

# CSR - A CORNERSTONE

Led by the belief of Service of Humanity, **DK Vyas** writes on how Srei foundation, in its pursuit towards creating value and developing building blocks for the nation, inspires and collaborates with different businesses within the Srei group for carrying out socially beneficial activities.



“We believe that companies need to embrace CSR as a way of doing business rather than looking at it as a compulsory exercise whereby a certain sum is allocated to benefit a few chosen entities.”

Corporate Social Responsibility (CSR) has come a long way from merely being philanthropy to a part of organisations’ practices. In India, socially responsible practices have been a part of business practices since long, albeit unorganised and influenced by different cultural factors. It was after the opening up of the economy that CSR, as a concept, gained prominence in the Indian business sector.

Voluntary CSR practices had reduced from the private sector post-independence due to decreasing profits, and the precedence of public sector companies. However, with the opening up of the economy in 1990s, things changed and the private sector became more involved in CSR. Today, CSR has become a formal part of business policies as various regulations have made certain mandates relating to CSR.

SEBI encourages ‘Business Responsibility Reports’ in the annual reports of companies, and has mandated inclusion of BRR for the top 100 listed entities. Also, Companies Act, 2013 mandates for companies having a turnover greater than or equal to ₹1000-crores, net worth equal or above ₹500-crores, or profit of ₹5.0-crores or above to spend at least 2.0 percent of the average of the last three years profit on CSR activities

The detractors of CSR put forward the point that it eats directly into the profit of the company, something not desirable by the shareholders. However, over the years companies have discovered that CSR can be beneficial to society and the company alike. In today’s world, information is at everyone’s fingertips. Consumers are increasingly becoming aware, and prefer socially responsible companies.

A study by Neilson reveals that 66 percent of global consumers are willing to pay a premium for product or services offered by a company which is committed to sustainability. Not just consumer, the sentiment is shared by other stakeholders as well. Today, employees, business partners want to work with those companies which emphasise on creating wealth via methods inclusive of societal well-being. CSR helps in bringing in a more equitable platform for an equally important stakeholder, the society.

### CSR AT SREI

At Srei, we believe that every business must exist for larger goals which are beyond mere profit seeking. Apart from being accountable to its investors, a business must also be accountable to the society and environment. Only then can it make a true difference. This is essentially the ‘Triple Bottom-line’ approach adopted by global corporations in pursuing their CSR initiatives where society and environment count as the other two bottomlines apart from profit. At Srei, CSR is about how we manage our business processes to produce an overall positive impact on our society. The company has distinguished itself in a challenging industry through the following realities:

- ▶ We believe that companies need to embrace CSR as a way of doing business rather than looking at it as a compulsory exercise whereby a certain sum is allocated to benefit a few chosen entities. We feel that society must grow in terms of standards of living, aspiration levels, and also in terms of higher moral rectitude.
- ▶ Our CSR philosophy encompasses all our stakeholders: customers, employees, society and environment. It extends to both – the external community as well as to our large and diverse internal employee base and their families.
- ▶ Through our cohesive efforts towards this overarching belief, we are making a positive difference for a better tomorrow.

CSR at Srei is primarily done under the banner of Srei Foundation and IISD Edu World. Founded in 2001, Srei Foundation is a Public Charitable Trust that has been working towards creating value and developing building blocks for the nation with the belief of service to humanity.

Since inception, the Trust has continuously pursued its objectives through promotion of education (academic, technical and moral), health, housing, socio-economic support, and awakening of women, free holistic treatments and assistance to various NGOs in their respective fields. IISD Edu World is a charitable entity formed in 2012 with the objective of providing quality education to children belonging to the downtrodden and weaker section of the society.

Together these entities work towards the following thrust areas:

- ▶ **Education and Skills Development:** Supporting education institutions and providing opportunities to deserving students (from marginalised sections of society) through various channels.
- ▶ **Healthcare / Medical facilities:** Ensure and promote a culture of healthy workforce by creating awareness and raising consciousness among people.
- ▶ **Social and Economic Welfare:** Support the cause of building social institutions by advancing financial grant towards construction of houses, girl marriage, and other social essentialities to the underserved.
- ▶ **Environmental Sustainability:** Raise consciousness towards building a healthy environment among the stakeholders and community at large.

### ESMS FRAMEWORK AT SREI

Srei has set up an independent Environmental and Social (E&S) team to look into the triple bottomline issues in each

case of it business, and has established an Environmental and Social Management System (ESMS) with a target to identify and manage E&S risks and opportunities in the loan and investment appraisal.

The core elements of ESMS are

- ▶ Self-declared environmental and social policy and procedure
- ▶ Environmental risk categorisation and due diligence of a facility as per the policy guideline and mitigation measure
- ▶ Residual ESMS risk carrying out and taking of action plan
- ▶ Monitoring and record keeping of ongoing projects
- ▶ ESMS audit, budget, training and senior management approval and continuous improvement of the same

### SREI'S ESMS FRAMEWORK CONCLUSION

Srei group, through Srei foundation has contributed to the upliftment of those who for financial reasons are not able to fulfil their aspirations in acquiring vocational skills or education, with particular emphasis on the education of the girl child. We continue to seek new areas where we could be of assistance; such as in the field of healthcare for the elderly and preventive medicine.

We believe that no effort is small, and try to implement responsible activities in the smallest of manner. We are leveraging technology to go paperless, and reduce the environmental impact. While it may seem an obvious step, it is a tough task as a lot of India is still technically illiterate. We in Srei not only consider it a privilege to be associated with the welfare of the society we live in, but it is a cornerstone of our corporate strategy.

