interesting facts such as, about 90 percent of companies covered under the study were found involved in CSR initiatives and most of the companies implement CSR projects through their own CSR project management divisions. The priority areas of CSR initiatives, as opined by the respondents, were education (82%), environment (81%), women empowerment (63%), livelihood promotion (62%), sanitation (61%), micro finance (60%) and HIV/AIDS (54%).

The study further revealed that Tata Group emerged as the most active group involved in CSR activities; and need for creating awareness on CSR among SMEs. In line with this, CSR initiatives of Tatas and a SME are discussed here in.

Numero Uno's CSR initiatives: Tata Group is the flagship bearer of CSR initiatives in India. The CSR initiatives of this group are exhaustive and far reaching. The Tata Council for Community Initiatives (TCCI), an umbrella entity of the group that coordinates and integrates the various social projects has developed *Index for Sustainable Human Development*. This is a pioneering effort aimed at directing, measuring and enhancing the community work that assists all Tata companies in their social responsibility efforts^{vi}. It is a trendsetting attempt by the group to map and measure its social development endeavors.

To mention a few CSR initiatives of Tatas^{vii} - Tata Chemicals Society for Rural Development, through its handicraft development project, is helping generate livelihoods for women from rural communities; TTSL's Dhristi call centre has brought learning and livelihood within the reach of the visually challenged; 'Aranya', a Tata Tea community development project in Munnar is involved in the art of natural dyeing and helps differentlyabled youngsters walk tall by making them self-reliant. Employee volunteer programmes are a significant part of Voltas's social responsibility initiatives; Tata Communications, Voltas and other group companies encourage entrepreneurial spirit by training and mentoring less privileged yet deserving candidates; Tata Chemicals efforts on the environment front are helping a 'forbidden land' – Okhamandal - on the Gujarat

coast preserve the bounty that nature has bestowed; Tata Motors, Pune has transformed 800 acres of wasteland into naturalist's delight.

In order to maintain transparency and keep the citizens informed, GOI has enacted Right to Information Act. The RTI Act has paved way for knowledgeable and empowered community. Tata Steel Rural Development Society (TSRDS) has joined hands with Orissa Information Commission in conducting 'Awareness Campaign on RTI'^{viii} at village levels.

An SME's initiatives: Sakthi Masala (P) Limited^{ix}, Erode, Tamil Nadu is an SME having 'social upliftment' as its mission. The company has given employment opportunity for 200 differentlyabled persons to enable them to lead a honorable living. Its social project – 'Thalir' – has been engaged in massive tree plantation programme; rewarding and recognizing people promoting tree plantation, rain water harvesting and desilting of tanks in villages and providing garbage bins to panchayats to have clean environment. Through its 'Sakthi Rehabilitation center for Physically Challenged' project the company offers free Electrotherapy, Physiotherapy to the handicapped children and adults and learning exercise for slow learners. Sakthi Hospital provides free consultation to the public for Dental, Ortho and General Medicine.

Sustainable CSR

If companies slash CSR budgets now then that would almost certainly worsen the plight of the vulnerable and at the same time send a message that CSR is only an add-on to companies for the "good times". Spending on CSR only, when a company has spare money is hardly sustainable. Now, more than ever, is the time to increase CSR activities, targeted at those most in need and to try and rebuild some of the trust in business that has inevitably been lost.

However, this does not mean the continuation of CSR as we know it. In many ways the current economic turbulence means that CSR will have to become much more strategic in the future if it is to be effective in meeting the new and emerging needs that an economic downturn will bring. CSR activities will need to become smarter and cleverer with a new emphasis on maximizing the total wealth of all stakeholders rather than the individual wealth of rich elite.

But as well as making sure that CSR programmes are better targeted around those most in need, we must continue to address the major challenges of climate change, water shortages and loss of biodiversity in parallel. We cannot afford for the economic downturn to take the spot light away from urgent and pressing environmental issues. Indeed, here is a new opportunity for innovative CSR projects that deal with environmental concerns with an emphasis on pro-poor development strategies.

CSR will have to become more focused:

More than ever Boardrooms are going to have to be convinced that CSR is an investment item and not expenditure. They will be looking for clear returns on CSR investments and projects that deliver the most value for money. CSR programmes are going to have to be more targeted at those most in need and there will have to be a better measurement of the outcomes and impacts of those projects. Boardrooms are more likely to continue funding CSR if the benefits to the company and communities are tangible. If you can demonstrate value for money, you are more likely to keep your budget.

Evolution of CSR during the financial downturn

In times of recession, key business concerns focus on maintaining cash and liquidity, reducing debt and salvaging working capital, managing costs more efficiently, and maximizing productivity. While these may ensure the bottom line in the short term, this list should also fully take account of sustainability. But sustainability and CSR should also take account of these traditional concerns. CSR must evolve to survive.

Objective:

To study about a few leading companies how they accomplish CSR towards environment. The significance of corporate social responsibility is now well recognized. Its role in enabling firms to respond to changing society needs. In this paper we briefly review the concept of social responsibility and examine the manner in which several firms in India built their strategies around some identified core responsibility and also how these in turned enable the firms to achieve superior performance. This paper also discuss the social responsibility carried out by Micro inks, the leader in Ink technology in India particularly by creating a NGO called Maa foundation for creating awareness and financial assistance to the needy.

Rational of the Study:

We selected four large scale units belonging to different sectors as well as different industries. Out of which one is a public sector and rest are private sector. A brief description of these four units is given as under, which also depicts the rationale as to why we have selected them for our study.

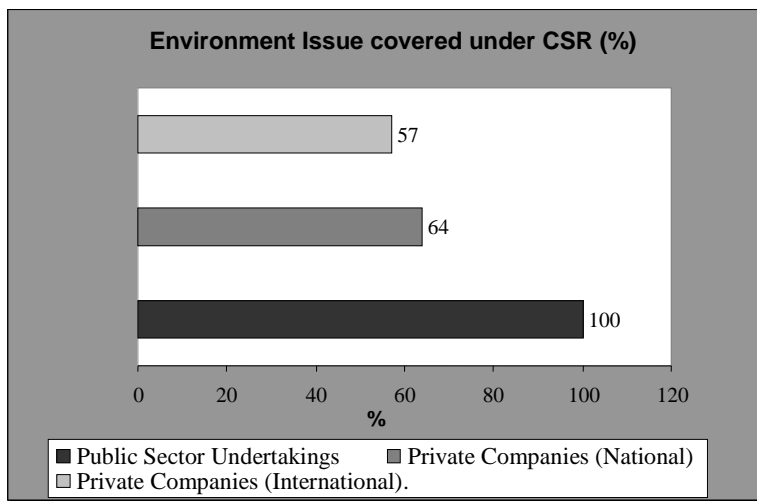
Indian Oil- one of the 'Navratnas' in the public sector enterprises and high profit making organization led us to study about its CSR towards environment.

Tata Group is already well known for its participation in industrial development and economic development as well as accomplishing its various CSR activities: of which we selected the power sector towards environmental improvements.

Reliance is a well known group in the corporate world today, we selected it to know the whereabouts in environmental protection.

Mahindra & Mahindra- an automobile manufacturing company has given the utmost importance for environment monitoring as a part of its CSR initiatives.

The national survey was undertaken by Times Foundation and TNS India, to look into the environmental issue of social relevance under the realm of CSR. The survey targeted companies in three sectors, i.e. Public Sector Undertakings, Private Sector Undertaking (National) and Private Companies (International).



Above Chart indicates that in the issue of environmental performance, out of the various organizations public sector undertaking contributed highest i.e. 100%, Private Sector -64% and International companies 57%.

Environmental Performance :-

Indian Oil:

As an active partner of the Global Compact Programme of the United Nations, Indian Oil is fully focused on “sustainable development.” As a dominant player, the Corporation recognizes protection of environment as a core commitment of its business.

As part of this commitment, all operating units and installations of Indian Oil have a comprehensive safety, health & environment management system in place. The facilities are periodically reviewed and upgraded from time to time for better performance.

- All Indian Oil refineries fully comply with the prescribed environmental standards and incorporate state-of-the-art effluent treatment technologies. Sustained efforts are being made to further improve the standards by introducing new state-of-the-art technologies further improve the existing standards and facilities.
- The environment management systems of all Indian Oil refineries, pipeline Installations and major marketing installations/terminals are certified to ISO-14001 standards.
- All Indian Oil refineries are accredited for Occupational Health & Safety Assessment Series (OHSAS-18001). All refineries are also rated under International Safety Rating System (ISRS). Panipat and Gujarat Refineries are rated “Level 9” in the scale of 1 to 10.
- All refineries have been provided with full-fledged effluent treatment plants consisting of physical, chemical, biological & tertiary treatment facilities. ‘Oilivorous-S’ & ‘Oilivorous-A’ technologies are being used for the treatment of oily sludge and acid tar respectively. The treated effluent is far superior to the stipulated MINAS quality and quantum standards. Treated effluent is being reused to the extent of 65-70% in the refinery units. Panipat Refinery continues to maintain zero discharge since commissioning in 1998.
- Indian Oil refineries have adopted various measures for control of gaseous emissions. These include use of low-sulphur fuel oil, desulphurisation of refinery fuel gas, tall stacks for better dispersion of flue gases, advanced process control systems, and energy conservation measures to reduce fuel consumption.
- The sulphur dioxide emissions at Indian Oil Refineries are well below the limits prescribed by the Ministry of Environment & Forests and State Pollution Control Boards. Ambient air monitoring stations with automatic continuous monitoring instruments are provided at all the refineries. In particular,

Mathura Refinery has set up three ambient air quality-monitoring stations between the refinery and the city of Agra and a fourth one at Bharatpur. Utmost care is taken to minimize the impact of refinery operations on the air quality of the surrounding areas so that the ambient air quality remains within the stipulated limits prescribed for sensitive areas.

Most Indian Oil refineries have commissioned secondary processing units for improving fuel quality and reducing emissions. Some of the recent commissioning include Hydrogen unit and Diesel Hydrotreater unit at Mathura refinery and Motor Spirit Quality projects at Mathura and Haldia refineries. Sulphur recovery units have been installed at all the refineries.

Green Initiatives

- Low Sulphur (0.5%) Diesel was introduced in metros from April 1996.
- Extra-low Sulphur (0.25%) Diesel was introduced in the eco-sensitive Taj Trapezium area from September 1996, in Delhi from October 1997, and across the country from 1st January 2000.
- Diesel with 0.05% sulphur content was introduced in the metros in 2001.
- Unleaded Motor Sprit (petrol or Gasoline) was made available all over the country since February 1, 2000.
- Green fuels (petrol and diesel) conforming to Euro-III emission norms have already been introduced in 13 cities/states; the rest of the country is getting BS-II fuels.
- Indian Oil is fully geared to meet the target of reaching EURO-III compliant fuels to all parts of the country by the year 2010; major cities will upgrade to Euro-IV compliant fuels by that time.
- Indian Oil has invested about Rs.7,000 crore so far in green fuel projects at its refineries; ongoing projects account for a further Rs. 5,000 crore.
- Motor Spirit Quality Improvement Unit commissioned at Mathura Refinery; similar units are coming up at three more refineries.
- Diesel quality improvement facilities in place at all seven Indian Oil refineries, several more green fuel projects are under implementation or on the anvil.
- The R&D Centre of Indian Oil is engaged in the formulations of eco-friendly biodegradable lube formulations.

The Centre has been certified under ISO-14000:1996 for environment management systems.

Tata Power:

The company continued its emphasis on CSR activities by developing infrastructure for education, sanitation, accessibility at remote areas, and providing drinking water as well as also promoting environment protection programme.

- During the year 2006-07 more than 2700 saplings were planted in and around the Belgaum plant and customer premises.
- A rain harvesting scheme was implemented at the government school in Shindholi village, Belgaum, Karnataka.
- Over 10 lakh saplings were planted in the hydro lake catchments area.
- Over one lakh Mahseer fingerlings were raised in the company's hatchery at Lonavala.
- In Belgaum, in-house facilities were established in association with The Energy Research Institute (TERI) for treating oily waste in an environment-friendly manner using bio-remediation process.
- Other energy conservation initiatives taken up by the Company are:
 - Consistent control in its auxiliary power consumption at all its generation units at Trombay, Hydros, Jojobera and Belgaum.
 - Reduction in transformer core losses by switching off under utilized transformer at the Belgaum plant during stand by period.
 - Usage of variable speed drives for heater drip pumps of unit 5 and unit 6 resulting in savings of 2 MUs per annum.

Reliance Industries Limited:

Health, safety and Environment are a high priority issue at Reliance. In its pursuit of excellence in sustainable development, Reliance further integrated its safety and environment performance in the overall business plan and strategy. Through its annual environment plan and business targets, the Company identifies projects and takes action to achieve these targets with the ultimate goal of becoming water positive, carbon neutral, with maximum possible recycling and reuse of hazardous and other wastes. A management framework with defined structures, roles and responsibilities, group guidelines, audits and training has been instituted to implement the journey towards world-class excellence in environment. All the hardware-such as effluent treatment plants, air emission abatement units and waste disposal facilities, were maintained and improved further. These efforts have resulted in a significant improvement in water consumption, water recycle and reuse, CO₂ and other air emissions, ozone depleting substances consumption and hazardous waste generation.

Climate change and energy conservation:

During 2007-'08, Reliance registered two Clean Development Mechanism (CDM) projects, one each from Patalganaga and Allahabad, with United Nations Framework Convention on Climate Change (UNFCCC) for CO₂ reduction. To decrease the Company's carbon footprint, activities have been initiated in the area of bio-diesel through non-edible route of Jatropha seeds. Extensive distribution of Jatropha saplings and cultivation in the wasteland has been targeted and a pilot plant of 20 Ton Per day (TDP) bio-diesels is ready for commissioning.

Fresh water consumption and effluent discharge:

Reliance as a responsible corporate has accorded top priority to waste conservation and reuse to preserve fresh water, one of the precious natural resources. Jamnagar Manufacturing Division is not dependent on fresh water resource and continues to generate fresh water from sea.

Waste reduction and utilization:

Reliance's Manufacturing Divisions at Vadodara and Hazira have achieved significant reduction in hazardous waste generation through process improvement, recycling and reuse efforts. The company has taken a proactive measure for the safe disposal of electronic waste, fluorescent tube lights, empty paint containers, spray cans, etc.

Community Environment Initiatives :

Various environment programs, such as tree plantation, water conservation & harvesting and energy saving initiatives were conducted by all sites within the complex and in the nearby community. All sites, as part of the 'World Environment Day' celebrations created awareness on Global Warming and melting of ice. Manufacturing Divisions at Vadodara and Dahej gave special emphasis to schools and initiated Green School project using the framework developed by Centre for Science and Environment (CSE), New Delhi.

Mahindra & Mahindra:

Environment protection is a part of everyday being at the Mahindra Group. Right from Mahindra products such as vehicles which are designed meeting International standards of Safety and emission, to all Mahindra plants across the nation which comply way beyond necessary environmental regulations by setting new standards in natural resource conservation, effluent treatment, efficient water and waste water management, solid waste management air pollution management and with the most recent Green IT. Mahindra shows that it cares for the planet Earth proactively. Since 1984, the Mahindra Group has been lending a hand to the 'Green Bombay' movement by developing and maintaining municipal gardens. Greenery is at a high premium as the city has less than half an acre of open place per thousand people. That is ten times less than Delhi and twenty times less than what London offers.

The Group has transformed three municipal gardens:

The Shivaji Garden (near Gateway of India) is admired for its beautiful architecture and flourishing plants and flowers. Completely renovated by the Mahindra Group at a cost of Rs. 6 Lakhs, it now has pathways for pedestrians as well as new stretches of lawns and flowers. An area formerly frequented by anti-social elements has been merged with the garden, to prevent further misuse. Every effort has been taken to keep the garden in an immaculate condition and visiting hours are in place, facilitating maintenance work.

The Traffic Island Garden (opposite Regal Cinema) has been completely renovated by the Mahindra Group at the cost of Rs. 1 Lakh. New lamp posts and a variety of plants were put into place and the fountain was restored to its former glory. The garden provides visual relief in this crowded and traffic congested circle.

The third garden is located at the junction of Madame Cama Road, to the south of Oval Maidan. This is a brand new garden, developed by the group from scratch, at a cost of Rs. 1.5 Lakhs. Formerly misused by vagrants, it is now a serene and beautiful little corner.

Apart from developing the gardens the Mahindra groups pledged amounts not exceeding 1% of its profit after tax on a yearly basis for the Company's CSR initiatives, with the prime focus on issues such as health and environment.

CONCLUSION

The concept of corporate social responsibility has gained prominence from all avenues. Organizations must realize that government alone will not be able to get success in its endeavor to uplift the downtrodden of society. The present societal marketing concept of companies is constantly evolving and has given rise to a new concept- Corporate Social Responsibility. Many of the leading corporations across the world had realized the importance of being associated with socially relevant causes as a means of promoting their brands. It stems from the desire to do good and get self satisfaction in return as well as societal obligation of business.

The Indian corporate sector spent US\$ 6.31 billion on social expenditure during 2007-08, up from US\$ 3.68 billion spent during the previous fiscal. Since, global warming is the buzz word now-a-days, Indian corporate sector has initiated their efforts to preserve and save it. Thus, environment is the third most prioritized area undertaken in CSR activities, with a share of 17.02 per cent. CSR projects in this area deliver solutions that are both environmental and business friendly, providing financial benefits as well as improving the firm's image as an environmentally-aware company.

Thus if we have more and more companies coming up like this, many of our problems regarding environmental pollution, more so linked with the down trodden, could be solved. If some companies set up more and more public sanitation facilities, the pollution level in the slum areas could be reduced to quite a good extent. We should also have more drinking water 'parab' facilities.

We would like to end on a note that time has come when companies share the responsibility of the government. In a big and highly populated country like India, government alone cannot make things improve. There CSR would play a very important role.

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