
**STUDY OF CORPORATE SOCIAL RESPONSIBILITY (CSR) VISION
AND POLICY (with special reference to Reliance Industries Ltd.)**

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ABSTRACT:

The impact of corporate social responsibility (CSR) ratings has grown exponentially in the last decade. Nevertheless, there remains an extended debate about the acceptability and value of corporate responses to CSR concerns. There are different views of the role of the firm in society and disagreement as to whether wealth maximization should be the sole goal of a corporation. An increasing number of shareholders, analysts, regulators, activists, labor unions, employees, community organizations, and news media are asking companies to be accountable for an ever-changing set of CSR issues. There is increasing demand for transparency and growing expectations that corporations measure, report, and continuously improve their social, environmental, and economic performance. Reliance Industries Limited (RIL) is India's largest private sector enterprise with businesses across the energy and materials value chain and a strong presence in the rapidly expanding retail, telecommunications and media sectors. This study depicts how RIL's diverse projects and operations touch lives of people in many ways and create value by helping in overall and holistic development of communities across multiple geographies. Through its various initiatives, the group endeavors to play a relevant role by serving communities and projects that address gaps in basic societal requirements.

Keyword: Corporate Social Responsibility (CSR), Reliance Industries Limited (RIL), Reliance Foundation (RF)

INTRODUCTION & BACKGROUND

According to Business for Social Responsibility (BSR), corporate social responsibility is defined as “achieving commercial success in ways that honor ethical values and respect people, communities, and the natural environment.” McWilliams and Siegel (2001:117) describe CSR as “actions that appear to further some social good, beyond the interest of the firm and that which is required by law.”

Each organization differs in how it implements corporate social responsibility, if at all. The differences depend on such factors as the specific organization's size,

the particular industry involved, the firm's business culture, stakeholder demands, and how historically progressive the organization is in engaging CSR. Some companies focus on a single area, which is regarded as the most important for them or where they have the highest impact or vulnerability—human rights, for example, or the environment—while others aim to integrate CSR in all aspects of their operations. For successful implementation, it is crucial that the CSR principles are part of the corporation's values and strategic planning, and that both management and employees are committed to them.

Furthermore, it is important that the CSR strategy is aligned with the organization's specific corporate objectives and core competencies.

RELIANCE INDUSTRIES LIMITED(RIL)

Founded by Dhirubhai H. Ambani (1932-2002), the Reliance Group is one of India's largest private sector enterprise with an annual revenue of \$ 74.5 billion.

Reliance Industries Limited is the flagship Company of the Group and is featured in the Fortune Global 500 list of the world's largest corporations for the tenth consecutive year and was ranked 107th in terms of revenue and 128th in terms of profit . As per Newsweek's Green Rankings 2015, RIL is India's greenest and most environment-friendly company, ranking 185th among the world's largest 500 companies. The Company has expanded rapidly and integrated backwards into various industry sectors, most notably production of petrochemicals and refining of crude oil. RIL is a conglomerate headquartered in Mumbai, India and carries out its business activities in over 50 domestic locations with manufacturing facilities at Allahabad, Barabanki, Dahej, Hazira, Hoshiarpur, Jamnagar, Nagothane, Nagpur, Naroda, Patalganga,

CSR Vision of RIL

Fundamental philosophy of RIL is that Growth is Energy, Growth is Value, Growth is Happiness, and Growth is Life.

OBJECTIVES OF THE CSR POLICY

The objectives of this policy are to :

- Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models
- Stimulate a sense of empathy and equity among employees of RIL to

motivate them to give back to the society

SCOPE OF CSR POLICY

Enabling lives, living and livelihood for a stronger and inclusive India

This policy is applicable to RIL in India. The following are the key elements of the policy:

- Vision and framework of Corporate Social Responsibility and its approach towards the same.
- Key focus areas of inclusive development
- Overview of the implementation strategy of various CSR initiatives
- Methodology of measuring and reporting outcomes and impact
- Governance Structure

As a responsible corporate citizen, RIL has embarked on several initiatives of scale in the education, healthcare and livelihood domains. RIL endeavors to continuously learn from its experiences and adapt its policies and implementation strategy on an ongoing basis.

CSR POLICY:

Conscious business decisions by the group have directly and indirectly created value for multiple stakeholders and helped in improving lives of the people. RIL has always believed in creating societal value by providing affordable products and services which have assisted in the growth of relevant industries. Across all its areas of operations, there are inherent linkages and interconnections with the immediate and long term societal impact.

In addition, RIL impacts lives particularly of several hundreds of thousand underprivileged people through our CSR activities.

RIL seeks to continue its contribution to the society through its distinct value proposition

that meets the needs of millions of people, enhancing their lives through healthcare, improving quality of living by providing education and enabling livelihoods by creating employment opportunities- through the following:

- a) For the Business- value created for the society through business (including employment generation, market growth, creating opportunities etc.)
- b) By the Business- value created through CSR initiatives across different operating facilities with appropriate linkages to local communities in which they operate.
- c) Beyond Business- value created through interventions for the communities in diverse geographies across India.

RIL has been involved in various Social Responsibility initiatives over the last many years. These efforts have substantially improved the quality of lives of people through health care, education, livelihoods and community development initiatives, making their living experience dramatically better. These activities are spread across India and reach well beyond our business locations impacting the lives of marginalized communities.

To provide impetus to various Social Responsibility activities across the group, Reliance Foundation (RF) was set up in 2010. Led by Smt. Nita M Ambani, RF has a comprehensive approach towards development with an overall aim to create and support meaningful and innovative activities that address some of India's most pressing development challenges, with the aim of enabling lives, living and livelihood for a stronger and inclusive India. Most CSR activities within RIL are carried out under the umbrella of Reliance Foundation.

The key philosophy of all CSR initiatives of RIL is guided by three core commitments of **SIS:**

- a) **S- SCALE**
- b) **I- IMPACT**
- c) **S- SUSTAINABILITY**

An endeavor is made to ensure that all initiatives undertaken by the group have an impact on the beneficiaries in improving their lives. The initiatives also should be replicable, scalable and sustainable on a long term basis. RIL aims to continue its efforts to build on its tradition of Social Responsibility to empower people and deepen its engagement with a view to improve lives, living and livelihood of millions on a sustainable basis.

Focus Areas of Engagement

For a company with diversified businesses like RIL, there are several opportunities to increase and deepen social impact at scale and generate value for all. RIL seeks to strategically consolidate the company's CSR initiatives to focus on discrete social problems, all aimed at enabling lives, living and livelihoods. Owing to its long tradition of social responsibility, the value of sustainable social impact at scale is instilled across the conglomerate.

RIL has identified 6 focus areas:

1. **Rural Transformation:** • Creating sustainable livelihood solutions, addressing poverty, hunger and malnutrition
2. **Health:** Affordable solutions for healthcare through improved access awareness and health seeking behaviour
3. **Education:** Access to quality education, training and skill enhancement
4. **Environment:** Environmental sustainability, ecological balance, conservation of natural resources

5. Arts, Heritage and Culture:
Protection and promotion of India's art, culture and heritage

6. Disaster Response: Managing and responding to disaster

RIL aims to continue its work in the above mentioned areas and scale up further for better reach, deeper engagement and impact. Key areas where RIL has been working and seeks to continue its efforts are as under:

Rural Transformation:

To work towards bridging the developmental gap between rural 'Bharat' and urban India by improving livelihood, addressing poverty, hunger and malnutrition. Key initiatives include:

- a) Supporting Farm and non-farm livelihoods
- b) Improving water conservation and rain-water harvesting
- c) Developing community based initiatives like VFAs and producer companies towards building capacity of the community and ensuring sustainability.
- d) Using technology towards delivering need based information for improving quality of life.
- e) Improving food security and enhancing nutrition
- f) Developing Community infrastructure

Healthcare:

To address issues around affordability and accessibility of quality healthcare and bring about improvement in awareness and health seeking behavior in various parts of India, enabling a better living, through initiatives such as:

- a) Primary, secondary and tertiary care facilities
- b) Conducting need based health camps and providing consultation, medicines etc.
- c) Working on maternal and child health
- d) Behavioral change for improved mother and child health

- e) Improving healthcare delivery through innovative outreach programmes
- f) Working for the visually impaired
- g) Working in the areas of Communicable and non-communicable diseases
- h) Using technology for training, competency evaluation and clinical decision support for medical professionals with a view to improve quality of healthcare

Education:

To work on several educational initiatives to provide quality education, training, skill enhancement for improving the quality of living and livelihood. Initiatives are aimed at:

- a) Promoting primary and secondary education
- b) Enabling higher education through merit cum means scholarships, including for differently abled across the country.
- c) Using sports as a tool for development of students in both urban and rural settings
- d) Promoting higher education including setting up and supporting universities
- e) Skill development and vocational training

Environment:

To enable enhanced livelihood and quality of life, promote environment sustainability through various initiatives for:

- a) Ecological sustainability
- b) Promoting biodiversity
- c) Conservation of natural resources
- d) Maintaining quality of soil, air and water
- e) Promoting renewable energy
- f) Developing gardens and river fronts

Protection of national heritage, art and culture:

To work towards preserving the rich heritage, arts and culture of India for its future generation and make conscious efforts to ensure its continuity and enhance avenues for livelihoods of

traditional artisans and craftsmen. Key initiatives include:

- a) Working towards protecting and promoting India's art, culture and heritage through various promotional and developmental projects and programmes.
- b) Support and promotion of artists and craftsman
- c) Promotion and preservation of traditional art and handicraft
- d) Documenting India's rich heritage for the benefit of future generations

Disaster Response:

RIL has a track record of organizing timely relief and rehabilitation of communities affected by natural calamities.

To strengthen efforts in the area of Disaster Response towards establishing RIL as one of the leading organizations with the capacity to respond in a timely and impactful manner in the affected areas. Key initiatives include:

- a) Building capacities of local communities to respond to disasters
- b) Developing expertise and resources to respond to disaster

IMPLEMENTATION STRATEGY:

Engagement Model- RIL is committed towards improving the lives of India's most marginalized and vulnerable communities.

- a) Direct Engagement: RIL to have a direct engagement strategy- most initiatives to be conceptualized and executed directly through a team of professionals.
- b) Partnerships: In addition to direct engagement, in specific cases, to partner with other organizations who have the technical expertise and experience to undertake various programmes in the identified core focus areas of operation, to improve our outcomes.

The following summarizes the core model of engagement:

- a) Working towards improving lives of India's most marginalized and vulnerable communities
- b) Direct engagement with the communities through a team of trained professionals
- c) Focus on local needs, community ownership and long term sustainability
- d) Outcome and impact orientation
- e) Creating demonstrable models of development for replication
- f) Leveraging technology for development solutions

The Social Responsibility initiatives of RIL to be implemented:

- a) Directly or through Reliance Foundation, or a registered trust, society or company established by RIL or its holding, subsidiary or associate company under section 8 of the Act, or
- b) Any other foundations, trusts, or a section 8 company (or erstwhile Section 25 company) or any other form of entity with a track record of at least three years in carrying out activities in related areas. While engaging with partners, RIL to evaluate the credentials of the implementing entity and seek relevant documents, information and details as per company guidelines.
- c) RIL may also collaborate with other companies or institutions for undertaking projects or programs for CSR activities

MEASURING AND REPORTING OUTCOMES AND IMPACT

Reliance's Monitoring & Evaluation (M&E) framework aim to focus on outcome and impact measurement in multiple ways by measuring change in the lives of the communities that it engages with. The M&E team, comprising in-house team of experts, to continue to play a critical role in routine monitoring and analysis of the different parameters that represent the programmes through:

- a) Impact assessment studies

- b) Routine program monitoring to track key operational strategies
- c) Focus on beneficiary acceptance and course correction
- d) Efficient information systems towards developing solutions for collecting, collating, storing, processing and transmitting information

The knowledge generated from different studies to be used for supporting the advocacy cause of development issues to positively influence the evidence based decision making process in development sector.

RIL to continuously strengthen its existing systems and processes to capture the impact (social/economic and developmental) through its various initiatives across multiple mediums. Periodic reports of CSR initiatives are presented before the Corporate Social Responsibility and Governance Committee (CSR&G) and Board of Directors of the company.

Corporate Social Responsibility and Governance Committee

- a) RIL's Board of Directors have formed a CSR&G Committee. This committee, along with the CSR team, to be responsible for the decision making with respect to RIL CSR policy.
- b) CSR&G Committee recommended the policy to RIL's Board of Directors and the

Board of Directors have approved this policy.

- c) The Board level Committee to meet at least twice a year to review the implementation of CSR projects/ programs and give suitable direction

CSR Budget

The Board of RIL to ensure that minimum of 2% of average net profit of the last 3 years is spent on CSR initiatives undertaken by RIL

- b) All expenditure towards the programs to be diligently documented
- c) In case at least 2% of average net profit of the last 3 years is not spent in a financial year, reasons for the same to be specified in the CSR report
- d) Any surplus generated out of the CSR activities not to be added to the normal business profits of RIL.

CONCLUSION

For sustainable value creation every organization should have CSR Policy and CSR vision. CSR projects and programmers should be properly documented. The objective of this paper will demonstrate commitment to the common goal through responsible business practices and good governance. To ensure sustainable change the knowledge of policy will actively support to organization's vision & mission.

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