



Embedding CSR in Corporate Strategy for Responsible Growth”

Mr. Balakrishnan, Lt. Gen. Ahluwalia, Dr. Khuntia, Mr. Deshpande, Justice Venkatachaliah and dignitaries on the dais, ladies and gentlemen.

I am indeed delighted, to be with all of you this morning at this conference. The subject “Embedding CSR in Corporate Strategy for Responsible Growth” is absolutely apt. It is the call of the times. Kudos to the IOD team, for always choosing thought provoking issues.

In my address, as requested by Lt. Gen. Ahluwalia, I will focus on a broader vision, of CSR in the corporate context. Secondly, through actual examples, I will drive home the point – how CSR projects evolve, and migrate into business, thus rendering a win-win situation.

With the passing of the Companies Act on Corporate Social Responsibility, the whole scenario, has undergone a phenomenal transformation. The mandatory 2 percent CSR spent, has been a shot in the arm. Earlier, the approaches to CSR, had been extremely fragmented. There was no linkage to business or strategy. In the recent past, most corporates have CSR principles, ingrained into their business principles. Both out of compulsion and conviction. Increasingly organisations realise, that CSR is a great opportunity. It's a competitive advantage.

The reputational lever, the talent pull, consumer goodwill and the immense pride, that shareholders and investors take in engaging with companies, that make a difference, to the lives of the marginalised – are among its most obvious outcomes.

Having said this, at our Aditya Birla Group, my son Kumar Mangalam, views CSR in a much broader frame. To him, the major attributes of a corporate's operations, for long term sustainability, revolve around people, environment, safety and of course inclusive growth.

I recount a conversation, which we were having some time ago. He was extremely saddened, by the tremendous destruction, and thousands of people dead and suffering, on account of the devastating floods in many parts of our country last year. Kumar Mangalam sensed that nature was lashing out at mankind, for continuously abusing it.

He felt that we must foresee the future, and help give the world, a better tomorrow. Wisely adding, that it is the responsibility of every generation, to leave behind a safer, superior, more enlightened world, than the one that they inherit.

In this context, at our Group, we look at the construct of CSR in the form of a triangle. Of the three sides, one side represents economic growth, the next environmental sustainability and the third stakeholder interest. This includes a huge canvas, within which the underprivileged, and societal interests are prominent. In fact, we are moving increasingly to embrace a green vision agenda, that balances progress, sustainability, and inclusive growth.

Around the year 2050, the earth's population, is estimated to reach 9 billion people. Corporates will need, to subscribe to responsible stewardship, and have a sustainability framework, that confirms to the best world standards. Natural resources, are feeling enormous strain. Most of us are well aware, that India and in fact a large part of the world stands, on a precipice.

Climate change, water scarcity, stress plus pollution and an overload of wastes is already happening. If we do not pursue responsible growth, we will set the planet, on perhaps an irreversible course, to unsustainability.

In my view, sustainable development and responsible growth, mean one and the same. Progressive organisations have increasingly begun, synergising growth with responsibility. They are veering away from the development paradigm, of the earlier times, which compromised the interest of the environment, in the pursuit of profitable growth. I believe, environment has to be an important constituent, of the CSR portfolio. The pace needs to be accelerated.

We work in 5000 villages. We reach out to 7.5 million people. All of our work is channelized, through the Aditya Birla Centre for Community Initiatives and Rural Development, which I spearhead. I am supported by Dr. Pragnya Ram, along with a team of 250 dedicated professionals. Our focus is on healthcare, education, sustainable livelihood, infrastructure and social reform.

In the context of the theme, the point that I wish to drive home is that CSR is moving far beyond, the realm of just reaching out, to the marginalised. It is increasingly becoming a strategy, which is distinctly linked, with underlying business objectives, and to the organization's competencies. So what is happening, is that CSR is working on two fronts, side by side through creating business value, and fostering positive social change. And in doing so, the CSR mandate is integrated, into the corporate strategy. This is a positive development, on all counts, as it is highly sustainable, given that the CSR objectives, and the financial goals feed of one another.

I now want to share with you, four short stories, which drive home this important message. The first two, are our CSR projects, one of which has already evolved into an excellent business. The second one will also reach that stature.

The first one pertains to our branded apparel business – Madura Fashions, a part of Aditya Birla Fashion & Retail Limited. More than 8000 women are employed in its factories. These women, who come from the villages, haven't had the luxury of a proper education, or a supportive family. All of Madura Fashion's brands – Louis Philippe, Allen Solly, Van Heusen, Peter England, to name a few, are woven by the fabric of these women's spirit. The spirit of endurance, commitment and strength.

Madura Fashions, went into the interiors of Bengaluru's villages and scouted for these women, most of whom came from the poorest of the poor. But today, they no longer have, to face the burden and humiliation of poverty. Madura Fashions, has made the difference. Empowering these women, with the basics of a tailoring job, education, a crèche for their kids, our motive was making each one of these women, strong enough to overcome the difficulties thrust upon them.

Working in the factory may be their job, but these women start their work much earlier. They rise before the sun, finish all their household chores, face the various challenges of their family lives, and then with their head held high take the company's bus to reach the factory. There is a mesmerizing zeal, and pride in each one of these women. Of course, they are with us to earn a living.

But much beyond this, they're out in the world, to prove their worth. It is this pride, that brings out a unique kind of commitment, towards

their work that translates, into each of our brands being the best, in their category.

Madura Fashions, is second home to many of these women. We go the extra mile to make these women feel confident, encouraged and empowered, instilling a great sense of security, among them, adding meaning to their lives. Next time, you pick up a Louis Philippe or Allen Solly or Van Heusen or Peter England, think of these magnificent 8000 women. And, many more women are joining us, as our business grows by leaps and bounds. These women find their sense of belonging and appreciation from the hard work that they put in the factory. Driving them to outdo their own capabilities. The factory too draws its strength from these fighters. The designs come to life, by their undying spirit. I believe this is a fine example of weaving CSR into the texture of the business plan and ensuring long-term sustainability.

Yet another project, that I want to highlight, is where the seeds are sown in the realm of CSR but one, which will evolve into a business. The predominant intent, is to promote heritage handloom artisans. Today, the handloom industry in the face of competition, from mechanized production, is struggling for survival. So, be it Benaras or Pochampally or hamlets in Kutchh, this community is facing several hardships, despite their talent. Therefore, traditional techniques need to be revived, and new designs need to be evolved to meet contemporary lifestyle needs, in a way that is economically viable, for the weaver and the market. To address this, Kumar Mangalam, my son, has set up a CSR project under Aadyam. Aadyam is a belief, a promise and a commitment to the institution of creative expression.

Under this project, 60 artisans are being mentored, to ensure their survival and prosperity, going forward. A professional team is helping them, contemporize designs to suit modern styles, and become more relevant. Alongside, elevating design, building market linkages and creating new opportunities for growth, is part of the project. While Aadyam products ranging, from home fabrics to clothing including accessories, and limited edition sarees, will be retailed in India soon, the first step, has already been taken in introducing the textiles, at international Trade Fairs in Paris and New York. The objective is, to gradually build a global market for these products, and ensure that the flow through of benefits, to the last mile creates a virtuous cycle, to sustain and grow the weaver base. Kumar Mangalam expects, the project to scale up several fold in the ensuing years.

Both these examples, show how CSR works as a business strategy, creates value, and contributes to the bottom line."

The next two stories, are to share an insight drawn from how being responsive to social issues, such as societal inequities, is increasingly gaining intense engagement from the young. This is the 'Gen-Y' or 'Now Gen' as popularly known. They want to make the world, a better place than the one they have inherited. It is a very socially conscious generation. My estimate is Gen-Y will soon be the economic power, the social power, and political power as they go along. The underprivileged as well as the planet is their concern.

My own granddaughter, Ananyashree, is a social entrepreneur. She is an amazing person, with a heart of gold. Barely 17 years old, she launched Svatantira Microfinance. She was driven, by the urge to reach out to the rural poor, encourage them to become rural entrepreneurs, from the teeny-weeny businesses, that they were running, often under the shade of a tree or in handcarts. Women are her constituency. She's helping them to become economically self-sustainable through affordable, innovative financial and non-financial solutions.

Through Svatantra, over 2,13,000 loans at low interest rates are provided to women in rural Maharashtra, Madhya Pradesh, Uttar Pradesh, Chhattisgarh and Rajasthan. Ananyashree has already made a game changing difference, to the lives of over eight lakh people.

I am so delighted to share, that Ananyashree's Svatantra was the first microfinance institution, to receive the Non-Banking Financial Company – Microfinance Institution (NBFC-MFI) license, from the Reserve Bank of India. Personally, she has won several accolades for her good work.

At this year's TEDx, I heard Neel Ghose's story. It is equally inspiring. Neel Ghose is the Vice President of International Operations, at food start-up Zomato. He has a degree in Finance, and is an MBA from the London School of Economics. Neel and his friend Anand, have set up the Robin Hood Army. This is a volunteer based organization, which collects excess food from restaurants, and distributes it to the less fortunate. Neel was able to very meaningfully extend his work, at

Zomato which helps people discover places to eat in, to reaching food to the hungry through the Robinhood Army.

In a little over two years, this Army has served over a million people, through nearly 7,000 Robins. He likes to believe that their work is just '1% Done'. "There are 200 million Indians, who struggle to find two square meals a day, we have barely scratched the surface of this," he says. He advises millennials to "think less and do more." He also feels there are enough people, who want to make a difference. It is all about channelizing the efforts.

What more can I say! Thank you. ■

Excerpts from the speech delivered by

Mrs Rajashree Birla

Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development, Aditya Birla Group during IOD's, 11th International Conference on CSR at Benagaluru



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