

SPEECH

Board Strategies in Promoting Innovative and Sustainable CSR Initiatives for Inclusive Growth

March 7, 2020, Mumbai (India)



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Ladies and Gentlemen! A very good morning!

It is a pleasure and privilege to be part of this inaugural session of this 14th International Conference on Corporate Social Responsibility organized by Institute of Directors. I am also glad to know that Golden Peacock Awards are being presented during this conference.

At GMR Group, we have had the honor of receiving several Golden Peacock Awards in the past for our Corporate Social Responsibility activities at various airports and power plants, and I take this

“CSR cannot be a government responsibility alone. It is important to pool ideas. CSR is a Fundamental Duty of all citizens. There is no greater joy than serving the society”.

opportunity to thank Institute of Directors for recognizing our efforts. This indeed motivates our foundation team to continue do the good work.

I must say that the conference theme is very apt 'Board Strategies in Promo

ting Innovative and Sustainable CSR for Inclusive Growth'. I would love to share as how at GMR we have the board strategies for CSR, how we are doing in innovative and sustainable manner to ensure inclusive growth.

Friends, inclusive growth is at the core of GMR Group, and we do that with passion and commitment. Just as we are passionate for creating world-class national assets, same way we are passionate for making maximum impact on the lives of underprivileged people through our foundation activities.

As per Group's philosophy, CSR is initiated as soon as the decision to commence business at a site is taken. The idea is to provide the necessary support to the community right from the start, and not wait for the Company to commence operations, make profits and then start CSR.

Well, this was rooted almost fifty years back. I still remember the initial days of my village, back in early seventies where the foundation of 'inclusive growth' was laid. Being born and brought up in a very backward region of Andhra Pradesh, in the village Rajam of Srikakulam district, where Naxalism was born, I have seen poverty very closely. Even after 30 years of independence, the village people lacked necessities for living.

While passing through the colonies of washermen, scavengers, barbers, I realized as how horrible conditions they were living in. This used to disturb me deeply inside. While travelling out from the village, I could see the village men and women defecating in the morning in the open - something I felt was against basic human dignity. This triggered my building public

toilets in the rural areas much before Swachh Bharat came.

While in the initial years, I was helping the needy and the poor, but in a reactive way like giving money to some poor, funding hospital bills for some sick poor people. Then I came across Mr. PDK Rao, a professor teaching nuclear physics in US, but left the luxurious life and came to India to serve the society, his NGO Sodhana is doing work at the grass-root level for children's education. He advise me that I need to work proactively in a structured manner for the maximum impact. That was the birth of the GMR Varalakshmi Foundation.

I deeply thought about the reasons for poverty and empathized for the three major reasons –

- Illiteracy
- Diseases due to poor health conditions,
- and Apathy, lack of motivation

These became focus areas for our Foundation, which are Education, Health and Hygiene, Community Development, and Empowerment for livelihoods through Vocational Training. Further, I realized that it is very important to professionalize the foundation; it should be woven into the fabric of the Group, sustainable and far-reaching.

This structured approach of foundation was then woven into the GMR Group Vision, which is “GMR Group will be an institution in perpetuity that will build entrepreneurial organizations making a difference to society through creation of value”. The element of 'making a difference to society' in our vision says it all. Our Foundation has been operational since last 26 years much before CSR was made mandatory in the Country.

We are also very innovative in our approach for the foundation activities to ensure maximum reach and maximum impact. For example, in the areas of where GMR Group has business operations, our Foundation starts first with the need assessment studies. We engage the local communities in the process, identify the areas of services in the domain of our foundation, and create a map of those thrust areas.

Once, the thrust areas are identified, we then tailor the programs as per the locational and situational needs. This methodology ensure that we are delivering what is required, which in turn fulfil our objective of maximum impact.

Another innovative approach will share as how our Foundation engage with most deprived communities. To interact and mingle with such communities is very challenging, as they all live and operate in a very close environment. However, with great perseverance we create Trust and then identify their problem areas.

For example when we worked with Bamboo community, we identified five problems – heavy debt, heavy drinking, lack of skills, illiteracy, and unable to sell products at right price. Then, we create self-help groups and addressed all their issues by getting rid of debt, rehabilitation for getting rid of drinking, providing education and skill training, and getting right price for their products. Similar way we do for many communities like scavengers, dhobis etc.

Friends, let me talk about each of our foundation focus areas. On the education front, we are running several educational institutes in the rural areas where access to education is a big challenge. We are running one engineering college, one degree college and 4 schools. Slowly, we have expanded this, and today we have more than 10,000

students in our educational institutions.

We work with about 300 government schools reaching out to about 55,000 children helping them achieve better learning levels. We also run about 25 Bala Badis and work with 180 government Anganwadis. About 6,000 children are receiving quality pre-school education through this initiative. We have introduced E-education also in about 100 schools through various programs like Kidsmart Centers, E-class rooms and E-learning centers. We run tent schools to offer bridge courses for about 700 children from migrant labor communities.

We also have an innovative initiative called Pratibha Library cum Counselling Centre running in tier 2 and 3 cities. This helps provide guidance and counselling to rural youth for various job opportunities, and helps them to prepare for government jobs by conduction coaching classes. Over the years, hundreds of youths from far-flung areas have been able to get into various aspirational government jobs through this initiative.

We also have a very special program called 'Gifted Children' at our Foundation. We started this more than a decade back where we select poorest of the poor children and take responsibility of their entire education.

The first batch of 10 students, which was personally selected by me some 15 years ago, was a great success, with 4 children becoming engineers, 2 chartered accountants, and 1 girl selected for higher education in USA. Our Foundation has also facilitated admission of 12 students into a prestigious US Community College Initiative Programme (CCIP) for one year duration.

If given a right platform these children have tremendous potential, they can conquer the world. These children from extremely poor villages, with good education are able to transform not only their lives but of their entire family. Today, we have close to 250 children under this scheme.

Our foundation staff has also been invited and sponsored to look at the best models in US and learn from it. This way we bring the best practices across the world to here in India.

On the health and hygiene front. Our Foundation runs a 165-bed multi-specialty hospital, a 30-bed hospital, about 25 medical clinics and 8 Mobile Medical Units in the areas where quality healthcare facilities are not accessible. These reach out to more than 50,000 beneficiaries every year.

We have also undertaken efforts in the area of sanitation, which we have been doing since last 30 years, as I mentioned earlier much before Swachh Bharat. We have built 28 public and community toilets apart from supporting over 2,000 families for construction of Individual Sanitary Lavatories. Building these toilets are easy, but to maintain them hygienically and run them sustainably is most challenging, which we have achieved by our rigorous standards and procedures.

We also give special focus on women and child health. 15 Nutrition centers are run by our Foundation to provide nutrition supplements and health awareness to pregnant and lactating women.

On the 'empowerment and livelihood' front. Our flagship vocational training program has 15 centers across the country where we train about 7,000 schools and college dropouts youth every year. Till date we have skilled about 65,000 youths with 80% placement. We have more than 30 disciplines of different skilling courses in strategic collaboration with industries such as Voltas, Schneider, Volvo and IBM. We also keep track

of all those skilled people and wherever required provide up-skilling as well.

On the front of community development and empowerment, we try to promote social entrepreneurship. Our skill development centers facilitates in providing financing through bank loans for the youths skilled by us, who wants to start their own businesses. With this, hundreds of youth have set up enterprises ranging from a village photographer, tailor shop, bike repair shop where they themselves are now employing other unemployed youths under them thus becoming employment givers.

Also a major social enterprise that has grown well from training women for making jute and other handmade products has been EMPOWER, where support has also been provided for marketing through a shop at the Hyderabad airport and other channels. Recently it also got a major order from TTD (Tirupati Deva Sthanam) for 32,000 bags and its annual turnover will cross Rs 1 cr this year. More than 50 women are actively engaged in this social enterprise at Hyderabad, Delhi and Badrinath earning around 8,000- 10,000 per month.

We are working with about 200 women Self Help Groups to provide skill trainings, production and marketing support to them for taking up different income generation activities. We are supporting about 1,700 rural families for enhancing their incomes through farm and non-farm livelihood activities. We need to keep on innovating social entrepreneurship especially in rural areas, as it is a great catalyst especially for employment generation.

Apart from running direct CSR activities through Foundation, the Group also selectively supports some other causes and organizations. Like running orphanages in Telangana through supporting Miracle Foundation of US, supporting CanSupport that helps cancer patients, Auto Raja who has helped hundreds of destitute in Bangalore picking them from streets and helping in their rehabilitation, supporting NGO Sodhana that specialized in early child education and runs many Bala Badis in rural areas.

Where we see genuine cause and merits, we do support them as well. We also do surprise audits and checks in order to ensure the quality of the work.

Friends, to ensure the sustainability of our Foundation, we have professionalized it to the core. A Board of eminent personalities of the field governs our foundation, with me as the Chair Person. We have a CEO and Directors for each focus areas. More than 100 Professionals drawn from top academic and social work institutions manage it.

We have Balance Scorecards, clear-cut SOPs, annual operating plans, budgets, and other required systems and processes, exactly what we follow for the business. Every year foundation conducts a three day Annual Meet where all its staff gathers to share the best practices, brainstorm on innovations and plan for the next year activities.

Further, social responsibility is one of our core values and all the employees practice the same. There is an employee volunteering policy at Group level, which enables all employees to volunteer for 16 hours of office time. On an average, we get 15,000 employee volunteering hours per year. This greatly helps in inculcating the GMR culture and ethos in our employees.

This motivates our employees to become agents of social change. We also give matching grant to our employees to take up social projects on regular basis, and we recognize and honor those employees who demonstrate this value.

In a humble way, we are able to contribute towards inclusive growth for the nation through our professionally managed foundation team. In order to ensure its financial sustainability, I have pledged my personal wealth to the Foundation, which is irrevocable and submitted to the SEBI.

Friends, though our Country has made significant progress in the last couple of decades. However, the poor and rich gap is increasing day by day. It is not sufficient if we expect only Government and Corporates to contribute to the society. It also has to be supplemented by 'Individual Social Responsibility', which I call 'ISR'. It is the moral duty of every individual to give back to the society. We have to work with the mindset of service and consider this as an 'opportunity to serve people'.

I see a need for greater collaboration in achieving the objective of inclusive growth. Government, businesses, civil society organizations, individuals all have a unique role to play in this effort. I am sure that there will be better results if we can pool up our ideas, resources and strengths and put them into action in a more concerted way.

In conclusion, friends I would like to say that I started my journey from very humble beginnings with just 3 lacs rupees and got this great opportunity of creating world-class national assets worth billions of dollars. All this is possible and whatever I am is because of the society. Hence, it is my fundamental duty to give back to the society. I am doing it not for any compliance sake, but it is my belief system, and it is my DNA. Believe me, there is no greater joy than serving the society.

With this, I thank the Institute of Directors for giving me this opportunity to address this august gathering, and I wish this two-day event to be a grand success.

Thank You.

* Excerpts from the Inaugural Address delivered by **Mr. G. M. Rao**, Founder & Group Chairman, GMR Group at IOD's 14th International Conference on Corporate Social Responsibility, held in Mumbai, on March 04, 2020.