

A Study of Corporate Social Responsibility with Special Reference to ITC

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Abstract

The theme of social responsibility is rapidly becoming a budding quintessence on the domestic as well global agenda of the corporate sector. The idea of corporate social responsibility (CSR) is not new. Business, through the ages, demonstrated varying degrees of responsibility to society. The present study explores global phenomenon in CSR and examines the corporate social responsibility initiatives and trends of Indian companies on selected CSR indicators in comparison to Asia and world. The study based on secondary data observed that CSR has gone mainstream for the many of the world's companies and is headed in the same direction in India also. India has emerged as a prominent country paying an ever-increasing attention towards corporate social responsibility (CSR) disclosure. Indian companies TCS and ITC have emerged in top 10 ASR 2009 list. Indian companies have shown its presence in the top two positions in most of the CSR indicators i.e. Corporate Governance, Codes, and Policies; Corporate Social Responsibility Strategy and Communication; Corporate Environment Disclosure; Community Investment Initiatives; and total industry score. To conclude, it is evident that the concept of CSR has emerged as a promising benchmark for companies not only in Asia but across the world as a whole. However, the biggest challenge faced by companies is to develop a CSR strategy to find tangible and business focused metrics linked to ethical, social and environmental performance in order to meet stakeholder demands and expectations

Key Words: CSR, companies, corporate governance, responsibilities, community investment.

1. Introduction

Corporate social responsibility (CSR, also called corporate conscience, corporate citizenship or responsible business) is a form of corporate self regulation integrated into a business model. CSR policy functions as a self-regulatory mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards and national or international norms. Business houses and corporate have been taking up social welfare activities from time to time.¹

Recently, priority of business is getting widened from 1 P to 3Ps by inclusion of people and planet with profit. Short-term, charity based welfare interventions are being replaced by long-term, empowerment based Corporate Social Responsibility (CSR). Based on the realization, business cannot succeed in a society that fails, CSR is being considered as an imperative for carrying on business in the society rather than as a charity. While CSR is relevant in business for all societies, it is particularly significant for developing countries like India, where limited resources for meeting the ever growing aspirations and diversity of a pluralistic society, make the process of sustainable development more challenging. CSR interventions-based on commitment, mobilization of employees-voluntarism, innovative approaches, appropriate technology and continuing partnership-have been making lasting differences in the life of the disadvantaged. Further, synergy of corporate action with the government and the civil society are making the CSR interventions more effective and facilitating the corporate carrying on With some models,a firm's implementation of CSR goes beyond compliance and engages in actions that appear to further some social good, beyond the interests of the firm and that which is required by law. CSR aims to embrace responsibility for corporate actions and to encourage a positive impact on the environment and stakeholders including consumers, employees, investors, communities, and others.²

The term "corporate social responsibility" became popular in the 1960s and has remained a term used indiscriminately by many to cover legal and moral responsibility more narrowly construed. Proponents argue that corporations increase long term profits by operating with a CSR perspective, while critics argue that CSR distracts from business' economic role. A 2000 study compared existing econometric studies of the relationship between social and financial performance, concluding that the contradictory results of previous studies reporting positive, negative, and neutral financial impact, were due to flawed empirical analysis and claimed when the study is properly specified, CSR has a neutral impact on financial outcomes. Critics questioned the "lofty" and sometimes "unrealistic expectations" in CSR or that CSR is merely window-dressing, or an attempt to pre-empt the role of governments as a watchdog over

¹ <http://www.csrworld.net/itc-limited-corporate-citizenship.asp>

² <https://www.inderscienceonline.com/doi/abs/10.1504/IJBE.2017.087963>

powerful multinational corporations³

Political sociologists became interested in CSR in the context of theories of globalization, neoliberalism and late capitalism. Some sociologists viewed CSR as a form of capitalist legitimacy and in particular point out that what began as a social movement against uninhibited corporate power was transformed by corporations into a 'business model' and a 'risk management' device, often with questionable results. CSR is titled to aid an organization's mission as well as a guide to what the company stands for to its consumers. Business ethics is the part of applied ethics that examines ethical principles and moral or ethical problems that can arise in a business environment.⁴

ISO 26000 is the recognized international standard for CSR. Public sector organizations (the United Nations for example) adhere to the triple bottom line (TBL). It is widely accepted that CSR adheres to similar principles, but with no formal act of legislation. Business dictionary defines CSR as "A company's sense of responsibility towards the community and environment (both ecological and social) in which it operates. Companies express this citizenship through their waste and pollution reduction processes, by contributing educational and social programs and by earning adequate returns on the employed resources. A broader definition expands from a focus on stakeholders to include philanthropy and volunteering. Most consumers agree that while achieving business targets, companies should do CSR at the same time. Most consumers believe companies doing charity will receive a positive response. Somerville also found that consumers are loyal and willing to spend more on retailers that support charity. Consumers also believe that retailers selling local products will gain loyalty. Smith (2013) shares the belief that marketing local products will gain consumer trust. However, environmental efforts are receiving negative views given the belief that this would affect customer service. Oppewal et al. (2006) found that not all CSR activities are attractive to consumers.⁵

They recommended that retailers focus on one activity. Becker-Olsen (2006) found that if the social initiative done by the company is not aligned with other company goals it will have a negative impact. Mohr et al. (2001) and Groza et al. (2011) also emphasise the importance of reaching the consumer. Initially, CSR emphasized the official behavior of individual firms. Later, it expanded to include supplier behavior and the uses to which products were put and how they were disposed of after they lost value. CSR may be based within the human resources, business development or public relations departments of an organisation, or may be a separate unit reporting to the CEO or the board of

³ [http://www.ey.com/Publication/vwLUAssets/EY-Government-and-Public-Sector-Corporate-Social-Responsibility-in-India/\\$File/EY-Corporate-Social-Responsibility-in-India.pdf](http://www.ey.com/Publication/vwLUAssets/EY-Government-and-Public-Sector-Corporate-Social-Responsibility-in-India/$File/EY-Corporate-Social-Responsibility-in-India.pdf)

⁴ https://www.researchgate.net/publication/276898741_Managing_Levels_of_CSR_Implementation_in_an_MNC_The_Role_of_Receptivity_to_Institutional_Pressures

⁵ https://digitalcommons.tacoma.uw.edu/cgi/viewcontent.cgi?article=1018&context=gh_theses

directors. Some companies approach CSR without a clearly defined team or programme. An engagement plan can assist in reaching a desired audience.⁶

Common CSR actions include: Environmental sustainability: recycling, waste management, water management, renewable energy, reusable materials, 'greener' supply chains, reducing paper use and adopting Leadership in Energy and Environmental Design (LEED) building standards. Community involvement: This can include raising money for local charities, providing volunteers, sponsoring local events, employing local workers, supporting local economic growth, engaging in fair trade practices, etc. Ethical marketing: Companies that ethically market to consumers are placing a higher value on their customers and respecting them as people who are ends in themselves. They do not try to manipulate or falsely advertise to potential consumers. This is important for companies that want to be viewed as ethical. "Social license" refers to a local community's acceptance or approval of a company. Social license exists outside formal regulatory processes. Social license can nevertheless be acquired through timely and effective communication, meaningful dialogue and ethical and responsible behavior. Displaying commitment to CSR is one way to achieve social license, by enhancing a company's reputation. A large body of literature exhorts business to adopt measures non-financial measures of success (e.g., Deming's Fourteen Points, balanced scorecards). While CSR benefits are hard to quantify, Orlitzky, Schmidt and Rynes found a correlation between social/environmental performance and financial performance. The business case for CSR within a company employs one or more of these arguments: A CSR program can be an aid to recruitment and retention, particularly within the competitive graduate student market. Potential recruits often consider a firm's CSR policy.⁷

ITC's ability to leverage internal synergies residing across its diverse businesses lends a unique source of competitive advantage to its products and services. Today, ITC is the country's leading FMCG marketer, the clear market leader in the Indian Paperboard and Packaging industry, a globally acknowledged pioneer in farmer empowerment through its wide reaching Agri Business, the second largest Hotel Chain in India and a trailblazer in 'green hoteliering'. ITC Infotech, a wholly-owned subsidiary, is one of India's fast-growing IT companies in the midtier segment. This portfolio of rapidly growing businesses considerably enhances ITC's capacity to generate growing value for the Indian economy. Acknowledged as a global exemplar in sustainability, ITC is also the only enterprise in the world, of comparable dimensions to be carbon positive, water positive, and solid waste recycling positive for several years in a row. As a testimony to its commitment to a low carbon growth path, 43% of the total energy requirements of ITC are met from renewable sources. ITC's businesses and value chains generate sustainable livelihoods for around 6 million people,

⁶ <https://journals.aom.org/doi/abs/10.5465/ambpp.2013.15600abstract>

⁷ http://www.cbs.dk/files/cbs.dk/corporate_social_responsibility_in_multinational_companies_-_management_initiatives_or_negotiated_agreements.pdf

many of whom live at the margin in rural India⁸

2. Objectives

1. To study about the CSR philosophy implemented by ITC
2. To compare the CSR of ITC with other MNCs
3. To analyse the various initiatives of ITC with regard to CSR
4. To study the impact of the work done by ITC in the real world
5. To analyse the strengths and weaknesses of the ITC CSR programmes

3. Hypothesis

HO: CSR has no real world impact

HA: CSR does indeed have massive real world impact

4. Methodology

The researcher has used descriptive and analytical methodology and the data is collected through mainly secondary sources such as books, articles, books, e-sources.

Chapter 1

About ITC

ITC is one of India's foremost private sector companies with a market capitalisation of over US \$ 30 billion and a turnover of US \$ 6 billion. ITC has a diversified presence in Cigarettes, Hotels, Paperboards & Specialty Papers, Packaging, Agri-Business, Packaged Foods & Confectionery, Information Technology, Branded Apparel, Personal Care, Stationery, Safety Matches and other FMCG products. While ITC is an outstanding market leader in its traditional businesses of Cigarettes, Hotels, Paperboards, Packaging and Agri-Exports, it is rapidly gaining market share even in its nascent businesses of Packaged Foods & Confectionery, Branded Apparel, Personal Care and Stationery.⁹

As one of India's most valuable and respected corporations, ITC is widely perceived to be dedicatedly nation-oriented. Chairman Y. C. Deveshwar calls this source of inspiration "a commitment beyond the market". In his own words: "ITC believes that its aspiration to create enduring value for the nation provides the motive force to sustain growing shareholder value. ITC practices this philosophy by not only driving each of its businesses towards international competitiveness but by also consciously contributing to enhancing the competitiveness of the larger value chain of which it is a part."¹⁰

⁸ https://www.djoef-forlag.dk/services/djm/ledelsedocs/2014/2014_2/DJoMB_vol78_no2_3.pdf

⁹ <https://www.forbes.com/sites/insead/2013/08/14/when-it-comes-to-csr-size-matters/>

¹⁰ <https://economictimes.indiatimes.com/news/company/corporate-trends/mahindra-mahindra-tops-csr-list-in-india-even-as-companies-scale-up-operations/articleshow/49330470.cms>

CSR Philosophy of ITC

Inspired by the overarching vision of making a contribution to the national goals of sustainable development and inclusive growth, ITC has innovatively crafted unique business models that synergise long-term shareholder value creation with enhancing societal capital. This commitment is reflected when ITC measures accomplishments not only in terms of financial performance but also by the transformation ITC has consciously engendered to augment the social capital of the nation. In ITC's 'Triple Bottom Line' approach of contributing to the economic, environmental and social capital of the country. Envisioning a larger societal purpose has always been a hallmark of ITC. The company sees no conflict between the twin goals of shareholder value enhancement and societal value creation. The challenge lies in fashioning a corporate strategy that enables realisation of these goals in a mutually reinforcing and synergistic manner.¹¹

As a corporate citizen with enduring relationships in rural India, ITC has a history of collaboration with communities and government institutions to enhance farm productivity and the rural resource base. ITC's commitments in agricultural R&D and knowledge sharing have spanned vital aspects of competitiveness - efficient farm practices, soil and water management.¹²

ITC is committed to a national agenda of raising agricultural productivity and making the rural economy more socially inclusive. ITC believes that the urgency and scale of these tasks make market linked solutions and innovations more effective and sustainable than capital intensive approaches.

Preamble

It is the Company's intent to make a positive difference to society. It recognises that it cannot do it all; so that if there are choices to be made, bias will be towards doing fewer projects with greater impact and focusing initiatives on communities in which the Company lives and operates.¹³

Policy

It is ITC's policy:

1. To pursue a corporate strategy that enables realisation of the twin goals of shareholder value enhancement and societal value creation in a mutually reinforcing and synergistic manner.
2. To align and integrate Social Investments / CSR programmes with the business value chains of your Company and make them outcome oriented. To support creation of on and off-farm sustainable livelihood sources thereby empowering stakeholder communities to conserve and manage their resources.

¹¹ https://www.sciencedirect.com/science/article/pii/S2212567115000349/pdf?md5=af16036dbc5132b3e7082db544f308ec&pid=1-s2.0-S2212567115000349-main.pdf&_valck=1

¹² <https://www.utrechtlawreview.org/articles/10.18352/ulr.205/gallery/203/download/>

¹³ <https://www.mdpi.com/2071-1050/7/3/3493/pdf>

3. To implement Social Investments / CSR programmes primarily in the economic vicinity of your Company's operations with a view to ensuring the long term sustainability of such interventions.
4. To contribute to sustainable development in areas of strategic interest through initiatives designed in a manner that addresses the challenges faced by the Indian society especially in rural India.
5. To collaborate with communities and institutions to contribute to the national mission of eradicating poverty and hunger, especially in rural areas, through agricultural research and knowledge sharing, superior farm and agri-extension practices, soil and moisture conservation and watershed management, conservation and development of forest resources, empowering women economically, supplementing primary education and participating in rural capacity building programmes and such other initiatives.
6. To align your Company's operations with the national objective of inclusive growth and employment generation by leveraging your Company's diversified portfolio, manufacturing bases, supply chains and distribution channels, to infuse an appropriate mix of capital and technology to further social business initiatives such as e-Choupal, animal husbandry, agarbatti rolling etc. and support organisations / institutions engaged in building linkages with local, regional and urban communities and markets.
7. To sustain and continuously improve standards of Environment, Health and Safety through the collective endeavour of your Company and its employees at all levels towards attaining world class standards and support other programmes and initiatives, internal or external, for the prevention of illness and combating of diseases as may be considered appropriate from time to time.
8. To encourage the development of human capital of the Nation by expanding human capabilities through skills development, vocational training etc. and by promoting excellence in identified cultural fields.

Chapter 2

The ITC e-Choupal initiative is a powerful illustration of a unique and innovative model that delivers large societal value by co-creating markets with rural communities. A network of village internet kiosks – e-Choupals – enable even small and marginal farmers in rural India, who are de-linked from the formal market, to access real-time weather and price information, and relevant knowledge and services to enhance farm productivity, quality and command better prices – improving their competitiveness and capacity to manage risk.¹⁴

Complementing this digital infrastructure is Choupal Pradarshan Khet – customised agri-extension services, demonstration plots and training programmes that enable farmers to access best practices and diversify crop

¹⁴ <https://www.mckinsey.com/featured-insights/leadership/making-the-most-of-corporate-social-responsibility>

portfolios. The ITC e-Choupal initiative has emerged as an efficient two-way channel for a variety of goods and services, and raised farmer incomes, creating sustainable livelihoods.¹⁵

ITC's Farm to Food Products Value Chain

Catalysed by the ITC e-Choupal network, ITC's Farm to Food Products value chain has emerged as a very successful example of value chain augmentation. Supported by ITC's Integrated Watershed Development and Livestock Development Programmes, the Farm to Food Products value chain has brought a new vibrancy to rural economies by making farming a sustainable livelihood – even for the smallest Indian farmer. Eliminating intermediaries and multiple handling, farmers gain from a transparent and efficient procurement channel, substantially higher incomes and crucial market linkages. Effective soil and moisture conservation strengthens farming systems, increases productivity and thus farm incomes.

ITC, for its part, is able to directly source high quality, identity-preserved agri-products providing it with a strong foundation for its agri-based FMCG businesses. By drawing on ITC's business synergies and expertise, coupled with its branding and distribution strengths, its growing portfolio of branded packaged foods is able to offer differentiated products to customers across the country. Linking farmers to ITC's world-class brands like Aashirvaad, Bingo!, Yippee! and Sunfeast ensures that a larger part of consumer spends reaches them¹⁶.

Social & Farm Forestry

ITC's Social & Farm Forestry Programme innovatively converges business needs and social purpose – growing renewable plantations that simultaneously provide a viable livelihood option for wasteland owners, create a sustainable raw material source for ITC's Paper & Paperboards Business and bring multiple environmental benefits. To ensure commercial viability of these plantations, ITC invested in extensive R&D to develop fast-growing clonal saplings that are disease resistant and have a higher rate of survival in harsh conditions.

Tribals and marginal farmers are assisted with loans, subsidised clonal stock and extension services through Social Forestry, while Farm Forestry targets farmers with investible incomes. In this model, farmers are free to transact at will and sell to whoever they choose, though ITC stands as a willing buyer. ITC could have chosen the easier route of importing pulp, rather than the more difficult option of mobilising tribals and marginal farmers which involved long gestation and substantial investment exposure. However, adopting this more challenging route has not only created a source of sustainable livelihoods for a large number of poor families, but has generated large-scale green cover that

¹⁵ <https://www.hbs.edu/faculty/Publication%20Files/12-088.pdf>

¹⁶ <http://www.e-ir.info/2012/06/08/the-role-of-corporate-social-responsibilityhuman-rights-considerations-among-multinational-corporations/>

contributes significantly to groundwater recharge, soil conservation and carbon sequestration. ITC has introduced an agro-forestry model that combines tree growing with crop production.¹⁷

This model ensures both food and wood security and helps in the conservation of precious natural resources. ITC's afforestation programme has been conferred the Forest Management certification from the Forest Stewardship Council, in line with ITC's commitment to achieving internationally benchmarked standards for responsible wood sourcing

ITC's Tree to Textbook Value Chain

With ITC's Social & Farm Forestry Programme as its bedrock, ITC's Tree to Textbook value chain is an exemplary model of linked prosperity that delivers on all three dimensions of the triple bottom line. While all Programme beneficiaries profit from their previously unproductive assets, for marginal and tribal wasteland owners,

ITC's Social Forestry Programme has played a transformational role by bringing them out of the vicious cycle of poverty. ITC benefits from a renewable and secure source of pulpwood for its Paper & Paperboards Business which in turn provides strategic sourcing to its packaging and other FMCG businesses. A key plank in ITC's climate change mitigation strategy, the large-scale green cover created by the plantations has brought significant environmental benefits and has played a vital role in ITC's carbon positive status. Along with clean processes like elemental chlorine free and ozone bleaching technologies employed by ITC's Paper & Paperboards Business, the Programme has contributed to the Company's green credentials. As a result, ITC's Education & Stationery Products Business has been able to strengthen its brand value by offering eco-friendly Classmate notebooks made by small and medium enterprises, and Paperkraft business stationery, as well as enabled ITC's Packaging Business to offer green options to its clients.¹⁸

Integrated Watershed Development

Recognising the vital role of water and irrigation in the rural economy, ITC supports watershed development projects in water-stressed areas, providing precious water resources for agriculture, rural communities and livestock. The focus is on building, reviving and maintaining water harvesting structures as well as implementing other measures which help to reverse land degradation, provide critical irrigation and increase agricultural productivity.

Adopting a participatory approach, ITC works with NGOs to mobilise local communities to form water user groups. These groups are trained to carry out the entire spectrum of activities from planning to execution and maintenance of water harvesting structures. The groups are also trained to formulate regulations

¹⁷ <https://www.futurescape.in/>

¹⁸ https://gupea.ub.gu.se/bitstream/2077/40682/1/gupea_2077_40682_1.pdf

and fix water user charges which go towards creating a fund used to maintain existing structures and build new ones. ITC has also entered into public-private partnerships with several state governments and NABARD, bringing together government and corporate resources to undertake watershed development projects with considerably greater scale and impact. Currently, these projects are targeting to cover over 1,58,000 hectares in some of India's most drought-prone regions.¹⁹

Animal Husbandry & Dairy Development

Livestock plays an important role in the economy of rural India with over 70% of households owning milch animals. ITC's Livestock Development Programme aims at assisting cattle-owners to upgrade their low-yielding indigenous stock through cross-breeding by artificial insemination. Comprehensive animal husbandry services are provided right at the doorstep through Cattle Development Centres managed by trained local community members. Cross-bred yields are significantly higher than indigenous stock, generating substantial supplementary incomes from surplus milk sales and paving the way for dairying to emerge as a viable livelihood option

Women Empowerment

ITC believes that economic empowerment of women strengthens families and societies. It has launched a programme to provide sustainable economic opportunities to poor women in rural areas. ITC assists them to form micro-credit self-help groups so that they can build up small savings and finance self-employment and micro-enterprises. A large number of women earn incomes as self-employed workers or as partners in micro-enterprises. In particular, incense stick rolling projects have emerged as profitable micro-enterprises.

The project in Munger is showing the way – with focused business development services from ITC, women rollers have set up a co-operative to manage production of raw incense sticks and a producer's company to run a scenting-cum-packaging unit. Enabling women to earn independent incomes has a positive impact on their families and communities as it is spent largely on children's education, health and nutrition, and is a catalyst for gendering development.²⁰

Primary Education

ITC's Primary Education Programme addresses the lack of quality primary education in rural communities. Aiming to strengthen the government primary schools' vast network by stemming drop-outs, increasing enrolments and enabling more children to complete school, ITC has set up Supplementary Learning Centres that offer additional coaching to back up learning and help

¹⁹

<http://www.iaeme.com/MasterAdmin/UploadFolder/A%20COMPARATIVE%20STUDY%20OF%20METHODS%20OF%20CSR%20IMPLEMENTATION%20IN%20INDIAN%20CONTEXT/A%20COMPARATIVE%20STUDY%20OF%20METHODS%20OF%20CSR%20IMPLEMENTATION%20IN%20INDIAN%20CONTEXT.pdf>

²⁰ *ibid*

children to keep up in class. The Programme also provides infrastructural assistance to Government schools such as furniture, books, teaching aids, classrooms and toilets.

ITC also supports outreach projects, including mobile libraries that foster the reading habit and a 'roaming laptop' programme that promotes computer skills and interactive learning. As part of this Programme, an initiative called 'Read India Plus' was introduced in 2013 aimed at improving the quality of education for children in and around ITC's areas of operation. During 2014-15, this initiative covered 36,000 children.²¹

ITC's Vocational Training Initiative

ITC's skilling initiative for boys and girls focuses on employability and employment linkages with the larger purpose of empowering rural communities by creating sustainable livelihood opportunities. The initiative aims to build market relevant skills so as to make potential job seekers industry-ready and employable in the manufacturing and service sectors.

As part of ITC's affirmative action plan, it is primarily targeted at Scheduled Castes and Scheduled Tribes, among the most socially and economically marginalised communities in India. The initiative offers training in technical skills for the hospitality, automotive, electrical, computer and construction sectors as well as in a range of trades – tailoring, beautician, bedside nursing, security. Courses run for 4 to 12 weeks, depending on the skill. Through this initiative, ITC plans to train 10,000 youth year-over-year.

ITC's Health & Sanitation Initiative

Open defecation remains a persistent and pervasive problem across the country. It is particularly acute in rural areas where there is a lack of awareness regarding the causality between open defecation and health related issues, especially of diarrhoeal diseases which are a major cause of child mortality in India. ITC's Health & Sanitation initiative seeks to address this serious issue by supporting the building and usage of low-cost family-owned toilets in the catchments of its manufacturing units, the majority of which are located in rural areas.

ITC's strategy is centred on galvanising a people's movement and mobilising empowered grassroots institutions that take the lead in building family-owned toilets. Intensive awareness generation programmes customised to target men, women and children combined with a mandatory financial contribution from participating families help to ensure high and sustained usage levels of the constructed toilets. Wherever possible, the initiative works in active collaboration with government sanitation schemes. This initiative has resulted in the construction of over 8,000 family-owned toilets till date.²²

²¹ ibid

²² <https://www.theguardian.com/sustainable-business/oxfam-multinational-companies-failing-csr>

ITC Green Centre

Reflecting its commitment to a green growth strategy, ITC has been in the vanguard of the green building movement in India. Its first environmentally efficient construction – the ITC Green Centre in Gurgaon, headquarters of ITC’s Hotels Division – was one of the first and largest commercial buildings in the world to receive Platinum LEED®* certification from the US Green Building Council (USGBC) in 2004. It was hailed as “a monument to the future” by Hillary Rodham Clinton, former US Secretary of State, on her visit to the ITC Green Centre during her first official trip to India in 2009. During its re-certification in 2012, the USGBC identified it as the highest Platinum certified green building in the world. Green buildings continue to be a vital plank in ITC’s agenda for positive environmental action. Every new ITC construction is designed in accordance to internationally benchmarked green building norms. All its premium luxury hotels are LEED® Platinum certified and several factories have received Platinum Green Factory Building certification.²³

Renewable Energy at ITC

In line with its conscious strategy to lower its carbon footprint, ITC has steadily enlarged its clean energy portfolio. Currently, renewable sources and carbon neutral fuels provide over 43% of the Company’s total energy consumption. ITC aims to progressively raise this to 50% by 2020. Several of the Company’s factories, facilities and premium luxury hotels, including its iconic property in Chennai, ITC Grand Chola, as well as the ITC Infotech Park are powered by wind energy. Renewable energy sources in ITC comprise the following: Black liquor waste from the pulping process and waste wood biomass from chipping operations in the Bhadrachalam Unit of ITC’s Paperboards & Specialty Papers Business.

Locally sourced chip/sawdust and deoiled bran as boiler fuel in the Kovai Unit. Wind Energy farms for Packaging & Printing, FMCG, Hotels and Paperboards & Specialty Papers Businesses. Improved utilisation of carbon neutral biofuels in the Paperboards & Specialty Papers Business and the year round year operations of wind power projects in Maharashtra and Tamil Nadu contribute to increased utilisation of renewable energy²⁴

5. Analysis

Strength

- ITC has a strong and experienced management
- Strong brand presence, excellent products advertising
- Diversified product and services portfolio which includes FMCG, Hotel chains, paper & packaging and agri-business

²³ <http://www.inquiriesjournal.com/articles/214/the-flipside-of-corporate-social-responsibility-csr>

²⁴ [http://lexicon.ft.com/Term?term=corporate-social-responsibility--\(CSR\)](http://lexicon.ft.com/Term?term=corporate-social-responsibility--(CSR))

- Over 6500 E-Choupal CSR activities and sustainability initiatives enhance ITC's brand image reaching over 4 million farmers
- ITC limited employees over 25,000 people
- Excellent research and development facilities

Weakness

- ITC is still dependant on its tobacco revenues and people have cheaper substitutes and other brands
- Hotel industry has not been able to create a huge market share
Opportunity 1. Tap rural markets and increase penetration in urban areas
2. Mergers and acquisitions to strengthen the brand
- Increasing purchasing power of people thereby increasing demand
- More publicity of hotel chains to increase market share
Threats 1. Strict govt regulations and policies regarding cigarettes
2. Intense and increasing competition amongst other FMCG companies

6. Conclusion

ITC being a very large company and working across different sectors of business is actively engaged in CSR activities having a vision to serve a large National Purpose of Nation building through core values so that every part of the society have the change and accessibility to the basic needs which the rural India doesn't have through imparting assistance and education to uplift them from poverty and misery these people have been facing from a very long time

- ITC promoting their brands through advertisement campaign as well as door to door promotion.
- ITC is also focusing on retailers and whole sellers to promote their brands
- The demand of their project is very low, because people don't know about their brands very well
- ITC knows their strength and weakness in the personal care market, so they are applying new concept to overcome their weaknesses
- ITC now offer in more margins , exiting offers and long credit period to retailers and wholesalers

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