



BOMBAY CHAMBER

Bombay Chamber  
of Commerce & Industry

# SQ

## raising the Sustainability Quotient



### Editorial

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#### Sustainability through Business Responsibility

In 2011, the Ministry of Corporate Affairs (MCA) issued the National Voluntary Guidelines on Social, Environmental and Economical Responsibilities of Business (NVG – SEE). The NVG-SEE through its nine principles guides a business to answer the question 'Am I truly a responsible business?' This assessment is important as responsible business helps in promoting sustainability.

Reflecting the spirit of NVG-SEE, Section 135 of Companies Act was drafted. This section deals with Corporate Social Responsibility (CSR). If this bill is passed, then India will be the only country that mandates CSR. Given that this is the first time that the Indian corporate sector will see such a requirement, Schedule VII has been proposed to provide some direction on projects that qualify expenditures in CSR.

Traditionally, majority of Indian companies have been investing in education, health followed by environmental issues. Several social sectors such as creating jobs, providing employment enhancing vocational skills, resources for social business projects and promoting gender equality and empowering women have not received much attention. More

importantly, companies often conceive these projects *in silos and not in a strategic perspective*. Hence, the impact factor of projects is relatively low and rounded elements of sustainability do not often get woven in. For example, schools get supported on physical assets, but teachers are not trained or provided with teaching materials; similarly, water supply schemes for villages are financed but the sanitation component is missed. A field level 'needs assessment'; 'stakeholder consultation' and working in 'partnership' are critical elements if sustainability is to be desired as an outcome of business responsibility. India Inc. needs here guidance and NGOs need to be trained on how to conceive, implement and manage projects under CSR.

*Projects selected under CSR cannot be those that earn profit for the company. They should essentially benefit the society.* Business models for implementation of the CSR will therefore have to be of non-profit nature like society, trust or a Section 25 company. It is however hard to slice or differentiate between the profits to the company and profits to the society – especially when the projects under CSR lead to innovations that merit commercialization for up-scaling.



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Published & Printed by :

Bombay Chamber  
of Commerce and Industry  
'The Ruby', 4th Floor, NW  
29, Senapati Bapat Marg, Dadar (W)  
Mumbai 400 028  
Tel.: 61200200 Fax : 61200213  
Email: bcci@bombaychamber.com

Subscription Cost :

Rs. 500/- per annum [hard copy]

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For instance, a water defloridation kit provided in fluoride affected areas may undergo adaptation and design improvement that could be patented and commercialized by the Company to service other affected areas on a large scale. A construction company may operate a skill improvement program for labour and indirectly get quality construction workers in its business. Construction of weirs for improving water supply to neighborhood villages could help raise the ground water and thus reduce risks related to water security of the company as well.

However, if the outcome of the project interventions in CSR is to promote

sustainability, then should a distinction between profits to business and profits to society really matter? In fact, CSR projects should spur local innovation on green products and services, promote green jobs and environmental and social entrepreneurship and improve economic and social capital of everybody. The answer to this question is not easy as unfortunately distortions are possible in terms of sharing of the profits. It is important therefore that the CSR is not just mandated but its effectiveness is also monitored and reported following impact evaluation frameworks such as IRIS<sup>1</sup>. The MCA should set up guidance for the above.

- Prasad Modak

See <http://iris.thegiin.org/>

“ We need a  
campaign to tell the public  
that we put social responsibility  
ahead of profits  
so we can make more profits.”

## Clause 135 of the Companies Bill - an Analysis

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India would become the first country in the world to mandate Corporate Social Responsibility (CSR) spending, through a statutory provision under Clause 135 of the Companies Bill, 2011.

Understanding the repercussions ...

The Companies Act, 1956, is the most integral piece of legislation that empowers the Central Government to regulate the establishment, financing, functioning and closing down of companies.

The Companies Act, 1956 has been amended at regular intervals (2000, 2001, 2002, 2006), in response to the changing business environment, arising societal need, stakeholder expectations and contemporary global trends. The Lok Sabha recently voted to replace India's 56-year-old Companies Act with the Companies Bill, 2011, that brings the management and functioning of the Indian corporate sector in line with global norms. One of the debated aspects of this Bill is Clause 135 which places a high priority on Corporate Social Responsibility (CSR) for a business.

Philip Kotler & Nancy Lee (2005) termed CSR as a commitment to improve community well-being through discretionary business practices and contributions of corporate resources. CSR is the sum of economic responsibilities, legal responsibilities, ethical responsibilities and philanthropic

responsibilities. The drivers of CSR as observed by them includes the shrinking role of Governments in current times, demands for greater disclosure from various stakeholders attached to business, growing investor pressure and competitive markets, spurred by Globalization.

CSR in the last few years has moved with great speed from the margins to the mainstream of businesses in India. Ample efforts to emphasize and promote CSR activities among companies of India have been undertaken by the Ministry of Corporate Affairs, NGOs, International Development Organizations and the like. The Ministry of Corporate Affairs had released Voluntary Guidelines on CSR in 2009 as the first step towards acknowledging the concept of Business Responsibilities. Keeping in view the feedback from stakeholders, it was decided to revise the same in 2011, with a more comprehensive set of guidelines that encompassed social, environmental and economical responsibilities of business. "The Guidelines emphasize that responsible businesses alone will be able to help India meet its ambitious goal of inclusive and sustainable all round development, while becoming a powerful global economy by 2020", says D.K. Mittal, Secretary, Ministry of Corporate Affairs. The Voluntary Guidelines are designed to be used by all businesses irrespective of size, sector or location and therefore touch on the

fundamental aspects – the 'spirit' - of an enterprise.

Then came the Companies Bill of 2011 which incorporates an additional Clause 135, which has been controversial for a number of reasons. The Clause deals with making CSR compulsory for large sized companies and lays down certain requirements expected of these companies, pertaining to the execution and fund allotment towards CSR.

The key features of Clause 135, under Schedule VII, include -

- Applies to every company having a net worth of Rs. 500 crore or more, a turnover of Rs. 1000 crore or more or a net profit of rupees five crore or more during any financial year.
- These companies shall have to constitute a CSR Committee of the Board consisting of three or more Directors, including at least one Independent Director.
- The committee would have to recommend activities for discharging CSR in such a manner that the company would spend at least 2 per cent of its average net profits of the previous three years on specified CSR activities. It shall also monitor the CSR Policy from time to time.
- Under Schedule VII of the clause, nine key areas, among others, are listed where companies may make investments in social causes (*Refer Box 1*).

*Box 1 : SCHEDULE VII - Specified CSR activities*

*Activities which may be included by companies in their Corporate Social Responsibility Policies*

- *Eradicating extreme hunger and poverty;*
- *Promotion of education;*
- *Promoting gender equality and empowering women;*
- *Reducing child mortality and improving maternal health;*
- *Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;*
- *Ensuring environmental sustainability;*
- *Employment enhancing vocational skills;*
- *Social business projects;*
- *Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and such other matters as may be prescribed.*

- The company's board, after receiving the panel's recommendations, will adopt a CSR Policy and ensure that the activities it mandates are undertaken.
- If the company fails to spend such an amount, the Company Board shall, in its report specify the reasons for not doing so.
- The company is expected to give preference to the areas around which it operates in spending the amount earmarked for CSR activities.
- The company would have to disclose CSR expenditures and activities in their Annual Reports.

In order to understand the repercussions of Clause 135, a SWOT analysis is put forward for the reader to form opinions and make conclusions on the advantages, viability, feasibility and challenges related to the adoption of Clause 135 in the Companies Bill, 2011.

#### STRENGTHS

- CSR has for the first time been recognized in the Company Law. It

will encourage companies who had previously never thought about this space at all to give serious thoughts to it.

- An estimated 2,500 companies fall into this "mandatory" CSR category, making CSR activities spending in the first year between Rs. 9 to 10 thousand crores, enhancing resources spent in social welfare, considerably.
- The Bill's requirement for a Corporate Social Responsibility Committee will be a key way for companies to set out a strong strategy that links to their core business. This will also ensure a gradual shift from the traditional charity model to a more strategic CSR model that fits in with the long term objectives of the company.
- Often taxpayers are unsure how much of their tax money actually trickles down to the bottom and how it is used. This bill gives them the freedom to use their money for their chosen social cause, and see the impact for themselves.

- Most companies will be able to develop a CSR strategy simply because every year they will be publicly stating what they did or did not do.
- Reporting CSR spends in their annual reports and making it public is a measure of good corporate governance.
- India being the first country having mandatory CSR will lead to an enhanced overseas repute.

#### WEAKNESSES

- CSR does not have a clear definition given by the Government, although there are nine principles where areas like development, human rights and inclusive growth have been highlighted. The definition will be central to how companies approach this clause. If CSR is tied to philanthropy it will limit Indian CSR to writing cheques for good causes with little effect on core business performance. If it is too wide it will be an open door for Green Wash and Creative Accounting.
- The new Companies Bill needs clear guidelines and rules on how to calculate the mandatory two percent CSR spending. CSR should be as much (if not more) about how companies make their money rather than how they spend it.
- If a company fails to meet the desired standard; it may get away by providing the reason. Such a statement may, in practice, defeat the very purpose of Clause 135.
- The imposition takes out the sanctity of CSR, making it more of a forced exercise and a new form of tax on profits.



- Critics accuse the Government of trying to abdicate itself of its social responsibilities.
- Companies who want to give back to society have already been doing so, without a government mandate. Which raises the question – why do we have this bill?

#### OPPORTUNITIES

- A new execution model in social development of Strategic partnerships between the Government, NGOs and Corporates. This will allow sophisticated analyses of the problems and combine different projects to create scale, without duplication or replication of programs.
- Promote innovation of new business solutions as part of CSR. Companies are good at finding new opportunities and solutions. If they can focus their creativity and finance on finding products that can make profits and provide a social good then progress will accelerate.
- The Government is likely to allow some tax-deduction /benefits to companies who spend money for CSR, thus making it attractive for the companies to spend money for CSR.

#### THREATS

- Through the clause, \$5 billion worth of funds will annually have to be absorbed by the sector — are non-profits really capable of absorbing this much capital in the right way? Do we have qualified professionals to execute these programs?
- Instead of focusing on making CSR mandatory, awareness needs to be created amongst Indian companies on how and why CSR is important. It should be ensured that the CSR initiatives in the Bill do not get bogged down in complicity between companies or lead to too much government intervention.
- Make sure that 2% spend actually equates to impact. There is a risk that companies invest in a lot of small projects that, whilst good in themselves endlessly reinvent the wheel with little learning or cross fertilization.
- Such a mandatory provision, could also lead to irregularities in revenue accounts and perhaps more corruption.

For a company wanting to embark on its CSR journey, India is full of examples of responsible and responsive corporates already

partaking in this social, economic and environment development endeavour. Companies like Tata Consultancy Services (TCS), Unilever and ITC Hotels, among many others, have paved the way for strategic social investments of using core competencies to solve social ills. TCS has developed software to aid quality education in schools, Unilever has catered to bottom of the pyramid market, increasing sales and markets and ITC Hotels have worked out environmentally sensitive hotels which save operational costs and ensure sustainability.

Seed funding and incubation of breakthrough ideas and social enterprises is another increasingly popular concept along with partnerships with NGOs to tackle issues of health and education or Public Private Partnerships with the Government to promote skill development. CSR has definitely become an important priority in contemporary business circles in India, being accepted and executed on a larger scale, everyday. The Companies Bill 2011 is a clear indication of this seriousness.

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*\*All views and opinions in this article are taken from different stakeholders like government officials, company CEO's, social development professionals and academicians.*

# CSR Action to Assessment

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Corporate social responsibility (CSR) increasingly involves considerable resources, not just in terms of money, but also scarce senior management time. So questions about what is being achieved under CSR become even more pressing. A business cannot just say it is engaged in CSR; it must prove itself both through its visible action and tangible assessments.

A common axiom of sustainability management is that “you cannot manage what you do not measure”. Investors require companies to explain to them the returns on investment for CSR. It is in this context assessment/ measurement of CSR becomes very important. While the implementation of CSR is quite well understood as giving effect to and putting into action various activities, the meaning and scope of CSR assessment is less clear. Assessing the impact of CSR becomes a complex task largely because it is a very wide ranging concept with innumerable qualitative and quantitative dimensions.

## CSR Assessment

In normal course of practice companies evaluate their future investments or decide between alternative opportunities through investment appraisal such as by assessing its Net Present Value (NPV)<sup>2</sup>. As a basic rule, investments are undertaken if the NPV is positive

in which case the benefits exceed investment costs. However, as CSR includes monetary as well as non-monetary benefits, it is difficult to apply the NPV to investments made on CSR. CSR aims to improve stakeholder relations securing future profit opportunities. This option value of CSR; the interrelation with other investments; and CSR-specific risks are not considered in the NPV calculations.

A comprehensive CSR assessment should include the evaluation of monetary as well as non-monetary business benefits. (as given in Figure 1)

Quantitative Indicators– Monetary benefits

With regard to the first three monetary benefits identified in Figure 1 (Revenues, Costs, Risks) correspond to the components of

discounted cash flow methods such as the NPV. It is thus suggested that one can apply a discounted cash flow method to these benefits to calculate a 'CSR Value Added' representing the monetary value of CSR activities to a company. The fourth monetary benefit, brand value, is not included in the calculation of the 'CSR Value Added' but rather represents a key performance indicator (KPI) for the future sales of a brand's products.

Quantitative Indicators– Non Monetary benefits

The non-monetary benefits identified in the CSR Assessment model that can be measured with quantitative indicators also represent KPIs for future monetary impacts.

As monetary CSR benefits often occur after a time lag, a comprehensive CSR impact assessment should not only focus on the calculation of the 'CSR

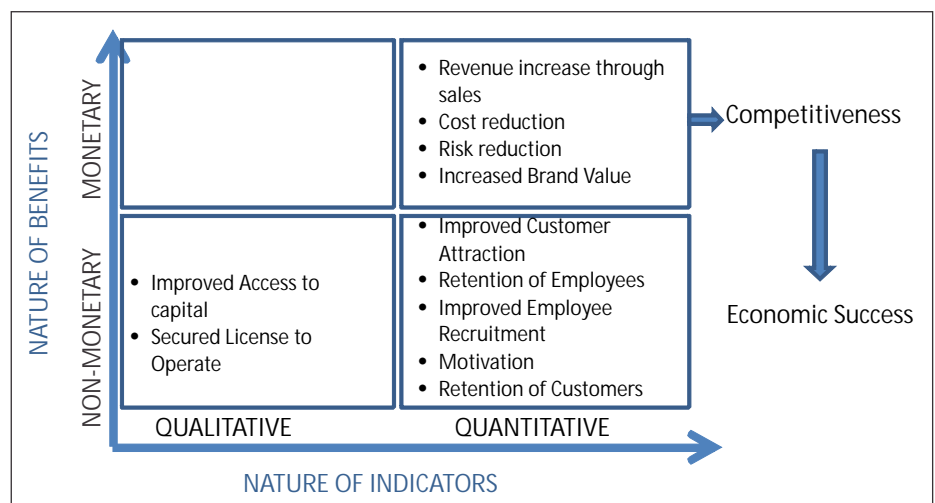


Figure 1: CSR Assessment Model

<sup>2</sup> The NPV evaluates all cash flows of an investment, summing up all current and future cash flows and discounting them with a discount rate to determine their current value. The discount rate represents the opportunity cost of capital and accounts for the risk involved.

Value Added' but also on the development and measurement of these KPIs.

### Qualitative Indicators– Non Monetary benefits

The CSR assessment model also identifies benefits that can only be evaluated qualitatively as they equally influence company competitiveness. A qualitative assessment of stakeholder relationships should also be included to assess company's capital access and license to operate.

Companies which are determined to assess CSR impacts/ benefits should first try to determine if CSR makes a difference to stakeholders. An unbiased assessment has to be undertaken on the following categories:

*Internal Stakeholder Effects:* refers to the concerns that the company's activities have on the stakeholders inside the firm.

*External Stakeholders Effects:* refer to the concerns that the corporate actions has on people outside the firm.

*External Institutional Effects:* refers to the effects business has on the larger institution of the State, Nation and international level rather than any particular stakeholder group.

### Measure what Matters

Companies adopt different indicators of assessing the impact of CSR initiatives. The indicators depend on their CSR objectives as well as on the type of projects. For example, Hewlett-Packard's (HP) core business objectives are growth, efficiency and capital. So when HP sets out to

measure progress on its chosen CSR strategies, the company started measuring CSR impact on its growth. For instance, it measured if the company's energy optimization strategy penetrated new markets or gained new customer segments or won big government contracts.

*It is obvious that when thinking about what to measure, Company's may start by thinking about how the CSR strategy can support their overall corporate strategy.* For instance, for an organization like Big Bazaar (large scale retail outlets), if the focus areas are minimizing waste, energy usage, and increasing sustainability, the company may consider developing two or three good metrics in each of these areas, such as energy and money saved from removing high electric consumption light bulbs from the retail outlets. If the company is focused on marketing fair trade label products, it should measure the increase in sales for those products or product lines, and through them measure how many farmers were benefitted and how the organization's profitability was impacted.

### Communicate Fewer Metrics in Multiple Ways

It is important that rather than aiming to measure as many metrics as possible, one should think about measuring one parameter and articulate its value in several different ways. For instance, measure CSR strategy on the dimensions of value:

**Monetary:** Accounting-based value of inflow and outflow of cash.

**Financial:** Translation of in-kind contributions of employee time and/or product into rupee or dollar value.

**Quantitative:** Number of new energy-efficient or sustainable products added to a product line and translating it into economic benefit.

**Qualitative:** Types and descriptions of new energy-efficient or sustainable products; storytelling (narration) or marketing value through media mentions or changes in consumer attitudes.

### Steps in Measurement

Companies may take following steps to measure their CSR investments –

1. Identification of the priority areas for CSR investments
2. Build consensus on actions to be taken
3. Decide what, when and how CSR activities are to be measured
4. Formulate a committee who can take up the task
5. Develop and measure relevant Key Performance Areas/Indicators (KPA/KPI) that indicate an improvement of company competitiveness due to CSR. (Refer Table 1 for KPIs that assess CSR)

Table 1: CSR Assessment Matrix

KPAs/KPI	Quantitative Indicators to Measure
Brand Value	Cost oriented, price oriented, or capital value oriented brand value
Customer attraction & Retention	Repurchase rates, market share
Reputation	Reputation indices and rankings
Employer Attractiveness	Applications per vacancy, hiring rate
Energy Conservation	Energy Savings
Employee Motivation & Retention	Fluctuation rate, absenteeism, satisfaction levels

Companies can design a set of procedures, process steps and specifications that can aid in measuring the process or activity. Many companies adopt sector specific codes like 'process standards' such as ISO 14000, and 'performance standards' such as SA 8000, which include measurement and reporting of performance and progress.

Alternatively companies can design their own customised templates for measuring the CSR performance. Subsequently they can set specific targets and then begin to monitor

CSR performance over a monthly, quarterly or annual basis. This will help in tracking performance and can step up efforts of the company to review and revise its CSR strategy.

For instance the CSR Committee of Bombardier, a Canada based company reports that it meets quarterly as a whole and more frequently in smaller working groups to hold in-depth sessions on key topics, tracking areas of concern developing concrete action plans and measuring the same (Refer Table 2 below).

The Bombardier Achieving Excellence System (AES) is a proven continuous improvement program that helps its teams to improve their procedures and processes to best meet business objectives. In 2012, they applied this system to the CSR reporting process, which has impacted how they manage CSR in general internally. The CSR committee continuously applies AES to help them prioritize CSR issues and further integrate CSR throughout their operations. Measuring in this way can be a real incentive to staff as it can encourage them and further motivate them to integrate CSR as a natural practice.

Table 2: Example of CSR Tracking: Bombardier<sup>3</sup> Supply Chain

WHAT WE SAID WE'D DO IN 2012	WHAT WE DID IN 2012	PROGRESS
Train our high potential procurement managers on CSR	Nearly all of our high-potential procurement managers received training through the European Institute of Purchasing Management and Aerospace managers and also information through internal meetings and external CSR events	✓ Achieved
Further implement the compliance program for the Supplier Code of Conductor Aerospace suppliers	We took several actions to enhance our monitoring of suppliers' compliance with the Code, the most significant of which was training our procurement team to enable them to do CSR spot-checks as part of their regular visits to our strategic suppliers. We conducted spot-checks of 9 Aerospace suppliers this year.	⚙️ On-Track
Conduct more on-site CSR spot-checks of Transportation suppliers	We conducted spot-checks of 13 suppliers. No violations of the supplier Code of Conduct were discovered	⚙️ On-Track
Lead in the development of a common rail industry-wide approach to management systems and on-site audits of suppliers	We worked with the Association of the European Rail Industry (UNIFE) to move this forward and in 2013 succeeded in finalizing a clear quality management auditing policy for the industry	⚙️ On-Track

#### Conclusion

Organisations which consider social responsibility as an organizational philosophy and integrate it with quantifiable business applications, such as marketing, human resources, product development, customer service, and relationship management are more likely to develop robust assessment systems. It is important to remember that 'C' in CSR refers to Corporate. In the long run the measure of return on CSR should also be beneficial to the organisation like any other area of corporate investment, so that corporates will continue to invest in developing sustainable business models which create both shareholder and societal value.

Source: Bombardier (2012) CSR Score Card, Online source <http://csr.bombardier.com/en/csr-approach/csr-scorecard>, Accessed on June 2013  
<sup>3</sup>Bombardier, headquartered Canada in the world's only manufacturer of both planes and trains.



## Social Initiative at Glenmark Pharma

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Glenmark Pharmaceuticals Ltd (Glenmark) is a research-driven, global, integrated pharmaceutical company headquartered at Mumbai, India. It is a leading player in the discovery of new molecules, both NCEs (new chemical entity) and NBEs (new biological entity).

Glenmark strives to promote responsible corporate management in environment as well as social areas. The company believes in enriching the lives of people by providing innovative medicines which meet high quality standards. The company demonstrate their commitment to environment by following best environment practices and ensuring that their manufacturing facilities continuously work towards reducing impact on the environment.

The Corporate Social Responsibility (CSR) activities of the company are operated through Glenmark Foundation. It was instituted with the mission of 'Enriching Lives' and has been implementing several projects for the benefit of the underprivileged sections of the society under 3 core areas:

- Child Health
- Sustainable Livelihoods
- Employee Volunteering

Child Health: Instituted around the theme of Healthier Children, Healthier World, Glenmark Foundation is actively working towards improving child health and reducing Infant/Child Mortality in villages of Madhya Pradesh and

Rajasthan focussing on three critical issues of malnutrition, immunization and sanitation.

Sustainable Livelihood: Based on in depth research and analysis, Glenmark has set up unique initiatives to address the cause of creating Sustainable Livelihood.

Unemployed school dropout people are provided an opportunity to earn a sustainable livelihood through Skill development courses in Nashik. Partnered with an NGO we have trained more than 800 youth in the last 2 years and helped them earn their livelihood.

Over 2000 tribal families in Orissa are covered for sustainable livelihood programs which provided education on improving cropping practices; and made investments for improving existing land and water resources based on Integrated Natural Resource Management.

Individuals who are disabled are rehabilitated thereby enabling them to lead productive lives, through Jaipur Foot a renowned NGO.

Employee Volunteering & Medicine Donation : Employees of Glenmark across the globe have been consistently volunteering towards the CSR initiatives. In the last three years, around 1900 employees have offered their support, time and help for various initiatives. Apart from providing medical healthcare support to many through medicine donation, medical camps, ambulatory service,

we also assist and provide aid in the event of natural disasters.

The present article discusses the projects done under 'Child Health' program.

The flagship initiative is in the area of Child Health focused on the age group 0-5 years and pregnant mothers. We have initiated three significantly large child health projects in India – first initiative focuses on the child health issue in over 100 tribal villages in Madhya Pradesh, second initiative focuses on over 150 villages in Rajasthan and the third child health project focuses on over 2000 low-income households in Mumbai.

Globally, child health care is a huge concern. Since 1990 child mortality has declined; however, it still stands at 51 per 1000 live births. In India it is much higher than global figure to about 68 per 1000 live births. This is one of the highest in the world.

Glenmark have made a beginning by taking certain initiatives to bring about a change. We started with detailed research in the field of child health in the year 2010 which provided insights on status of child health in India. The research studied the existing child and infant mortality rates in Indian states; causes for high mortality, existing health infrastructure, government programmes, projects taken up by civil society organisations and other welfare agencies. The objective was to decide on the most vulnerable

States that Glenmark can focus on and what approach it should take while working with communities.

We arrived at the following conclusions:

- People need to be educated and informed about how they can take care of pregnant mothers, new born infants and children.
- It is important to spread knowledge about vaccines and the importance of taking them at the right time.
- Malnutrition, absence of proper sanitation & hygiene, and lack of or partial immunization are some of key reasons of high child mortality rate (CMR).

The findings of the research enabled us to draft "PROJECT KAVACH – Healthier Children Healthier World". The word 'kavach' means 'a shield'; symbolising protection. The project aimed at protecting and saving children through various interventions.

To enhance the reach of Project Kavach, we divided our initiatives into 3 broad categories i.e. Tribal, Rural and Urban areas.

Project Kavach's strategy is to systematically identify the target group; educate and inform them about positive health seeking behaviour and introduce several novel service delivery mechanisms to help us make an impact in our intervention. We initiated projects in two of the most affected states in the country where the IMR (Infant Mortality rate) /CMR is very high - Rajasthan and Madhya Pradesh. We also took up an initiative in the slums of Mumbai where levels of

malnutrition were found to be high.

## Initiatives taken under Project Kavach

### Addressing Child Health in the tribal areas of Madhya Pradesh

This project focuses on the tribal community in the Khalwa block of district Khandwa, in the interior of Madhya Pradesh. The project objective is to reduce child mortality in the 100 villages of Khalwa block, by focussing on issues of malnutrition, immunization and sanitation.

The project is an effort to complement the State Government's commitment through Atal Bal Arogya Evam Poshan Mission<sup>4</sup>. Under this project, Glenmark has provided an ambulance for villages that runs 5 days in a week. Our team of doctors, nurses, and social workers attend to children with Severe Acute Malnourishment (SAM) condition who are identified and referred to the Nutritional Rehabilitation Centres' (NRCs)<sup>5</sup>.



Mobile medical services by Glenmark

*During the 2011-12 ambulatory care could reach 599 SAM, 1043 Moderate Acute Malnourished (MAM) and 9926 pregnant women.*

Further, we have established Role Model *Aanganwadis* Centres (Day Care Centres) for children. Efforts are

being made to ensure maximum attendance at these centres. We are tracking the effectiveness of these *Aanganwadis* by supporting the services such as supplementary nutrition for children and face-lifting them and making them more child friendly. We are also encouraging mothers and caregivers to ensure complete immunization for children under the age of 5. Till date, Glenmark has developed 30 *Ruchikar Aanganwadis* (day care centres).

### Addressing Child Health in Rural Areas of Rajasthan

This project focuses on 150 villages of Sanganer block, the rural areas of Rajasthan where there are very high ratios of IMR and CMR. The project complements the work of the government under the Integrated Child Development Scheme (ICDS<sup>6</sup>) and aims towards a community ownership. Here, we are working with *Panchayats* (local self government).

The *Panchayats* are being extensively involved in keeping a check on the levels of malnutrition and immunization of each child in their villages. We have provided immunization calendars to *panchayats* to keep a track of immunization of children born during the project period. Through these calendars, *panchayat* ward members, *aanganwadi* (Day care centres) workers and helpers keeps a check on the immunization status of the child.

To check on malnutrition, children are being given coloured beads. It is through the bead that nutrition level of a child is tracked. The red bead means that the child is malnourished, yellow bead means he is in moderate condition while the green bead



*Training of Pregnant Women*

means he is healthy. Parents are being counselled about the importance of a proper balanced diet by master trainers. These communities are being sensitised through 75 street plays reaching nearly one lakh population.

#### Addressing Child Health in Slum Communities of Mumbai, Maharashtra

The UN-Habitat's report (2006) states that slum dwellers are more likely to die earlier, experience more hunger and disease, because of unhygienic living conditions. Children living in the slum areas are more likely to die of

water borne and respiratory diseases than their rural counterparts. Some parts of Mumbai slums report child mortality as high as 35-40 per thousand live births. The slums are in dire need of improvement and the dwellers need to be educated about the importance of hygiene and proper sanitation.

The project objective in Mumbai is aimed at addressing the cause of malnutrition, sanitation and immunization through peer education approach amongst 2000 households in slums of Andheri, Mumbai. The project was launched, with a focus that behaviour change can only happen with sustained community efforts and in depth counselling. Our health workers conducted FGDs (focussed group discussions) in the area and have selected 25 peer educators from community. These are being capacitated on health education for mothers. We are also organising health camps and services to check anaemia amongst the mothers and children; and providing them de-

worming tablets. Besides these we organise various health events such as World Cancer Day, World Health Day for rapport building with the community.

Child health is a mammoth issue. We at Glenmark believe that increased awareness and provision of adequate services is a first step to overcome such an issue. At Glenmark, we are steadfast in our commitment. We will continue the work that we are doing and will scale up all our initiatives. The Glenmark Foundation remains committed to making a difference to the community and we will continue with our efforts of enriching lives through our CSR initiatives.



*Health Check-ups in Slums of Mumbai*

<sup>4</sup> Atal Bal Arogya evam Poshan Mission was commenced in December 2010 by Madhya Pradesh with the objective to bring down the Infant mortality rate (IMR) and malnutrition to the national level.

<sup>5</sup> Nutritional Rehabilitation Centers are set up by the government under National Rural Health Mission (NRHM) that provides immediate nutrition and medical treatment with proper care and affection.

<sup>6</sup> ICDS or Integrated Child Development Scheme is Government of India's primary social welfare scheme to tackle malnutrition and health problems for children below 6 years of age, pregnant and lactating mothers.



# Enabling Sustainable Livelihoods

Vasant Ayyappan,  
Director – Corporate Sustainability, Taj Hotels Resorts and Palaces  
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Mr. Sharan Karbad Khandale, a 24-year old 10th standard dropout, hails from the village of Killari in the district of Latur, Maharashtra. He currently works at Taj Corporate office in the third floor pantry, serving associates tea and coffee. On Friday, April 19, 2013 Mr. Khandale got the opportunity to witness the inauguration of Taj's new Centre of Excellence (CoE), established in conjunction with the Government of Maharashtra, at the Industrial Training Institute (ITI) campus in Lonavala. The centre was inaugurated by the Chief Minister of Maharashtra, Shri Prithviraj Chavan, and was attended by government officials, the current batch of ITI students and faculty members. Additionally, associates and senior management from Tata companies were present at the inauguration.

away from school, Mr. Khandale has today decided to retake his 10th Standard English exam, so he can qualify to do a short term course in food and beverage service at the new centre.



Centre of Excellence at Lonavala, Maharashtra

too would qualify to enroll in different vocational trades being offered.

Bright-eyed youngsters like Mr. Khandale from interior and remote parts of India with an interest to work in a field other than agriculture are the target group for Taj's Hospitality Skill Training Programme undertaken as part of the company's corporate sustainability endeavour of building sustainable livelihoods. As part of this program, Taj has partnered with various stakeholders such as government institutes, reputed national NGOs such as Pratham and Don Bosco, like-minded Corporates and Foundations to provide access to skill-based education and training to India's underprivileged youth.



Inauguration of the Centre of Excellence (April 19<sup>th</sup> - 2013, ITI Lonavala)

Mr. Khandale was in awe of the newly constructed CoE. He could not help but think of how he too, like the current batch of students he saw at the inauguration, could alter the chart of his life if he was to train and get certified at the new skill training academy. After eight years of being

On hearing about the training institute, other office helps have also started enquiring as to whether they



Figure 1: Corporate Sustainability Partnerships across India



Starting with three centres in 2008-09, Taj currently has 36 Skill Training partnerships across India (see Figure 1 for the spread of these centres in India), training and certifying over 8,500 youth in different hospitality trades.

As knowledge partner, Taj provides knowledge support vis-à-vis developing customised curriculums for the target groups. To improve the quality of teaching at these centres, Taj conducts train-the-trainer workshops for faculty identified and recruited by the partner institute as well as provides advice and support in terms of setting-up of demo training/practical rooms and relevant libraries. Taj also provides on-the-job training at its hotels to reinforce training in real-life situations. Additionally, Taj volunteers from hotel operations support these centres through guest lectures and practical training and workshops, thus ensuring high quality pass-outs that are ready for and appreciated by the "The aim of Taj's Hospitality Skill Training Programme, in partnership with various stakeholders, is to make deserving youth from rural and marginalised areas immediately employable in the industry," said H.N. Shrinivas, Senior Vice President, HR, Taj Hotels. Of the 8,500 students trained, 98 percent have been placed across the different hotels and restaurant groups across the country. The new CoE aims to train over 1,000 youth in the first year of its operation with the hope of making them employment ready for the hospitality industry.

The students will benefit from the recently launched Government of India skill training and certification Hunar Se Rozgar programme<sup>7</sup> (HSR). Taj hotels across India provide hospitality skill training under this program. In addition, it will offer short term intensive vocational courses. These are aimed at providing the rural youth with high quality learning in spacious classrooms, hone their communication and IT skills. Cross learning from Institute of Hotel Management, Aurangabad via the e-classroom is an added advantage.



*Students learning the correct methodology to cut vegetables (handle a knife) in the kitchen at the CoE*

The CoE is equipped with state-of-the-art equipment for practical training. Students will gain knowledge and skills in areas of accommodation, operations, front office management, housekeeping and technical skills required in hotel maintenance. Industry relevant trades through the individual expertise bought on by various Tata companies who too have set up their own skill training centers at the Lonavala ITI will also be imparted. These include Voltas, Infiniti Retail (Croma), Inditavel, Tata Motors, Tata Housing Development Company, Tata Realty and Infrastructure and Taj Salon.

This Center of Excellence for skill training will not only open doors for youth from less privileged and marginalised areas, but also underprivileged youngsters affected by natural and man made disasters. As Mr. Shrinivas stated, "The inspiration behind setting up the CoE came post the terror attacks in Mumbai in November 2008, when many victims and their dependants sought support to help revive their lives." Since that time, the Taj had been looking to provide long-term and sustainable rehabilitation to the dependants of the victims. In early 2009, the Taj entered into an agreement with the Government ITI at Lonavala through the public-private partnership scheme, initiated by the Central Government to raise the standards of Government ITI's across the country and make the course curriculum industry relevant. Furthermore, under the Modular Employment Scheme (MES), short term skill training courses were introduced with a view to skill candidates and make them immediately employable.

The newly inaugurated skill training academy has evolved as an oasis of hope for bright-eyed youngsters, who seek to chart out a new destination for themselves acting as role models for their relatives, neighbours and friends. For Mr. Khandale, it was the current batch of ITI students he saw at the inauguration, who provided him with a source of hope and inspiration that he too like them can fulfill his dreams of getting into one of the hospitality trades taught at the new CoE.

<sup>7</sup>To know about the Programme visit <http://tourism.gov.in/writereaddata/Uploaded/Guideline/022820110348562.pdf> and <http://tourism.gov.in/writereaddata/CMSPagePicture/file/Primary%20Content/Hotel/OPERATION.pdf>

## Survey Results

The 2013 Cone Communications/ Eco Global CSR Study<sup>8</sup> (released in May 2013), a follow up to the 2011 global survey of consumer attitudes, perception and behaviours around CSR, includes the opinions of more than 10,000 people living in 10 of the largest countries in the world by GDP. Consumers in the US, Canada, Brazil, the UK, Germany, France, Russia, China, India and Japan were surveyed.

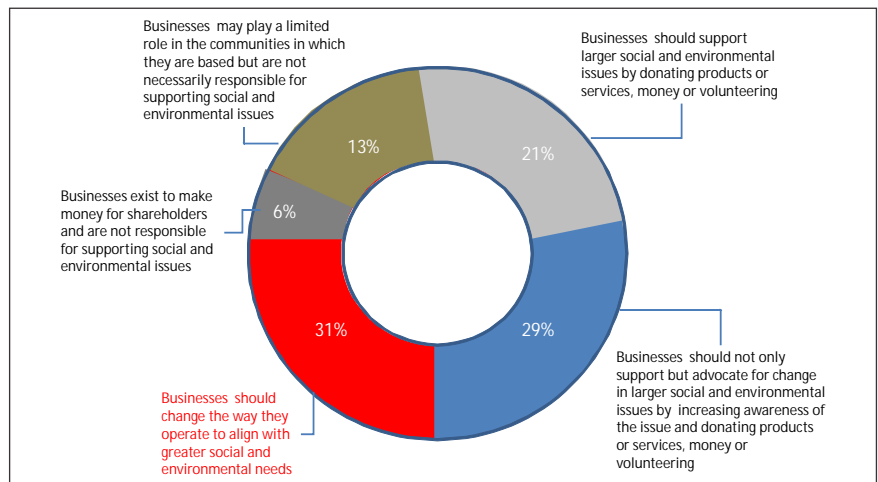
The research, conducted by Cone Communications and Echo Research, is complemented with insights from country-specific CSR experts.

- Nine in 10 consumers surveyed want companies to go beyond the minimum standards required by law to operate responsibly and address social and environmental issues, a sign that CSR is no longer an option, but a requirement, for business.
- Global consumers have clear and specific expectations for the role companies should play in addressing social and environmental issues with 93 percent wanting to see more of the products and services they use support CSR efforts. Nine in 10 consumers say they would boycott if they learned of irresponsible behaviour.

- A company's CSR efforts could affect its ability to find skilled workers. Some 81 percent say they consider CSR when deciding where to work, according to the survey.
- It's increasingly important for companies to articulate progress beyond their basic CSR purpose, the report says. Of those surveyed, 31 percent believe businesses should change the way they operate to align with greater social and environmental needs.
- Social media has become an everyday tool for consumers to learn and engage around critical issues, including CSR. Some 62

percent of surveyed global consumers say they use social media to address or engage with companies around CSR. While the majority share positive information with their networks, 26 percent are communicating negative news, according to the report.

- Social media is accelerating CSR especially in highly mobile-savvy and emerging countries, such as China, India and Brazil where 90 percent, 89 percent and 85 percent of the respective populations report using social channels to engage with companies around their CSR efforts.



<sup>8</sup>Survey conducted by Cone Communications. Source: <http://www.environmentalleader.com/2013/05/23/csr-a-business-requirement-not-option/>

### Ministry of Corporate Affairs developing a Reporting Framework for CSR Activities

Economic Times (3rd May, 2013) reported that the Ministry of Corporate Affairs (MCA) is developing a reporting framework for corporate social responsibility (CSR), which could potentially be a game-changer for CSR in India.

The government is formulating guidelines to classify what activity can be qualified as CSR and what expenditure can be counted as CSR spend, even as companies prepare to comply with a new guideline that encourages them to spend 2% of their net profits on such causes.

The Indian Institute of Corporate Affairs (IICA) is the nodal agency spearheading this effort along with the MCA. The final guidelines are expected to be announced after the Bill gets passed in the Rajya Sabha, according to sources. The government expects it to get passed in the second half of the Budget session.

These guidelines will include an extended Schedule-7 of the Companies Bill including more activities that qualify as CSR spends. Some of these activities in the pipeline include promotion of sports and games, promotion of art and culture, welfare measures for differently abled and adoption of villages, among others. The guidelines also include the types of organisations: trusts, societies, etc, that are eligible consumers of CSR capital.

Source: The information has been sourced from <http://www.indiacsr.in/en/?p=10781>

The Update section has been compiled by Sonal Kaushik, Associate Vice President, Environmental Management Centre LLP, Mumbai.

# Bombay Chamber Activities

## Forthcoming Programmes

### Series of Sessions

*Topic* : Responsible Supply Chain  
*Date* : August 22, 2013  
*Speaker*: Mr. Yasir Ahmad

*Topic* : Responsible Investment and Sustainability Indexes  
*Date* : September 5, 2013  
*Speaker*: Mr. Anshul Dubey

*Topic* : Human Rights in Business  
*Date* : September 19, 2013  
*Speaker*: Mr. Prathmesh Raichura

*Topic* : Integrated Reporting  
*Date* : October 3, 2013  
*Speaker*: Mr. Santhosh Jayaram

*Topic* : Carbon - Post 2012  
*Date* : October 17, 2013  
*Speaker*: Mr. Manpreet Singh

*Topic* : Product Sustainability  
*Date* : October 31, 2013  
*Speaker*: Mr. Anand Joshi

**Interactive Session**  
"Update on PAT and Role of Consumers in Compliance Cycle"  
Last week of September 2013.

## Orientation Session : "Sustainability in Business – Adopt, Report and Benefit"

The Sustainability Committee has organised an Orientation Session : "Sustainability in Business – Adopt, Report and Benefit" in collaboration with Ekonnet Knowledge Foundation on May 9, 2013 to create awareness about the need and importance of sustainability reporting in SME sector and to build the capacity of the professionals in Environmental/ Sustainability division. The Session benefited the participants in learning about sustainability reporting (GRI and NVG Guidelines) drawing on experiences of fellow industries through case studies.

[http://www.bombaychamber.com/Uploads/Committee/CommitteeWhitepaperDocument/Report\\_sustainabilitybusiness\\_9may13\\_final.pdf](http://www.bombaychamber.com/Uploads/Committee/CommitteeWhitepaperDocument/Report_sustainabilitybusiness_9may13_final.pdf)

## Seminar on "Women Employee Safety and Self Defense" June 6, 2013 at Hotel Taj President, Mumbai

Purpose of the seminar: Working at night and travel / touring on job, common in the rapidly growing call-centre and other new-technology industries, particularly worry women, especially following a high-profile murder of a night-hours television journalist. To respond to such a scenario and train women to fight and manage a situation, the Chamber has organised the above Seminar / training programme.

[http://www.bombaychamber.com/Uploads/Committee/CommitteeWhitepaperDocument/Report\\_on\\_Women\\_Safety\\_and\\_Self\\_Defense.pdf](http://www.bombaychamber.com/Uploads/Committee/CommitteeWhitepaperDocument/Report_on_Women_Safety_and_Self_Defense.pdf)

## Winners of the Civic Award for the Year 2013

Category	Winner
Sustainable Environmental Initiatives	Hindustan Petroleum Corporation Ltd.
Social Development	Hindustan Construction Company Ltd.

Awards were presented to the recipients at the occasion of its 177th Annual General Meeting on June 6, 2013 by Mr. Uday Khanna, the then President and Ms. Neera Saggi, President Elect of Bombay Chamber.

For more details contact:

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