



Research Paper

A Study of Leveraging Corporate Social Responsibility to Achieve Sustainable Development Goals

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ABSTRACT

The purpose of this research is to find out the relationship between corporate social responsibility and sustainable development goals. The company act amendment in the year 2013, provided the framework for activities to be carried out by the corporates as a social responsibility. Section 135, schedule VII gives the list of corporate social responsibility (CSR) activities and is mandatory with effect from April 1, 2014. On 25th September 2015, the UN general assembly of 193 countries adopted the agenda for sustainable development. It includes a set of 17 sustainable development goals (SDGs) at 169 targets to be achieved by 2030. These are global goals adopted as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. Every country is needed to reach these goals. The Indian corporate sector gradually incorporating sustainable development goals (SDGs) into their responsible business actions. The present paper focused on how CSR activities of top 10 Indian companies addresses various sustainable development goals. The secondary data for the study is collected from the annual reports of the respective corporates. It is found that all the 17 sustainable development goals were mapped with the CSR activities. The study shows that companies have accepted the social responsibility and are performing for the same. The CSR spending made by the selected companies is more than their liability. The corporate sector is using its resources for the sustainable development goals through CSR activities.

KEY WORDS: CSR activities, Sustainable Development Goals, CSR spending, Mapping of CSR with SDGs¹

Received 10 August, 2021; Revised: 24 August, 2021; Accepted 26 August, 2021 © The author(s) 2021. Published with open access at www.questjournals.org

I. INTRODUCTION:

Sustainable development has emerged as a result of significant concerns about the social, environmental and economic consequences of consumption of natural resources. There was a necessity to take action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. On 25th September 2015, the UN general assembly of 193 countries adopted the agenda for sustainable development. It includes a set of 17 sustainable development goals (SDGs) at 169 targets to be achieved by 2030. These are global goals adopted as a universal call, every country is needed to reach these goals. The creativity, knowhow, technology and financial resources are necessary to achieve the sustainable development goals. The realization of these goals calls for collaborative action by Government, businesses and civil society, wherein they can jointly foster solutions for a common theme of sustainable development. India has signed the declaration on the 2030 agenda for sustainable development thereby adhering to the 17 SDGs and the 169 targets. India has set itself targets for implementation SDGs by aligning it with national development goals. The company act amendment in the year 2013, defines the activities to be carried out by the corporates as a social responsibility. Section 135, schedule VII gives the list of corporate social responsibility (CSR) activities and is mandatory with effect from April 1, 2014. The businesses are gradually incorporating sustainable development goals (SDGs) into their responsible business actions.

II. OBJECTIVES OF THE STUDY :

1. To study the concept of CSR.
2. To study the sustainable development goals.

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3. To find out the mapping between CSR and Sustainable Development Goals.
4. To study the CSR activities and spending on CSR of top10 Indian companies ranked for sustainability & CSR practice

III. METHODOLOGY:

The study is based on the secondary data collected from the annual reports of the top10 Indian companies ranked for sustainability & CSR practice. The period covered under the study is one year i.e. 2018-2019. The top 10 Indian companies ranked for Sustainability & CSR practice in Responsible Business Ranking 2019, a study conducted by Futurescap, were selected for the present study. The name and rank of the companies listed as below.

Table 1: Top 10 Indian companies ranked for sustainability & CSR practice

Rank	Name of the Company
1	Tata chemicals Ltd
2	Infosys Ltd.
3	Bharat Petroleum Corporation Ltd
4	Mahindra and Mahindra Ltd
5	ITC Ltd
6	Ambuja cement ltd
7	Tata Motors ltd
8	Vedanta Ltd
9	Hindalco Industries Ltd
10	Indian Oil Corporation Ltd

The annual report of the above mentioned companies for the period 2018-19, downloaded from their website. The sustainability development goals were studied and mapped with the CER activities given in schedule VII of Indian company act 2013. The corporate social responsibility part, which is mandatory for the company is studied for the present study. The company spending on corporate social responsibility for the selected period is collected from CSR report of the company.

IV. HYPOTHESIS

H0: There is no significant difference in the CSR activities as mentioned in section 135 of companies' act 2013 and Sustainable development goals.

H1: There is significant difference in the CSR activities as mentioned in section 135 of companies' act 2013 and Sustainable development goals.

V. CORPORATE SOCIAL RESPONSIBILITY:

The concept of CSR has had a long and diverse history in the literature but in early 1950's & 60's the literature was not heavily represented in CSR discourse. It is seen that in the 1950s the primary focus was on businesses' responsibilities to society and doing good deeds for society. In the 1960s key events, people and ideas were instrumental in characterizing the social changes ushered in during this decade. In the 1970s business managers applied the traditional management functions when dealing with CSR issues, while, in the 1980s, business and social interest came closer and firms became more responsive to their stakeholders. During the 1990s the idea of CSR became almost universally approved. However this decade 'marked a significant growth in attempts to formalize, or more accurately, state what CSR means' (Carroll, 1999). According to Carroll, "CSR encompasses the economic, legal, ethical and discretionary (philanthropic) expectations that society has of organizations at a given point in time." CSR was coupled with strategy literature and finally, in the 2000s, CSR became definitively an important strategic issue.

Section 135 of the Companies Act, 2013, provides for companies having net worth of rupees five hundred crore or more or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more in a financial year to spend at least 2% of the average net profits of last 3 years for the company's Corporate Social Responsibility (CSR) policy. In case the said amount is not spent, the reasons for not doing so are to be disclosed in the Board's Report. Activities which may be included in the CSR policy by the companies are specified in schedule VII of the Companies Act, 2013. Section 135 along with Schedule VII and corresponding Corporate Social Responsibility Policy Rules have been notified on 27.02.2014 and have come

into effect from 1st April, 2014. Activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to: *Eradicate hunger, poverty and malnutrition, Promote health, education, vocational skills, livelihood enhancement projects and sanitation including contribution to Swacha Bharat Kosh , Equality of gender, women empowerment, Ensure environmental sustainability, ecological balance including contribution to Clean Ganga Fund, Swacha Bharat Koch, Protect natural heritage, art & culture, Benefits for armed force veterans, war widows and dependents, Train to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports, Contribute to PM's National Relief Fund and other applicable central government funds, Fund technology incubators located within Central universities, Develop rural development projects, Slum area development*

VI. WHAT IS SUSTAINABLE DEVELOPMENT :

Sustainable development is the organizing principle for meeting human development goals while simultaneously sustaining the ability of natural systems to provide the natural resources and ecosystem services based upon which the economy and society depend. The desired result is a state of society where living conditions and resources are used to continue to meet human needs without undermining the integrity and stability of the natural system. Sustainable development can be defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. While the modern concept of sustainable development is derived mostly from the 1987 Brundtland Report. According to this report Sustainability means 'meets the need of the present without compromising the ability of future generation to meet their own needs.'

Sustainability has emerged as a result of significant concerns about the social, environmental and economic consequences of consumption of natural resources.

On 25th September 2015, the UN general assembly of 193 countries adopted the agenda for sustainable development. It includes a set of 17 sustainable development goals (SDGs) at 169 targets to be achieved by 2030. These are global goals adopted as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. Every country is needed to reach these goals. The creativity, knowhow, technology and financial resources are necessary to achieve the sustainable development goals. These goals are as below.



India has signed the declaration on sustainable development, therefore set itself targets for implementation SDGs by aligning it with national development goals. The businesses are gradually incorporating sustainable development goals (SDGs) into their responsible business actions.

VII. CSR AND SUSTAINABLE DEVELOPMENT

India ranks 116 of 157 on the SDG index. Therefore immediate action is required through a collaboration between the corporate sector, civil society organisations and the government. In India, the CSR policy under section 135 of the Companies Act (2013) came around the same time as the formation of the SDGs. CSR policy was established to address the various development challenges. CSR and SDGs together have tremendous potential to develop an interconnected model for sustainable growth.

7.1 MAPPING OF CSR WITH SDGS:

The CSR activities of the selected companies mentioned in the annual report of the respective companies were studied by the researcher and the researcher has mapped these activities with the SDGs as shown in the below table.

Table 2 : Mapping CSR of selected companies with Sustainable Development Goals

Name of the Company	Focus area of CSR	Mapping with SDGs no.
Tata Chemicals Ltd	The promotion and growth of rural economy. Rural welfare. Activities relating to environmental protection. Conservation of natural resources. Creating and developing facilities for public education. Fostering conservation and research in the field of natural history. Other programmes for promoting the socio-economic development and welfare or uplift of the people in any rural area in India.	1,2,4,6,7,8,9,10,11,12,16,17
Infosys Ltd.	Art and Culture, Destitute Care, Environmental Sustainability, Eradication of hunger and promotion of education, Healthcare, Rural development, rehabilitation and disaster relief	1,2,3,4,6,8,9,13,15
Bharat Petroleum Corporation Ltd	Education, Water Conservation, Skill Development, Health & Hygiene and Community Development.	1,2,3,4,6,8,11
Mahindra and Mahindra Ltd	Education, Health, Environment	1,3,4,6,,8,9,10,13,15
ITC Ltd	Enhancing environmental and natural capital. Supporting rural development, Promoting education, Providing preventive healthcare, Providing sanitation and drinking water, Creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India, Preserving and promoting sports.	1,3,4,5,6,8,9,10,13,15
Ambuja cement ltd	<ul style="list-style-type: none"> • Eradication Hunger, Poverty, Malnutrition, Preventive Healthcare, • Water and Sanitation, Education, Employability and Livelihoods Enhancement, Gender, Equality and Women Empowerment, Senior Citizens Care, Environmental Sustainability, Rural Development 	1 to 17
Tata Motors ltd	Health, Education, Employability and, Environment	1,2,3,6,7,8,9,11,13,14,15
Vedanta Ltd	Children's Well-being & Education Healthcare, Drinking Water & Sanitation, Women's Empowerment Skilling the Youth for New opportunities , Sports & Culture Agriculture & Animal Husbandry ,Community Infrastructure ,Environment Protection & Restoration	1,2,3,4,5,6,8,9,11,13,14,15
Hindalco Industries Ltd	Health care, Education, Skill Training/ capacity building, Woment empowerment , Agricultural support	1,2,3,4,5,6,8,9,10,11,13,14,15
Indian Oil Corporation Ltd	Safe drinking water and protection of water resources, Healthcare and sanitation, Education and employment-enhancing vocational skills, Empowerment of women and socially/economically backward groups	1,2,3,4,5,6,7,8,9,10,13,14,15

Table no 2 shows the focus areas of selected companies and its mapping with number of SDGs. The analysis shows that the CSR focus areas of selected companies' passes through all 17 SDGs. The main focus of CSR is on Education, healthcare, environment, women empowerment and rural development. The total spending on CSR for the year 2018-19 by the selected companies is Rs.1597.23 cr. As shown in table no 4.

The null hypotheses ‘There is no significant difference in the CSR activities as mentioned in section 135 of companies act 2013 and Sustainable development goals’ is tested by mapping the activities of CSR with the SDGs. The CSR activities are mapped with the SDGs therefore the null hypothesis is accepted.

VIII. CSR LIABILITY AND SPENDING ON CSR

The annual reports of the selected companies for the year 2018-19 were downloaded and the CSR liability and CSR spending is analyzed as given in below table no 05

Table 03 : CSR liability and spending on CSR

Sr. No.	Name of the Company	CSR liability 2018-19 (Rs in Crores)	Spending on CSR 2018-19 (Rs in Crores)
1	Tata chemicals Ltd	19.86	25.68
2	Infosys Ltd.	340	342
3	Bharat Petroleum Corporation Ltd	203.32	177.94
4	Mahindra and Mahindra Ltd	93.37	93.50
5	ITC Ltd	249.29	306.95
6	Ambuja cement ltd	29.74	53.46
7	Tata Motors ltd	38.08	22.21
8	Vedanta Ltd	101.5	50.75
9	Hindalco Industries Ltd	29.97	34.14
10	Indian Oil Corporation Ltd	490.60	490.60
Total		1595.73	1597.23

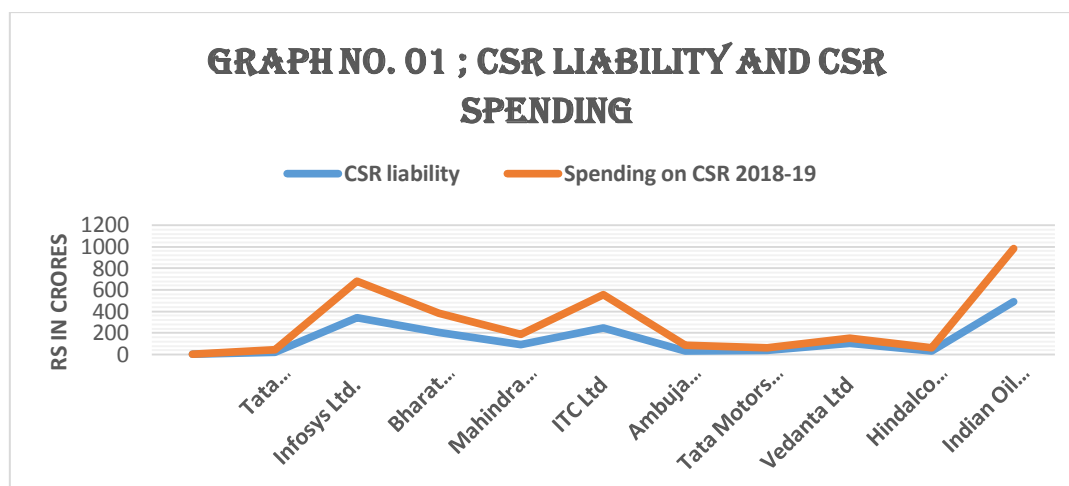


Table 3, Shows the analysis of CSR liability and CSR spending of the top 10 Indian companies for the period 2018-2019. CSR liability shows Rs.1595.73 crores and the CSR spending made by the companies is Rs. 1597.23 Crores. It means Rs 1.5 crores more expenditure is made on the CSR activities. Tata chemicals, Infosys, Mahindra and Mahindra Ltd, ITC ltd, Ambuja cement ltd, and Hindalco Industries ltd companies’ expenditure on CSR is more than the CSR liability as per the Section 135 of companies’ act 2013. The Bharat Petroleum Corporation Ltd, Tata motors Ltd, Vedanta Ltd expended less than the CSR liability, the reason mentioned in the annual report is because the majority of its projects span between one to five years.

IX. CONCLUSION

The study finds out that the CSR activities as per the schedule VII of the companies act 2013 are mapped with the sustainable development goals. All the 17 goals mapped with the CSR activities. The activities for sustainable development goals are passing through the CSR activities. The companies were contributing for the sustainable development goals in the form of CSR activities. The researcher can conclude that the selected top 10 Indian Companies have accepted the social responsibility and are performing for the same. The CSR spending made by the selected companies is more than their liability. Only few companies expended less than the CSR liability, the reason mentioned in the annual report is because the majority of its projects span between one to five years. So it can be concluded that creativity and financial resources are deployed for performing the CSR activities by all the selected companies and gradually incorporating sustainable development goals (SDGs) into their responsible business actions.

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