

CORPORATE SOCIAL RESPONSIBILITY

The emerging concept of corporate social responsibility (CSR) goes beyond charity and requires the company to act beyond its legal obligations and to integrate social environmental and ethical concerns into company's business process. There is no single and universally accepted definition of CSR as this concept is still evolving. What is generally understood by CSR is that the business has a responsibility – towards its stakeholders and society at large – that extends beyond its legal and enforceable obligations. The triple bottom line approach to CSR emphasizes a company's commitment to operating in an economically, socially and environmentally sustainable manner. The emerging concept of CSR advocates moving away from a 'shareholder alone' focus to a multi-stakeholder focus. This would include investors, employees, business partners, customers, regulators, local communities, the environment and society at large. Key components of CSR would therefore include the following:

Corporate Governance

Within the ambit of corporate governance, major issues are the accountability, transparency and conduct in conformity with the laws. Good corporate governance policy would enable the company to realise its corporate objectives, protect shareholder rights, meet legal requirements and create transparency for all stakeholders.

Business Ethics

Relates to value based and ethical business practices. Business ethics defines how a company integrates core values – such as honesty, trust, respect and fairness – into its policies, practices and decision making. Business ethics also involves a company's compliance with legal standards and adherence to internal rules and regulations.

Workplace & Labour Relations

Human resources are most important and critical to a company. Good CSR practices relating to workplace and labour relations can help in improving the workplace in terms of health and safety, employee relations as well as result in a healthy balance between work and non-work aspects of employee's life. It can also make it easier to recruit employees and make them stay longer, thereby reducing costs and disruption of recruitment and retraining.

Affirmative Action/Good Practices

Equal opportunity employer, diversity of workforce that includes people with disability, people from the local

community etc., gender policy, code of conduct/guidelines on prevention of sexual harassment at workplace, prevention of HIV/AIDS at workplace, employee volunteering etc.

Supply Chain

Business process of the company is not just limited to the operations internal to the company but to the entire supply chain involved in goods and services. If anyone from the supply chain neglects social, environmental, human rights or other aspects, it may reflect badly on the company and may ultimately affect business heavily. Thus, company should use its strategic position to influence the entire supply chain to positively impact the stakeholders.

Customers

Product and services of a company are ultimately aimed at the customers. The cost and quality of products may be of greatest concern to the customers but these are not the only aspects that the customers are concerned with. With increased awareness and means of communication, customer satisfaction and loyalty would depend on how the company had produced the goods and services, considering the social, environmental, supply chain and other such aspects.

Environment

Merely meeting legal requirements in itself does not comprise CSR but it requires company to engage in such a way that goes beyond mandatory requirements and delivers environmental benefits. It would include, but not limited to resources, reducing adverse impacts on environment, reducing environment-risky pollutant/emissions as well as producing environment friendly goods.

Community

A major stakeholder to the business is the community in which the company operates. The involvement of a company with the community would depend upon its direct interaction with the community and assessment of issues/risks faced by those living in the company surrounding areas. This helps in delivering a community focused CSR strategy making positive changes to the lives of the people and improving the brand image of the company. Involvement with the community could be both direct & indirect – through funding and other support for community projects implemented by local agencies.