

## **A Comparative Study of CSR Practices of Tata Steel & SAIL**

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**Abstract:** Corporate Social Responsibility has gained significance since the last decade. More and more companies are reporting on their CSR activities. To encourage more entities to participate in the process of development of the society through CSR, the Government of India has implemented the concept of CSR in the new Companies Act 2013 u/s 135. Tata steel and SAIL are among the top companies reporting on CSR. The present study aims to study the comparison between the CSR practices of the two on the various dimensions, namely, education, health, art and culture, environment, road construction, water facilities and creating sustainable livelihoods.

**Keywords:** Corporate Social Responsibility, Sustainability, Environment.

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### **I. Introduction**

Corporate social responsibility refers to company's commitment to operating in an economically, socially and environmentally sustainable manner which is transparent and increasingly satisfying to its stakeholders. Stakeholders include investors, employees, customers, business partners, environment and society. According to the UNIDO, "Corporate social responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (Triple-Bottom-Line Approach), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that."

In the global context, businesses were mainly concerned with profitability and were into charity or donations, likewise, building churches, educational institutes etc. With the passage of time such philanthropy changed to social responsibility of business towards society and companies started focusing on special issues like racial discrimination, pollution etc. More refinements, research and global expansion took place and the companies started reporting on corporate social responsibility in their annual reports. In India the term Corporate Social Responsibility in the pre-industrialization phase was affected by culture, religion, family values and tradition. After independence, it changed to trusteeship. During the LPG era, Indian companies had to compete with the foreign companies and therefore improved reporting practices. Lately, in order to encourage more entities to participate in the process of development of the society through CSR, the Government of India has implemented the concept of CSR in the new Companies Act 2013. The following activities are included u/s 135.

- Eradication of hunger, poverty, preventive health care and malnutrition
- Promotion of education
- Promotion of gender equality
- Ensure environment sustainability
- Protection of natural heritage
- Measures benefiting armed forces
- Training to promote rural and nationally recognized sports
- Contribution to the Prime Minister's National Relief Fund
- Contributions or funds provided to technology incubators
- Rural development projects

### **II. Tata Steel**

It was established in 1907 and is Asia's first integrated private sector steel company. Tata Steel Group is among the top global steel companies. It is now the world's second-most geographically-diversified steel producer, with operations in 26 countries and a commercial presence in over 50 countries. Tata steel collaborates with many govt. agencies, NGO's, academic institutes and sponsoring agencies for undertaking several CSR projects. The various CSR activities of Tata steel are discussed below:

- **Environment**

The environment management of the company is guided by tata climate change policy, tata code of conduct, sustainability policy, environmental policy, vision and UN global compact principles. Tata has reduced the amount of energy required to produce a tone of steel since last four decades and has set target of reducing carbon dioxide emissions by 20 per cent till the end of next decade. Environment management system has been implemented at all mining and manufacturing sites, which are also certified under EMS ISO 14001 and regular audits and reviews are conducted for them. Environment management committee monitors and assesses the environmental risks, likewise, noise level, waste, water impact, air quality levels, dust suppression arrangements and records stakeholders concerns, priorities and expectations.

- **Sustainable Livelihoods**

Tata steel has undertaken various development initiatives in the rural and semi-urban areas to exploit the skills and resources of the locals hence improving agricultural productivity, crop yield, enhancing irrigation facilities and enhancing rural communities capacity through skill-based trainings in farming techniques. Examples are: SRI (System of Rice Intensification) method of paddy cultivation benefitting more than 2000 farmers, dry land farming project in collaboration with International Crop Research Institute for Semi-Arid Tropic (ICRISAT), Hyderabad, developed more than 200 acres of land resulting in increased yields, more than 16000 acres of wasteland have been brought under cashew, mango and lemon plantations and 152 irrigation structures including lift irrigation facilities, creation/renovation of ponds, etc. were created in Jharkhand and Odisha.

- **Health**

Tata steel offers healthcare services in the states of Chattisgarh, Jharkhand and Odisha. Its major hospital is in Jamshedpur called the Tata Main hospital, two super dispensaries, nine dispensaries and five society hospitals and other located at all mining sites where free medical treatment is provided to employees and to others at nominal charges. Many projects were undertaken by Tata steel, likewise, Project MANSI on maternal and new born survival, Project RISHTA on adolescent health, Project ROSHNI to provide nursing and midwifery training to tribal girls and Projects like SATHI, Kavach, BASE and Sneh Kendra on HIV/AIDS awareness and treatment. First mobile hospital, Lifeline Express in 1991 was launched using the Indian Railway network. It is equipped with a modern operation theatre and other medical facilities, offering on-the-spot diagnostic, medical and advanced surgical treatment through preventive and curative interventions to persons with orthopaedic, ENT and eye ailments.

- **Active Volunteering**

Many employees at Tata Relief Committee's assist disaster management programmes, likewise, a natural disaster, an immunisation drive or Aids awareness camps. The company allows its employees to take time off from for such activities. Such activities are included in the Tata group ethos under the support of the Tata Council for Community Initiatives (TCCI), which encourages and guides in volunteering activities.

- **Education**

Tata steel has scholarship programmes, namely, Jyoti Fellowships for SC/ST communities, Parivar Scholarships for children of relocated families, Moodie Fellowship for meritorious tribal students and the JN Tata Endowment that advances loan scholarships. The Company has built educational institutes, including the prestigious Institute of Mathematics in Bhubaneswar. Other activities include, Mid-day meal programme, run in partnership with Government of Jharkhand, running Camp School programme in two schools at district of Jharkhand where drop-out girls in the 9-14 years age-group undergo a nine month bridge course, coaching programme for Class 8, 9 and 10 which aims to strengthen the basic concepts and improve performance in subjects like English, Mathematics and Science, adult literacy programme for rural women and Project Aakanksha for education of tribal children.

- **Sports & Adventure**

Tata steel plans to open Excellence Centers in selected sports at various schools having the necessary infrastructure. Apart from various fields of sports (Tata Football Academy, Tata Archery Academy and Tata Athletics Academy), the Company has established the Tata Steel Adventure Foundation (TSAF), to induct people from all walks of life to the thrills and wonders of adventure sports, thereby developing a healthy rapport with environment and nature. It has also constructed many stadiums, likewise, JRD Tata Sports Complex, Keenan Stadium, Sumant Moolgaonkar Stadium and Feeder Centers for sporting talent from rural and urban areas. The Tata Steel Chess Tournament attracts thousands of international visitors, including chess grandmasters.

### **III. Steel Authority of India Limited (SAIL)**

Steel Authority of India Limited was established in 1973 with the objective to plough prosperity back into the environment, to reduce inequalities by providing quality education, healthcare, infrastructure and employment avenues to all, to ensure that man and nature live in harmony, to preserve the originality and beauty of Indian culture while simultaneously promoting scientific temperament and modern technology. "To make a meaningful difference in people's lives" is the philosophy of SAIL. CSR activities of SAIL are discussed below:

- **Model steel villages**

SAIL has adopted 79 villages across 8 states (Chhattisgarh, West Bengal, Orissa, Bihar, Jharkhand, Karnataka, Tamil Nadu, and Madhya Pradesh) to develop them as Model Steel Villages (MSVs) in a phased manner. The developmental activities include medical & health services, education, roads & connectivity, sanitation, community centers, livelihood generation and sports facilities.

- **Creating Sustainable Income**

SAIL imparts training and help communities so as to make them self sustaining units. Such programmes aim at promoting rural savings and credit, natural resource management, village infrastructure development, increased agricultural productivity through better management of resources and intensive cropping, skill development and enhancement of the community. It provides land, water, infrastructure facilities, consultation services, security deposit etc. to promote ancillary industries. For women upliftment, Mahila Samities have been formed in all SAIL plants which perform various activities: women empowerment and development, community welfare activities, assistance during natural calamities, providing assistance to women belonging to economically weaker section etc.

- **Roads**

SAIL has been actively involved in the construction and repair of roads every year, thereby providing communication facilities to nearly 2 lakh people across 329 villages every year. In the year 2009-10, 103.35 kms of pucca road were constructed benefiting 17, 24,114 people.

- **Environment**

SAIL carried out plantations at all plants and mines across 200 acres of degraded land in Orissa. Pisciculture has been done in the abandoned quarries at Purnapani and 300,000 fishlings have been released in the quarry waters. Medicinal plantation of amla was undertaken in Chhattisgarh region recently. An agreement has been signed with Department of Bio-technology, Government of India and Centre for Environment Management for Degraded Eco-system, University of Delhi for ecological restoration of barren mined out areas and waste dump sites at SAIL mines.

- **Preservation of Art & Culture**

Performers from the field art are invited and felicitated by SAIL regularly. Live shows and concerts organised by SAIL popularise classical art forms and encourages their reception and appreciation in the society. In order to promote classical arts, SAIL provides financial help to organisations like SPICMACAY. It has taken up the task of preserving the Lodhi Tomb complex in New Delhi. Developmental work has also been undertaken at Swargadwar and Temple Complex at Vedyas near Rourkela, Orissa.

- **Medical and Health Care**

SAIL hospitals have participated in the National RCH (reproductive and child health) program and National Health Programmes like National Tuberculosis Program, anti-Malaria, Anti Leprosy Program etc. and various health camps have been organized like Tuberculosis Camp, Anti Leprosy Camp etc. 20 hospitals are managed by trained medical staff of around 4000 people. SAIL also promoted the Government's Small Family Norms and has also launched HIV/AIDS awareness and control program in partnership with National AIDS Control Organisation (NACO), Ministry of Health and Family Welfare. SAIL has established 54 primary health centers, 12 reproductive & child health (RCH) centres, 17 hospitals and 7 super-specialities. SAIL has organised an AIDS awareness & control programme in partnership with the National AIDS Control Organisation (NACO), Ministry of Health & Family Welfare and also participates in national health programmes like TB control, anti-malaria, leprosy eradication, etc. Health camps are also organized at various villages in which the facilities of free health check-up, path lab treatment, medicines and immunization were made available. Mobile medical units are provided by SAIL to leading NGOs to help elderly and needy people obtain medical care.

- **Sports**

SAIL formed the Steel Plant Sports Board in the 1960s in association with TISCO and set up 6 sports academies. The company conducts round-the-year sports activities in its main plants (at Bhilai, Rourkela, Durgapur, Bokaro and Burnpur) in the following disciplines: athletics, basketball, bridge, chess, cricket,

football, hockey, kabaddi, power lifting, and volleyball. SAIL promote other sports like badminton, bodybuilding, boxing, carrom, gymnastics, handball, judo, karate, kho-kho, lawn tennis, swimming, table tennis, taekwondo, trekking, weightlifting, wrestling and yoga and also has regular teams in football, hockey and cricket, affiliated to Indian Football Association and Indian Hockey Federation. SAIL has extended support for the Indian women's weightlifting team to participate at international events, the Indian Davis Cup team, Chennai Open (lawn tennis), All India Jaipal Singh Gold Hockey Tournament at Rourkela, AITF-SAIL (India-Pakistan) Lawn Tennis Championships, All India Tennis Association, New Delhi, 7th World Korfball Championship, Jawaharlal Nehru Hockey Tournament, New Delhi etc.

- **Access To Water Facilities**

SAIL has provided potable water to the people of its township and those living in nearby areas. It has installed 5,153 water sources, including borewells with handpumps, overhead tanks, ponds and taps, as well as laying pipelines for transportation of water. 157 water infrastructures are constructed every year for people living in far-flung areas.

- **Peripheral Development**

It has contributed to development of peripheral areas by addressing to issues such as health and medical welfare, education, access to water, sanitation, power and roads, women's empowerment, generation of employment, electricity, sports, culture, etc., at each of its plants and units upto a radius of 16 kms.

- **Education**

SAIL has established 146 schools in townships to impart modern education to more than 69,000 children and also supports other public schools, managed independently and opened primarily to support the growing demand for education. Free schools have been started in each of townships for underprivileged children where free nutritious midday meals, uniforms, textbooks etc., scholarships for weaker sections and scheduled Castes/tribes are also provided. SAIL has set up an ITI at Gua Ore Mines and Samastipur in Bihar.

#### **IV. CONCLUSION**

<b>CSR ACTIVITIES</b>	<b>TATA STEEL</b>	<b>SAIL</b>
MODEL STEEL VILLAGES	No	Yes
SUSTAINABLE LIVELIHOOD	Yes	Yes
ROADS CONSTRUCTION	No	Yes
ENVIRONMENT	Yes	Yes
ART & CULTURE	No	Yes
MEDICAL/HEALTHCARE	Yes	Yes
SPORTS	Yes	Yes
WATER FACILITIES	No	Yes
PERIPHERAL DEVELOPMENT	No	Yes
EDUCATION	Yes	Yes

Iron and steel industry is the most polluting and resource intensive industry. As it consumes huge amount of natural resources like, coal, iron ore, etc, as raw material, it has to be responsible towards environment protection and peripheral development. <sup>(2)</sup>TATA steel and SAIL are among the top companies reporting on CSR in the private and govt. sector. As is evident from the table that in most of the dimensions, both companies are doing their part towards corporate social responsibility, likewise, education, sports, healthcare, education but SAIL, being a PSU is engaged in more activities as compared to Tata steel in areas like art and culture, road construction, water facilities and adopting villages. From the annual reports it is found that the total profit after taxes (2013-14) of Tata steel was 6,412 crores and its total spending on CSR was 212 crores, which is 3.31% of PAT. Total profit after taxes (INR) of SAIL were 2616.48 Crore and total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax was 1.71%. Though the new Companies Act, 2013, which made spending 2% of their profits on CSR mandatory, came into force only in April 2014, the last couple of years have seen a significant increase in CSR expenditure by firms. This can be attributed to the desire of companies to project them as socially responsible. Both companies are preparing the Sustainability reports in accordance with the GRI (global reporting initiative) G3.1 guidelines. The new companies Act 2013 will force companies to seriously contemplate social responsibility.

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