



THE CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES AND THE SUSTAINABILITY PRACTICES OF ITC Ltd. – A BRIEF REVIEW

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Abstract: Social Responsibility is the moral and ethical responsibility of every business organization as all the resources like: human resources, physical resources, natural resources etc. are provided by the society to the corporate. So, it refers to the obligation of business towards various parties of the society. The concept of corporate social responsibility (CSR), used particularly with reference to a company, emerged from the notion of sustainable development. It includes consideration of such issues as human rights, employee health, and educational, environmental and social welfare. At the national level almost all the corporate sectors are engaged in CSR exercise in the areas of education, health, development, women empowerment, agriculture development etc. for sustainable development. This research paper highlight the brief idea of CSR sustainable Development, and examine the initiative of ITC Ltd in CSR for sustainable development.

Keywords: Corporate Social Responsibility, Sustainable Development, ITC Ltd., Social, Economic and Financial Responsibilities.

I. INTRODUCTION:

The main objective of establishing any business organization is to earn profit. Just as the lender receives interest on the money lent by him and the landlord and the landlord get the rent on the rented building, similarly a businessman should get profit for the business activities he carries out. Normally, no one in there to do a business in which he cannot makes profit. Business organizations are utilizing the resources from society like natural resources, human resources and financial resources. These social resources are converted into utility products and services and are being used by the society. In addition to economic objectives, business organization has a responsibility towards the society not only in terms of providing quality goods and services at fair price, creating employment, payment of taxes etc. they are also expected to participate in other social activities like spread of education, eradication of poverty, protection of environment, health services, emergency assistance, spread of sports, energy security, save drinking water etc for sustainable development. In this regard, the concept of CSR has emerged from the notion of sustainable development. The main dimensions of CSR are economic, legal, ethical, voluntary and philanthropic.

ITC Limited is an important private sector company in India engaged in socio-culture, health and sanitation, drinking water, poverty alleviation, education, vocational training, livestock development, women empowerment, environmental sustainability, social forestry, soil and moisture management to ensure sustainable development. Conservation and Agricultural Development Program.

II. OBJECTIVES OF THE STUDY:

1. To highlight the brief idea of Corporate Social Responsibility Initiatives
2. To examine the Corporate Social Responsibility Sustainability Practices by ITC Ltd.

III. RESEARCH METHODOLOGY:

The present study is basically a descriptive nature and is based on secondary data. The required secondary data collected, and it includes annual reports, office records, files, brochures and other published and unpublished material of the company as well as books, and Government reports.

IV. REVIEW OF LITERATURE:

Jeremy Moon (2007) in his discussion identifies some limitations to CSR as a vehicle for sustainable development and signals important avenues of research for policy makers. It compares CSR with sustainable development, given that they are both 'essentially contested concepts'; it introduces CSR's changing meaning and it explains why there has been a recent increase in CSR with reference to the increasing socialization of markets as a result of narrow market drivers, along with other social, governmental and globalization drivers.

Singh & Sharma (2015) studied corporate social responsibility for a sustainable change: A case of Hindustan Unilever Ltd. The analysis of the study revealed that effective implementation of corporate social responsibility requires participation of all stakeholders who are directly or indirectly associated with the company. The organization should maintain a record of all its CSR activities for the purpose of corrective and timely measures.

Dey N. B (2019) in his research paper CSR policy statement and reporting practices by Indian Corporate Sector concluded that CSR spending will positively influence in solving social problems. It will also help in sustainable development of business and suggested that CSR policy should be mandatory for every company along with the economic objective.

F L Shayan et. al (2021) in their study presents a comprehensive CSR model and a new CSR drivers model. Then, it highlights the advantages of CSR and SDGs. Finally, it recommends that enterprises should make use of the SDGs as a framework to enhance their CSR practices. The proposed framework benefits from both CSR and SDGs, addresses current and future needs, and offers a roadmap with more measurable outcomes.

Rajiv Nair (2021) suggests that mandatory CSR regimes enable governments, in combination with corporate fiscal resources, to influence the selection and progress of these SDGs. The case of India's mandatory CSR regime is employed to illustrate our position. This study extends the debate on SDGs by raising the possibility of universal concentration on a few critical SDGs.

V. CORPORATE SOCIAL RESPONSIBILITY:

It is the responsibility of every type of business enterprise - be it sole proprietorship, partnership, joint Hindu family, co-operative or an enterprise operating in a socially desirable manner. The concept of CSR, especially when used in relation to the company, has gained popularity recently. CSR in India has traditionally been considered a philanthropic activity, but now the concept of CSR has changed, moving from philanthropy to sustainable development.

A new concept of CSR was introduced under Section 135 of the Indian Companies Act, 2013, India became the first country in the world to introduce CSR in statutory form by passing the Indian Companies Act, 2013. CSR is a commitment management tool by Corporate. An area that contributes greatly to socio economic development.

Corporate social responsibility is a broad concept that can take many forms depending on the company and the industry. Through CSR initiatives, philanthropy and voluntary efforts, businesses can enhance their brand and benefit the society.

For an organization to be socially responsible, it must first be accountable to itself and its stakeholders. Companies that adopt CSR programs often grow their business to give back to the society. Therefore, CSR is a strategy commonly implemented by large corporations. After all, the more visible and successful a corporation is, the more responsibility it has for setting standards of ethical behavior for its peers, competition, and industry.

VI. TYPES OF CORPORATE SOCIAL RESPONSIBILITIES

In general, there are four main types of corporate social responsibility. A company may choose to engage in one of these separately, and lack of participation in one area does not exempt the company from social responsibility. In general, there are four main types of corporate social responsibility. A company may choose to engage in one of these separately, and lack of participation in one area does not exempt the company from social responsibility.

Environmental Responsibility

Responsibility for the environment is the cornerstone of Corporate Social Responsibility inherent in conserving Mother Nature. Through proper operation and the support of relevant causes, a company can ensure that natural resources are optimally left behind before its operations.

Ethical Responsibility

Ethical responsibility is a cornerstone of corporate social responsibility inherent in operating in a fair, ethical manner. Companies often set their own standards, even when external forces or customers demand it to shape ethical goals.

Philanthropic Responsibilities

Philanthropic responsibility is a cornerstone of corporate social responsibility, which is how a company operates and contributes to society. In its simplest form, philanthropic responsibility refers to how a company spends its resources to make the world a better place.

Financial Responsibilities

Financial responsibility is a cornerstone of corporate social responsibility, which combines the three areas mentioned above. a company planning to become more environmentally, ethically and philanthropically focused; However, the company must support these plans through financial investment of programs, donations or product research.

Brand Relations:

According to a study published in the Journal of Consumer Psychology, consumers are more likely to deal with a company that has demonstrated its ability to provide quality products that have acted to benefit its customers.

Customers are becoming more aware of companies' impact on their community, and many are now making purchasing decisions around the CSR aspect of the business. The more a company engages in CSR, the more likely they are to gain favorable brand recognition.

Investor Relations:

A study by Boston Consulting Group found that companies considered to be leaders in environmental, social or governance issues had an 11% valuation premium compared to their competitors. For companies that want to outperform the market, implementing CSR strategies can be a positive. It affects how investors feel about the company and how they view the value of the company.

Employee Engagement:

According to a study by Boston Consulting Group, companies that are considered leaders in environmental, social or governance issues have an 11% valuation premium compared to their competitors. For companies that want to outperform the market, implementing CSR strategies can be a positive. It affects how investors feel about the company and how they view the value of the company.

Risk Migration:

Consider negative activities such as discrimination against groups of employees, neglect of natural resources, or unethical use of company funds. This type of activity is likely to lead to lawsuits, litigation or legal returns where the company is adversely affected financially and gets captured in headline news. By adhering to CSR practices, companies can mitigate risk by avoiding troubling situations and complying with favorable activities.

VII. BENEFITS OF CORPORATE SOCIAL RESPONSIBILITIES:

CSR is as important for the society as it is for a company. CSR activities help build a stronger bond between employees and corporations, boost morale, and make employees and employers feel more connected to the world around them. Aside from the positive impacts to the planet, here are some additional reasons businesses pursue corporate social responsibility. Stake Holders of Corporate Social Responsibility:

Shareholders: Dividend and value creation, Investor: Return on investment, Suppliers: Prompt repayment of Debt, Community: drinking water facilities, adopting a village, free distribution of educational kits to students, rural electrification, open school and colleges etc.

VIII. SUSTAINABLE DEVELOPMENT:

The United Nations (UN) defines sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Some important factors to consider when discussing sustainable development are national consumption of natural resources and energy, population and climate change and development criteria, sustainability criteria mean responsible development – when social and environmental concerns meet the economic needs of the people.

To achieve sustainable development, these four dimensions, economic, social, environmental and technological, need to be integrated in a balanced and appropriate manner:

Environmental: Use of modern technology to reduce the environmental impact in the region.

Social: Direct or indirect employment generation is the social dimension of sustainable development.

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Economical: Of course, a business is a financial institution; Therefore, the primary responsibility of a business is financial. He must produce goods and services to satisfy the needs of the society and sell them at a profit.

Technological: Modern technology helps in increasing the skill and knowledge base of the employees. This will help other projects in the country to acquire technology and boost capacity building across the country.

IX. ITC LIMITED AT GLANCE:

ITC is one of the most acclaimed private sector companies in India engaged in consumer manufacturing and agribusiness. It has 3559 employees with a market capitalization of approximately US\$ 50 billion and a gross sales value of US\$ 10.8 billion (as on 31.03.2019). ITC is one of the India's most admired private sector company dealing consumer product and agribusiness. It has over 3559 employees with a market capitalization of nearly US\$ 50 billion and a gross sales value of US\$ 10.8 billion (figures as on 31.03.2019). It is the leading FMCG marketer in the country, the clear market leader in the Indian paperboard and packaging industry, its widest reach agribusiness, India's leading hotel chain and globally known for empowering farmers through unique global digital solutions. Over the past decades, ITC's new consumer goods business has built up a powerful portfolio of 25 world-class Indian brands that create and maintain value in India. ITC's world class FMCGs including Ashirwad, Sunfeast, Yippee, Bingo, Bee Natural, Sunbean, Fiama, Engage, Vivel, Savlon, Classmate, Paper craft, Mangaldeep and others have garnered an encouraging consumer franchise in a short span of time.

X. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES OF ITC Ltd.

The main objective of ITC's CSR initiative is to secure the livelihood of all the stakeholders not only today but also for the future. ITC adopted a comprehensive CSR policy for the development target groups of the society in 2014-15, which outlined the initiatives, projects and activities that the company intends to do to create a significant positive impact on the identified stakeholders. All these programs are covered under Schedule VII and Section 135 of the Indian Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014.

The motto of ITC is "Nation First: Sab Saath Baden". As a company deeply rooted on Indian soil, ITC was driven by the opportunity to save huge national wealth. A global example in sustainability, ITC is the only company in the world with comparable metrics Carbon-Positive, Water Positive and Solid Waste Recycling Positive for over a decade. ITC has created over 6 million sustainable livelihoods. The company's large-scale social investment initiatives have had a transformative impact on rural India, gaining national and global recognition. Together with farmers and local communities, ITC has implemented large-scale interventions in climate-smart and sustainable agriculture, which has contributed meaningfully to the Hon'ble Prime Minister's vision of doubling farmer income. In this direction, ITC has launched an integrated program called 'Bara Mahin Hariyali' to give a new dimension to the complex task of augmenting farmers' income. ITC is collaborating with NITI Aayog to progressively increase the capacity of 20 lakh farmers in 29 aspirational districts to enhance rural income. ITC is investing in India's future by building world-class consumer goods factories and coveted hospitality properties that contribute to the country's competitiveness. These investment projects reinforce the company's support for the government's "Make in India" vision.

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