WHAT IS CORPORATE SOCIAL RESPONSIBILITY?

Corporate Social Responsibility is a transformational initiative or activity practised by Indian corporations. Mandated by the government, it is a positive step towards collective upliftment and well-being of the community. The CSR activities in India need to be in alignment with the socio-economic development of the society in some way or the other.

CSR Activities – Meaning

There is no definitive description that can define Corporate Social Responsibility activities completely. Still, to help understand and get an idea of what comprises of CSR, it has been defined under the CSR Rules. The definition of CSR activities is as follows:

Programs or projects which are relating to activities specified in the Schedule 7.

Programs or projects which relating to activities that are undertaken by the Board in that have been recommendations of the CSR Committee as per the declared CSR policy.

The Companies Act, April 2013 :

The Companies Act 2013 has formulated Section 135 and is landmark legislation that makes Indian companies answerable to the government about their CSR expenditure. India is the first country to make the incorporation of Corporate Social Responsibility activities mandatory for qualifying companies. It is, for sure, a remarkable step towards growth, overall development and humanity.

Be it a private sector company or a public sector company, Corporate Social Responsibility CSR has to be adhered to by all listed companies. If a company falls in either of the following criteria for compulsion, they need to form a CSR committee.

Companies:

1. That has a net worth of 500 crores or more, or
2. That have an annual turnover of 1000 crores or more, or
3. That generate a profit of 5 crores or more.

The Role Of The Board Of Directors In CSR:

- Approval of the Corporate Social Responsibility policy.
- Ensuring that the CSR plan gets implemented in its entirety.
- Full disclosure of the spends and plan of CSR policies which are related to its report.
- Displaying the same on the company website.

MAJOR CSR INITATIVES

Corporate Social Responsibility (CSR) initiatives encompass a wide range of efforts by companies to positively impact society and the environment. Some major CSR initiatives commonly undertaken by companies include:

1. Environmental Sustainability:
   This involves efforts to reduce a company's carbon footprint, conserve natural resources, implement renewable energy sources, and minimize waste generation. Initiatives may include recycling programs, energy-efficient practices, and support for conservation projects.

2. Community Development:
   Companies often engage in programs that support local communities through philanthropy, education initiatives, healthcare access, infrastructure development, and skill-building programs. They may also encourage employee volunteering in community service projects.

3. Labor Practices:
   Ensuring fair wages, safe working conditions, and proper treatment of employees throughout the supply chain is a significant CSR focus. Companies may implement fair labor policies, support diversity and inclusion, and work to eradicate child labor and forced labor practices.

4. Social Welfare Programs:

Many companies contribute to social causes such as poverty alleviation, hunger relief, education for underprivileged communities, and support for marginalized groups, including refugees and persons with disabilities.

5. Transparency and Ethical Governance:

Companies are increasingly focusing on transparency in their operations and ethical governance practices. This includes transparent reporting on CSR activities, maintaining high ethical standards in business dealings, and preventing corruption.

6. Technology for Social Good:

Tech companies often invest in projects or initiatives that leverage technology for social impact. This includes developing tech solutions for healthcare, education, accessibility, and environmental conservation.

7. Supply Chain Responsibility:

Ensuring responsible sourcing of materials, ethical procurement practices, and maintaining accountability throughout the supply chain are essential aspects of CSR. This involves ensuring suppliers adhere to ethical and sustainable practices.

8. Supporting Diversity and Inclusion:
Companies foster diverse and inclusive workplaces and communities by promoting equality, providing equal opportunities for all, and supporting initiatives that celebrate diversity in cultures, gender, race, and backgrounds.

These initiatives vary in scope and scale depending on the company, its industry, and its commitment to social responsibility. Many companies integrate multiple initiatives into their CSR strategies to create a more comprehensive and impactful approach to making a positive difference in the world.

GOAL

LONG TERM

SINCERITY

MARKET

CORPORATE SOCIAL RESPONSIBILITY

RESOURCES

RESPONSIBILITY

SUSTAINABILITY

ETHICS