3.1 Corporate Social Responsibility of Large Industries - International Context

Corporate Social Responsibility (CSR) is a concept that has attracted worldwide attention and acquired a new resonance in the global economy. Heightened interest in CSR in recent years has stemmed from the advent of globalization and international trade, which have reflected in increased business complexity and new demands for enhanced transparency and corporate citizenship. Moreover, while governments have traditionally assumed sole responsibility for the improvement of the living conditions of the population, society’s needs have exceeded the capabilities of governments to fulfill them. In this context, the spotlight is increasingly turning to focus on the role of business in society and progressive companies are seeking to differentiate themselves through engagement in CSR.

The World Business Council for Sustainable Development (WBCSD) defines CSR as ‘‘the commitment of business to contribute to sustainable economic development, working with employees, their families and the local communities’’ (WBCSD, 2001). Hence the fundamental idea of CSR is that business corporations have an obligation to work towards meeting the needs of a wider array of stakeholders (Clarkson, 1995; Andriof & Waddock, 2002). More generally, CSR is a set of management practices that ensures the company maximizes the positive impacts of its operations on society or

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“operating in a manner that meets and even exceeds the legal, ethical, commercial and public expectations that society has of business” (BSR, 2001).

The researcher reveals the recent CSR reports of various international organizations in this thesis to provide a strong base of CSR throughout the world.


BASEL, Jul. 09 /CSRwire/ - Novartis has published a Corporate Responsibility (CR) Performance Report for 2013. The report reflects the best-in-class reporting standard, the Global Reporting Initiative’s (GRI) G4 guidelines, one year in advance of required implementation. According to them, “Our corporate responsibility work is embedded in our business strategy, which is to use science-based innovation to improve patient health around the world. This would not be possible without ensuring trust among our stakeholders,” said Joseph Jimenez, Chief Executive Officer of Novartis. “We understand and respect the need to build trust through greater transparency and disclosure.”

The Performance Report enhances the company’s transparency in several key areas, including in human resources, supply chain and ethics, and aims to meet the needs and expectations of CR professional audiences by offering easy access to key data. The report also details progress against Novartis priorities, defined following a CR materiality analysis completed in 2013.

“We are proud of our progress in 2013 to help improve access to medicine and do business in a responsible way,” said Juergen Brokatzky-Geiger, Global Head of Corporate Responsibility. “We take this responsibility very seriously – because it’s the right thing to do for society and the right thing to do for our business.”

The company has a strong history of CR activities, and transparent reporting is a central part of our commitment to corporate responsibility. Novartis has publicly reported on

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our performance in this area since 2000 through its Annual Report and several online
and printed materials. The 2013 CR Performance Report consolidates information
previously published in our separate GRI; Health, Safety and Environment; and United
Nations Global Compact reports. In 2013, Novartis made a number of changes to ensure
more oversight of CR, including expanding the mandate of a Board of Directors
committee to oversee corporate responsibility strategy and governance at the highest
levels of the company.

The GRI’s fourth generation of CR reporting guidelines, G4, were launched in May
2013. They emphasize the need for companies to focus on the process of identifying
topics that are material for corporate responsibility in their specific business and among
their key stakeholders.

Highlights of Novartis achievements in 2013 include:

- Provided medicine to more than 100 million patients as well as health education,
  infrastructure development and other programs to another 8.1 million people
  worldwide
- Developed affordable vaccines for typhoid and paratyphoid A fevers, through
  the Novartis Vaccines Institute for Global Health
- Joined Malaria No More’s Power of One campaign and committed to donate up
to 1 million pediatric antimalarial treatments every year through 2015
- Reached 4.5 million people with health education through “Healthy Family”
  Social Ventures in India, Kenya and Vietnam; programs recognized through
  several industry awards
- Worked with leading leprosy experts through the Novartis Foundation for
  Sustainable Development to develop a new strategy to help eliminate the disease
- Completed a best-in-class materiality assessment – based on surveys and
  interviews with approximately 100 internal and external stakeholders
- Launched Responsible Procurement, a new integrated approach to ethical issues
  in our supply chain including labor rights, health, safety and environment,
  animal welfare, and anti-bribery
- One of only six healthcare companies included in the Dow Jones Sustainability World Index
- Included in the new UN 100 Index as one of the best performing companies regarding adherence to the Global Compact’s 10 principles
- Reached Novartis employees worldwide with Code of Conduct training via e-learning; over 113,000 associates completed certification
- Saved 2.65 million gigajoules and USD 68 million through energy projects, achieving the 2015 Novartis target two years ahead of time

**Export Development Canada Issues Annual CSR Report**

OTTAWA, Jun. 12 /CSRwire/ - Export Development Canada (EDC), Canada’s leading provider of financing, insurance and bonding services for Canadian exporters, today issued its Annual Report on Corporate Social Responsibility (CSR).

EDC, which serves as Canada’s official export credit agency, developed the report using the Global Reporting Initiative’s (GRI) new G4 Sustainability Reporting Framework. The international framework is designed to bring greater transparency to corporate reporting.

“There is a strong public expectation that EDC, as a Crown corporation that represents the Government of Canada, ensures that the business we consider is performed in a responsible and ethical manner,” said Signi Schneider, Vice-President, CSR, EDC.

“This report outlines how we deliver upon that expectation, particularly for our environmental, social and anti-corruption requirements, and also how EDC works with international counterparts to share best practices and keep pace with the evolving CSR landscape,” added Ms. Schneider.

The report highlights EDC’s CSR achievements in 2013 and the Corporation’s opportunities to integrate CSR practices with its business activities. To better demonstrate how this integration occurs, the report uses profiles of existing EDC

business transactions and videos that provide more detail and context than policy documents can offer.

Highlights of the 2013 report include:

- The development of EDC’s first Green Bond offering;
- Playing a key role in final revisions to the revised Equator Principles framework (EP III), which guide how the financial industry looks at the environmental and social impacts of large infrastructure projects;
- A review of EDC’s internal anti-corruption risk assessment process, to strengthen our due diligence tools for higher-risk sectors and to incorporate amendments to the Corruption of Foreign Public Officials Act (CFPOA); and
- 5500 small-to medium-sized companies used EDC services in 2013 to undertake more than CAD 11.6 billion in international business.

The Mosaic Company Announces Greenhouse Gas Reduction Progress and Companywide Sustainability Performance116

PLYMOUTH, Minn., Jun. 02 /CSRwire/ - Two years ago, The Mosaic Company (NYSE: MOS) committed to reducing absolute greenhouse gas emissions by 10 percent and greenhouse gas intensity by 5 percent from 2005 levels in the company’s North American phosphate operations. The goal was to achieve these targets by 2015.

Today, Mosaic—the world’s largest combined producer of phosphate and potash crop nutrients—announced it is on track to outperform that greenhouse gas reduction target. According to the company’s fifth annual Sustainability Report, Mosaic’s phosphate business unit reduced annual absolute Scope 1 and 2 greenhouse gas emissions by 21 percent (excluding ammonia), and decreased emissions intensity by more than 15 percent since 2005. The report also discloses information on more than 95 Global Reporting Initiative (GRI) G3.1 indicators and the Mining and Metals sector supplement to an externally verified “A+” standard.

“Despite the extremely challenging business conditions in the crop nutrition industry last year, we upheld our commitment to sustainability and continued investing in initiatives that help us work safer, conserve energy and water, and support the communities where we live and work,” said Mosaic President and CEO, Jim Prokopanko. “We’re encouraged by our results thus far, and look forward to achieving even greater performance.”

In 2013, Mosaic scored 97 out of 100 and a grade of “A” for climate performance in its annual disclosure to investors through CDP, formerly known as the Carbon Disclosure Project. This earned the company a place on two S&P 500 sustainability indices: the 2013 CDP S&P 500 Climate Disclosure Leadership Index, which highlights companies displaying a strong approach to disclosing climate change-related information; and the CDP S&P 500 Climate Performance Leadership Index, which recognizes companies demonstrating a commitment to improving their environmental impact.

“We have demonstrated that Mosaic’s sustainability efforts lead to greater shareholder value, and help us draw closer to achieving our mission of helping the world grow the food it needs,” said Prokopanko. “The quest for global food security is complex; rapid world population growth, the expanding middle class and energy constraints all contribute to that complexity. It’s clear that agricultural production must increase—but it must do so sustainably.”

To assist the company in defining the issues most material to stakeholders, Mosaic worked with a third-party auditor to conduct a study of more than 50 material issues in 2013. The impartial information will also help the company prioritize future sustainability goals and actions.

2013 Sustainability Report results contributing value to Mosaic shareholders:

- **Safety**: Mosaic is committed to the relentless pursuit of an injury-free workplace. The company’s overall 2013 safety performance was statistically its best ever, with a 6 percent improvement in key safety performance measures.
- **Energy**: Mosaic produced approximately 6.24 million gigajoules of electricity through cogeneration, the process of converting waste heat to energy—resulting
in enough energy to satisfy 44 percent of companywide electrical demand. By producing and using its own clean energy, Mosaic avoided approximately 1 million tonnes of carbon equivalent emissions, which is comparable to taking an estimated 205,000 average U.S. cars off the road.

- **Water**: In 2013, Mosaic reused or recycled approximately 90 percent of the water used at its Florida phosphate manufacturing operations, contributing to the business unit’s 50 percent decrease in groundwater use over the last 20 years. Mosaic’s Canadian potash shaft facilities satisfied approximately 80 percent of water needs through recycling and reuse.

- **Land**: Mosaic’s mining operations represent a temporary use of the land. The company is leading the industry in developing effective, acre-for-acre methods of returning mined lands to productive uses for both wildlife and people. As part of this process, Mosaic planted approximately 1.3 million trees in 2013. Mosaic’s phosphate business unit mined 2,255 acres and reclaimed 6,474 acres in Central Florida in 2011; the Florida Department of Environmental Protection Mining and Mitigation Program is reviewing 2012 figures.

- **Community**: Mosaic continued supporting its communities through targeted corporate giving, employee donations and volunteer work. In 2013, The Mosaic Company, The Mosaic Company Foundation and The Mosaic Institute in Brazil invested a combined $27.1 million in food, water and local community programs. Funding also supports The Mosaic Villages Project, a smallholder farmer initiative started in 2008. The project helps families break the cycle of hunger and poverty by increasing yields an average of three to five times over traditional farming practices.

- **Recognition**: Mosaic has been recognized on Corporate Responsibility Magazine’s 2013 and 2014 100 Best Corporate Citizens list, known as the world’s top corporate responsibility ranking based on publicly available information. 2014 marks the fifth consecutive year Mosaic has been named to the list, ranking No. 1 among mining and crop nutrition companies and No. 53 overall.
Raytheon Releases 2013 Corporate Responsibility Report


"Raytheon’s commitment to corporate responsibility reflects our values and our strong company culture," said Raytheon CEO Thomas A. Kennedy. "Our annual Corporate Responsibility Reports measures our progress and highlights our efforts, investments and accomplishments in the many areas that define corporate responsibility at Raytheon."

For the first time, Raytheon’s corporate responsibility report features augmented reality, an advanced technology that enables a deeper experience and enhanced communication. To get the most from the report, readers can download an app with their mobile device and then scan the pages to experience another level of digital information, including Raytheon videos and web content.

Highlights and accomplishments in 2013 include:

- **Governance** – Building upon the Company’s Vision, Strategy, Goals and Values, Raytheon maintains a contemporary governance approach promoting integrity, accountability, transparency and sound decision making in all company operations.

- **Ethics** – Raytheon’s ethics education programs include the “Telly” award-winning EthicSpace video series, which has generated 50,000 voluntary views.

- **Engineering, Technology and Mission Assurance** – In 2013, President Barack Obama awarded Raytheon the National Medal of Technology and Innovation™ for sustained innovation through the engineering of first-of-a-kind practical systems. One celebrated innovation includes the development of TransTalk™, a

hand-held translation device that allows soldiers and aid workers to converse with local people in other countries.

- **Diversity & Inclusion** – For the ninth consecutive year, Raytheon achieved a 100 percent score on the Human Rights Campaign® 2013 Corporate Equality Index. The company continued to champion diversity and inclusion by promoting Employee Resource Groups (ERGs) to help inform the strategy and raise broad-based diversity awareness within the Raytheon community.

- **Supply Chain** – In 2013, Raytheon worked diligently with global supply chain partners to identify conflict minerals – tantalum, tin, tungsten and gold – that may support civil violence. The company plays an active role in engaging with multi-industry consortia such as Aerospace Industry Association’s Conflict Minerals Working Group, International Aerospace Environmental Group and the Electronic Industry Citizen Coalition’s Conflict Free Smelter Initiative. Additionally, in 2013, Raytheon procured more than $78 million in goods and services from nearly 30 former and current protégé companies, allowing them to grow their businesses and give back to their employees and communities.

- **Safety and Wellness** – In recognition of the company’s exceptionally low injury rate and strong safety program, in 2013, EHS Today magazine included Raytheon as the only aerospace company named one of America’s Safest Companies.

- **Sustainability** – The company exceeded the following five of its 15 sustainability goals two years ahead of schedule and is on track with the others: energy reduction; landfill and incinerated waste reduction; potable water use reduction; IT energy reduction; and travel/supplier greenhouse gas emissions (GHG) reduction. In 2013, Raytheon received a Climate Leadership Award in recognition of its significant progress in cutting greenhouse gas emissions and achieving its reduction goal ahead of schedule.

- **Supporting our Communities** – Raytheon’s community commitment is to empower today’s veterans through continuing education, while inspiring tomorrow’s professionals to develop and sustain an interest in science, technology, engineering and math (STEM). The company’s focused corporate
citizenship efforts contributed to Raytheon’s second consecutive recognition by The Civic 50 as one of the nation’s most community-minded companies.

AMD's 2013/2014 Corporate Responsibility Report 118

The last few years have been a period of transformation and resurgence for AMD. Throughout this time, they have not only maintained but have strengthened our commitment to corporate responsibility. Some of the corporate responsibility highlights according to them from 2013/2014 include:

- Rory Read, AMD President and CEO shares his views on the continued importance of corporate responsibility to our culture and business in our annual Corporate Responsibility Report

- AMD was named to CR Magazine’s Top 100 Best Corporate Citizens List in 2013 and 2014

- For the 12th consecutive year, AMD was included on one or more of the Dow Jones Sustainability Indexes. AMD was listed also in the Morgan Stanley Capital International (MSCI) Environmental, Social and Governance (ESG) indices with an Intangible Asset Rating (IVA) of “A” in 2013

- AMD was added to the U.S. Environmental Protection Agency (EPA) “Green Power Leadership Club” in 2013 and was ranked 12th in Top 30 Tech and Telecom List, and 30th in Fortune 500® Partners List

- AMD was elected for a second term to chair the Electronic Industry Citizenship Coalition (EICC). This is a coalition of over 90 member companies representing more than $1.7 Trillion in combined annual revenues and focused on improving labor / environmental issues throughout the global electronics supply chain

• We made significant progress on ensuring conflict minerals in our supply chains are “conflict free” and ranked 5th overall in The Enough Project Conflict Minerals Company Rankings for our efforts

• Our employees continue to give corporate responsibility top grades: This topic was tied for the second highest most favorable item in AMD’s 2013 employee survey results

From Millions to Billions: Scaling Up Women's Empowerment Globally

The U.S. Chamber of Commerce Foundation’s newest research report, From Millions to Billions: Scaling Up Women’s Empowerment Globally investigates the status of women-owned businesses in Mexico and offers global companies ways they can integrate them into their supply chains.

Many companies want to support women-owned businesses. Studies show that women-owned businesses are more likely to give back to the community, so supporting those companies can have a greater social impact.

Foundation researchers evaluated around 40 documents that discussed women’s economic empowerment both globally and in Mexico, and brought findings from those documents together with a statistical analysis of Mexican business and household survey data. With this research, the report lays out two main sections:

The Challenges of Finding Women-Owned Businesses. For many international companies that want to buy from women-owned businesses in emerging economies, they can be difficult to find. It can be more difficult to find those with the capacity to immediately become suppliers. The report suggests a few strategies to find promising women-owned businesses.

How to Empower Women-Owned Businesses. Since there are limited women-owned businesses with the capacity to supply large international companies, the Foundation’s research outlined strategies to make those women-owned businesses stronger.

By empowering women entrepreneurs who can reach the world’s women more effectively, companies can expand their base of consumers and productive workers, while improving the lives of women and their families globally.

JPMorgan Chase 2013 Corporate Responsibility Report120

NEW YORK, May 12 /CSRwire/ - JPMorgan Chase (NYSE: JPM) today released its 2013 Corporate Responsibility Report. The report highlights the many ways the firm leveraged its resources and capabilities to help address big societal challenges: growing economies and tackling unemployment, revitalizing communities, harnessing the power of markets for social progress and promoting a sustainable economy.

This year’s report features conversations among some of the firm’s key partners, stakeholders and executives in which they discuss their perspectives on these challenges and how the private, public and nonprofit sectors can work together to create opportunities for more people, preserve our natural environment and foster the fundamental conditions for widely-shared prosperity.

“At JPMorgan Chase, we believe we have a responsibility to be part of the solution to the world’s most pressing problems, not only because it’s the right thing to do but because our own long-term success depends on the success of our communities and the people, companies and institutions we serve,” said Jamie Dimon, Chairman and CEO at JPMorgan Chase. “In 2013, we used our size, scale and expertise to make a difference and to be a real, positive contributor to society, and we will continue to do so.”

An exclusive dialogue between Dimon and Walter Isaacson, President and CEO of the Aspen Institute, is featured in the report. They address issues ranging from how society

can increase access to economic opportunity to how JPMorgan Chase is rebuilding confidence in the company and capital markets.

“Ongoing challenges have presented opportunities for JPMorgan Chase to work with great partners in the public, private and nonprofit sectors to find solutions that create greater opportunities for more people,” said Peter Scher, Executive Vice President and Head of Corporate Responsibility at JPMorgan Chase. “While there is more work to be done, we are proud to have rolled up our sleeves to break down the traditional barriers among the three sectors and developed and supported initiatives that will build stronger communities around the world – from the largest countries to the smallest towns.”

In 2013, JPMorgan Chase continued to drive economic growth in our communities. The firm:

- Launched New Skills at Work, a $250 million, five-year workforce development initiative aimed at helping close the skills gap around the world. New Skills at Work research and programming is focusing on major U.S. and European urban areas, with an initial focus on Chicago, Columbus, Dallas, Detroit, Houston, Los Angeles, Miami, New York, the San Francisco Bay Area and London.
- Created the Global Cities Exchange, a program to help U.S. and international cities develop and implement regional strategies to boost their global trade and investment. The Exchange is part of the Global Cities Initiative, a joint project with the Brookings Institution launched in 2012 aimed at helping metropolitan leaders strengthen their regional economy.
- Provided $19 billion in new credit to American small businesses and, for the fourth fiscal year in a row, was named the #1 U.S. Small Business Administration lender by units.

The firm also developed and funded innovative investment vehicles that leverage market mechanisms to create social, environmental and financial value. Last year, JPMorgan Chase:

- Along with the Bill and Melinda Gates Foundation, developed the Global Health Investment Fund, a $108 million innovative social impact fund, and invested an
additional $9 million in best-in-class funds addressing the needs of low-income populations around the world.

- Worked with a group of peer investment banks to develop the Green Bond Principles, a set of voluntary guidelines designed to promote integrity and transparency in the growing market for Green Bonds, which are issued to finance environmentally-beneficial projects.
- Collaborated with The Nature Conservancy to establish NatureVest, a new initiative of The Conservancy that aims to create a platform to advance investment in conservation.

JPMorgan Chase continued its commitment to U.S. veterans and military service members, hiring more than 6,300 veterans from 2011 to 2013 and continued its leadership of the 100,000 Jobs Mission, a coalition of employers that collectively hired 117,439 U.S. veterans by the end of 2013, prompting it to double its hiring goal to 200,000 veterans by 2020.

Other highlights include how JPMorgan Chase:

- Provided $2.7 billion in community development loans and investments to build or preserve 45,000 units of affordable housing, create 1,100 new jobs, enable 784,000 patient visits and serve 4,400 students in low- and moderate-income communities in the U.S.;
- Launched CDFI Collaboratives, an innovative new program that is catalyzing investment in low- and moderate-income communities with $33 million in grants to community development financial institutions nationwide;
- Provided nearly $7 million in grants to leading nonprofits to promote the financial capability of consumers in cities across the U.S.; and
- Donated $210 million to nonprofits in 39 countries and contributed 540,000 hours of employee volunteer service globally.
Hormel Foods 2013 Corporate Responsibility Report

AUSTIN, Minn., May 15 /CSRwire/ - Hormel Foods Corporation (NYSE: HRL) today announced the release of its 2013 Hormel Foods Corporate Responsibility Report, available online at www.hormelfoods.com/csr. This is the eighth corporate responsibility report for Hormel Foods, which includes information on the company’s second set of environmental goals that span from 2012 – 2020 using 2011 as a benchmark. The report is self-declared Application Level B as confirmed by the Global Reporting Initiative (GRI).

The annual report focuses on the company’s commitment to being a responsible food manufacturer. Highlighted performance and initiatives throughout 2013 include:

- Donating a total of $9.1 million in cash and product donations. Donations specific to hunger relief organizations throughout the United States and abroad totaled more than $6.5 million through the company’s On Our Way to Ending Hunger program.

- Achieving outstanding results from the annual Environmental Sustainability Best of the Best competition. In 2013, the competition generated 59 entries throughout all business segments, resulting in annual savings of: 154 million gallons of water; 180,000 MMBtu of energy; 1,000 tons of solid waste; and 7,900,000 kWh of electricity.

- Implementing projects that:
  - Resulted in a reduction of 17,000 metric tons greenhouse gas emissions (22 percent of goal when combined with 2012 progress).
  - Reduced energy use by 204,000 MMBtu (45 percent of goal when combined with 2012 progress).
  - Reduced water use by 0.154 billion gallons (56 percent of goal when combined with 2012 progress).
  - Reduced the amount of solid waste sent to landfills by 1,000 tons (81 percent of goal when combined with 2012 progress).

o Reduced product packaging by 4.72 million pounds (35 percent of goal when combined with 2012 progress).

o Reduced sodium levels in select products within branded retail product portfolio.

“We are proud of our results and are excited to share the progress we have made in key areas,” said Jeffrey M. Ettinger, chairman of the board, president and chief executive officer. “We are on track to meet or exceed all of our 2020 goals, and made significant strides throughout the past year. Our stakeholders can be assured that we will continue our corporate responsibility efforts in concert with our internal principles platform, Our Way, which helps to emphasize corporate responsibility in the fabric and strategy of our business.”

The Hormel Foods 2013 Corporate Responsibility Report has a refreshed design and features infographics for each area of focus so stakeholders can easily see top-line highlights. In addition to the online version, the report is also available as a fully downloadable PDF.

In alignment with the company’s commitment to philanthropy and in honor of the launch of the eighth annual report, Hormel Foods will feature an online trivia sweepstakes. For every person who engages in the sweepstakes or tweets about the release of the 2013 Hormel Foods Corporate Responsibility Report using the hashtag #HormelCR, the company will donate $8 to Feeding America (up to $5,000). Feeding America is the nation's leading domestic hunger-relief charity.

Nestlé in Society - Creating Shared Value and Meeting Our Commitments 2013

“Nestlé in Society: Creating Shared Value and meeting our commitments” has been prepared according to GRI’s G3.1 Guidelines, at Application Level A+. Nestlé’s efforts to meet a series of commitments, 35 pledges covering nutrition, water, rural

development, sustainability and compliance. Nestlé aims to fulfill all these commitments by 2020 or earlier. Based on feedback from stakeholders over the last 12 months, ten are new this year and six have been updated to reflect new Nestlé policy.

The report underlines Nestlé’s fundamental belief that, for a company to be successful over the long term and create value for shareholders, it must also create value for society.

“We believe that this 2013 report on Creating Shared Value at Nestlé represents a significant step forward in our drive to communicate transparently,” said Nestlé Chairman Peter Brabeck-Letmathe.

Nestlé Chief Executive Officer Paul Bulcke said, “This is a set of forward-looking commitments covering every part of our business, providing a clear sense of the strategic direction we are heading in and the standards to which we hold ourselves accountable”.

The Global Reporting Initiative (GRI) has confirmed that the full report is prepared according to the GRI G3.1 Guidelines, at Application Level A+, The “+” indicates that the report content has been independently assured by Bureau Veritas. The GRI is the leading organisation in the field of non-financial reporting. It’s a non-profit organisation that promotes economic sustainability.

Key achievements in 2013

- 7,789 products have been renovated for nutrition or health considerations
- More than 167 billion servings of fortified products have been provided
- Packaging material has been reduced by 66,594 tonnes, saving CHF 158 million
- Overall water withdrawals have been reduced by 33% per tonne of product since 2005
- 300,000 farmers have been trained through capacity-building programmes
- An absolute reduction in direct GHG emissions of 7.4% has been achieved since 2005
New in the 2013 report

- 35 forward-looking commitments, including 10 new ones
- Nestlé’s W.A.T.E.R. water commitments added, giving them greater emphasis and making the company publicly accountable for their attainment
- Other new commitments focus on people – including a promise to assess and address human rights impacts in its operations and supply chain, to eliminate child labour and to enhance gender balance
- Updated commitments reflect Nestlé’s renewed policies for the reduction of salt, sugars and saturated fats and the removal of trans fats originating from partially hydrogenated oils
- The report’s open nature demonstrates Nestlé’s desire to communicate transparently

Nestlé’s W.A.T.E.R commitments

- Work to achieve water efficiency across our operations
- Advocate for effective water policies and stewardship
- Treat the water we discharge effectively
- Engage with suppliers, especially those in agriculture
- Raise awareness of water access and conservation

External recognition

- Ranked number one by the charity Oxfam in its 2013 Behind the Brands scorecard
- Ranked one of the top 3 global food and beverage manufacturers in the Access to Nutrition Index
- Lead its industry group in the Dow Jones Sustainability Index 2013
- Remains the only infant formula manufacturer included in FTSE’s responsible investment index
Centrica's Corporate Responsibility Performance 2013 Report¹²³

WINDSOR, U.K., Mar. 27 /CSRwire/ - Find out how Centrica is focusing on how they do business to rebuilt trust and achieve their purpose to help people today and secure energy for tomorrow. 2013 was a challenging year, where affordability and low levels of trust played centre stage. Centrica is focusing on how they do business to help ensure they operate responsibly and achieve the right balance between affordability, reducing carbon emissions and securing energy supplies. Centrica applies four key themes across the business to shape organisational behaviour and deliver sustainable business success:

- **Treating customers fairly** – providing products and services that are fair, improving customer communications and supporting the vulnerable
- **Safeguarding the environment** – managing environmental impacts, including reducing carbon emissions from operations and helping customers use energy more efficiently
- **Caring for people and communities** – creating a great place to work with a continued focus on safety and supporting local communities
- **Working with our partners** – collaborating with stakeholders to effectively manage risks, improve energy security and positively contribute to communities

**Highlights**

- Helped 1.8m vulnerable households in the UK with discounts, free insulation and benefits advice and spent $600,000 on debt assistance in Texas
- Carbon savings from products installed in UK homes since 2010 equates to taking around 668,000 cars off the road
- Lost time injury frequency rates reduced by 45% to 0.11 per 100,000 hours worked
- Commitments to secure gas and power for the UK totals more than £60bn
- Helped the Customer Led Network Revolution trial time-of-use products which saw customers use 3% less energy and cut demand at peak times by 10%

WHITEHOUSE STATION, N.J., Jul. 31 /CSRwire/ - Merck (NYSE: MRK), known as MSD outside of the United States and Canada, issued its 2012 global corporate responsibility report focuses on Merck’s corporate responsibility activities, progress and performance during 2012 in four priority areas where the company is positioned to have a positive impact: Access to Health, Environmental Sustainability, Employees and Ethics and Transparency.

Highlights from the 2012 report include:

- People reached through the company’s major responsibility programs and partnerships: 269 million
- Women in executive roles: 31 percent
- Global corporate giving: $1.7 billion
- Water recycled and reused during 2012: 3.3 billion gallons
- Reduced direct greenhouse gas emissions since 2009: Met 10 percent greenhouse gas reduction goal 3 years early
- Developing new partnerships to reduce maternal mortality through Merck for Mothers

In addition, this year’s report provides information on the company’s commitment to corporate responsibility within the Consumer Care and Animal Health businesses. Merck continues to use several external guidelines and measurement frameworks to inform the scope of its reporting, including the Global Reporting Initiative (GRI 3.1) Guidelines, the Millennium Development Goals, the Access to Medicine Index and the United Nations Global Compact.

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3.2 Corporate Social Responsibility of Large Industries - Indian Context

CSR in India has traditionally been seen as a philanthropic activity. And in keeping with the Indian tradition, it was an activity that was performed but not deliberated. As a result, there is limited documentation on specific activities related to this concept. However, what was clearly evident that much of this had a national character encapsulated within it, whether it was endowing institutions to actively participating in India’s freedom movement, and embedded in the idea of trusteeship.

As some observers have pointed out, the practice of CSR in India still remains within the philanthropic space, but has moved from institutional building (educational, research and cultural) to community development through various projects. Also, with global influences and with communities becoming more active and demanding, there appears to be a discernible trend, that while CSR remains largely restricted to community development, it is getting more strategic in nature (that is, getting linked with business) than philanthropic, and a large number of companies are reporting the activities they are undertaking in this space in their official websites, annual reports, sustainability reports and even publishing CSR reports.

The Companies Act, 2013 has introduced the idea of CSR to the forefront and through its disclose-or-explain mandate, is promoting greater transparency and disclosure. Schedule VII of the Act, which lists out the CSR activities, suggests communities to be the focal point. On the other hand, by discussing a company’s relationship to its stakeholders and integrating CSR into its core operations, the draft rules suggest that CSR needs to go beyond communities and beyond the concept of philanthropy. It will be interesting to observe the ways in which this will translate into action at the ground level, and how the understanding of CSR is set to undergo a change.

CSR in India tends to focus on what is done with profits after they are made. On the other hand, sustainability is about factoring the social and environmental impacts of conducting business, that is, how profits are made. Hence, much of the Indian practice of CSR is an important component of sustainability or responsible business, which is a larger idea, a fact that is evident from various sustainability frameworks. An interesting
case in point is the NVGs for social, environmental and economic responsibilities of
business issued by the Ministry of Corporate Affairs in June 2011. Principle eight
relating to inclusive development encompasses most of the aspects covered by the CSR
clause of the Companies Act, 2013. However, the remaining eight principles relate to
other aspects of the business. The UN Global Compact, a widely used sustainability
framework has 10 principles covering social, environmental, human rights and
governance issues, and what is described as CSR is implicit rather than explicit in these
principles. Globally, the notion of CSR and sustainability seems to be converging, as is
evident from the various definitions of CSR put forth by global organisations. The
genesis of this convergence can be observed from the preamble to the recently released
draft rules relating to the CSR clause within the Companies Act, 2013 which talks about
stakeholders and integrating it with the social, environmental and economic objectives,
all of which constitute the idea of a triple bottom line approach. It is also acknowledged
in the Guidelines on Corporate Social Responsibility and Sustainability for Central
Public Sector Enterprises issued by the DPE in April 2013. The new guidelines, which
have replaced two existing separate guidelines on CSR and sustainable development,
issued in 2010 and 2011 respectively, mentions the following:

“Since corporate social responsibility and sustainability are so closely entwined, it can
be said that corporate social responsibility and sustainability is a company’s
commitment to its stakeholders to conduct business in an economically, socially and
environmentally sustainable manner that is transparent and ethical.”

Even much before the issue became a global concern, India was aware of corporate
social responsibility (CSR), due to the efforts of organisations such as the Tata Group.
(Around 66 per cent of Tata Sons, the holding group of the Tata Group, is today owned
by a trust).

Corporate companies like ITC have made farmer development a vital part of its
business strategy, and made major efforts to improve the livelihood standards of rural
communities. Unilever is using micro enterprises to strategically augment the
penetration of consumer products in rural markets. IT companies like TCS and Wipro
have developed software to help teachers and children in schools across India to further the cause of education. The adult literacy software has been a significant factor in reducing illiteracy in remote communities. Banks and insurance companies are targeting migrant labourers and street vendors to help them through micro-credits and related schemes.

In June 2008, a survey was carried out by TNS India (a research organization) and the Times Foundation with the aim of providing an understanding of the role of corporations in CSR. The findings revealed that over 90 per cent of all major Indian organizations surveyed were involved in CSR initiatives. In fact, the private sector was more involved in CSR activities than the public and government sectors. The leading areas that corporations were involved in were livelihood promotion, education, health, environment, and women's empowerment. Most of CSR ventures were done as internal projects while a small proportion were as direct financial support to voluntary organizations or communities.

In a survey carried out by the Asian Governance Association, which ranks the top 10 Asian countries on corporate governance parameters, India has consistently ranked among the top three along with Singapore and Hong Kong, for the last eight years.

In another study undertaken by automotive research company, TNS Automotive, India has been ranked second in global corporate social responsibility. State-owned Bharat Petroleum and Maruti Udyog were ranked as the best companies in India. Bharat Petroleum and Maruti Udyog came on top with 134 points each, followed by Tata Motors (133) and Hero Honda (131). The study was based on a public goodwill index and India received 119 points in the index against a global average of 100. Thailand was at the top slot with 124 points.

Several foundations run by corporate houses plan to devise a common strategy to ensure transparency in their social and community development operations, such as tracking spending in and progress of such projects in their annual reports.

The effort is significant because it brings together a wide range of Indian companies to share ideas on innovating sustainable programmes. Among them are Multi Commodity
Exchange of India Ltd, Anil Dhirubhai Ambani Group and media company Bennett, Coleman and Co. Ltd,

Audit firm KPMG will partner with them to offer guidance on evaluating corporate social responsibility or CSR programmes—a trend companies are slowly embracing as India’s expanding economy contrasts sharply with growing local protests over land for future industrial projects.

The network alliance stems from the first sustainability summit that was organized in January by the Associated Chambers of Commerce and Industry of India.

CSR could prove to be a valuable asset in an age of mergers and acquisitions, especially as it helps companies spread their brand name. The new network will also serve as a common ground to lobby with the government for tax exemptions and safeguard other interests in the future.

Indian companies have made little progress in reporting development projects. And only 48 companies have so far given their commitment to support the United Nations Global Compact, a charter for improving the global business environment through standards, such as labour rights and fighting corruption.

Addressing business leaders in May last year, Prime Minister Manmohan Singh said "Corporate social responsibility must not be defined by tax planning strategies alone. Rather, it should be defined within the framework of a corporate philosophy, which factors the needs of the community and the regions in which a corporate entity functions."

Some say companies have an inherent "mental block" in reporting development programmes. A recent KPMG study among 27 Indian companies showed that a mere 8% mentioned their social expenditures in their annual reports, and only 25% filed CSR reports at all. But a quarter of them are also signatories of the Global Reporting Initiative, a 10-year-old movement started by an NGO called Coalition for Environmentally Responsible Economies (CERES) and the United Nations
Environment Programme. This encourages companies to make voluntary disclosures and lays down framework on improving reporting principles.

"Most companies tend to give to charities than make long-term development commitments. When a company voluntarily opens up for self-evaluation, it creates value for shareholders when competing with other companies," said Parul Soni, associate director of KPMG’s Aid and Development Services.

An estimated 100 corporate foundations and 25 foreign firms are involved in CSR activities in India, but statistics on input and output are elusive.

According to Times' Pandey, the Indian corporate sector spent Rs30,000 crore on social expenditure during the last financial year, up from Rs17,500 crore the previous year. Quoting from a government report, he said, companies drew a total exemptions of Rs5,500 crore under income-tax laws last year. These figures, an analyst said, sound improbable as Indian companies still do not distinguish between philanthropy and internal practices to benefit stakeholders such as employees and community.

Companies, too, continue to rely on different models to earmark its social expenditure, making it difficult to measure the overall impact.

For instance, the Steel Authority of India Ltd (SAIL), the country's largest steel company, spent Rs100 crore on CSR last year; this was 2% of its profit after tax, exclusive of dividend tax, according to SAIL spokesperson N.K. Singhal. Yet others, such as Tata Steel Ltd, which runs a 850-bed hospital and rural projects in 800 villages around Jamshedpur, spends an average of Rs150 crore as part of its annual revenue expenditure.

What eventually makes up for CSR of a company ultimately depends on leadership; as part of company decision, about 66% of Tata Sons, the holding group of the Tata group, is today owned by a trust.

Pharmaceuticals company Jubilant Organosys Ltd, already runs an anti-tuberculosis programme with the government of Uttar Pradesh. Apart from schools and hospitals that are run by trusts and societies, the government, too, is exploring to widen the scope of
public-private partnerships to build and maintain schools and hospitals in return for a fixed annuity payment.

Below are some of the few cases of organizations effectively following CSR Activities in India:

**Corporate Social Responsibility at Canon India**

As a responsible business, Canon India takes pride in being socially inclined and focuses on sustained and effective CSR projects. The three core areas that Canon India supports are Eye Care, Education and Environment. The CSR policy aligns with the corporate philosophy of Kyosei, which means living and working together for common good. Our employees are encouraged to volunteer their time and skills and enjoy the experience of giving back to the communities in which their work.

**Projects include:**

**Adopt a Village**-To make a long term and sustainable impact in the core areas supported by iCare, CSR at Canon India has adopted a village to develop and strengthen Eye Care facilities and Education in the community. Ferozpur Namak village is situated in Mewat district, Haryana. The implementing partner for the project is CAF India with direct support in the village from NGO SARD and ICARE Hospital in Noida.

**Education**-As part of the project, Canon India is supporting the local government school at village Ferozpur Namak. The objective of the education project is to improve enrolment of children in the school and deliver quality education. The school engages 1500 children up to class 10, with only 9 teachers. The school suffers from low attendance and enrolment rates. This project includes establishment of a learning centre with education aids, toys, a library and organizing teacher's training in the school. Canon is also supporting infrastructural development of the school like constructing toilets for girls, improve source of drinking water through pipelines, taps, installing ceiling fans in all classrooms and providing benches for the children.
Eye Care- The project also includes establishment of a physical vision centre at Ferozpur Namak. The vision centre is the primary eye health centre providing comprehensive eye checkups to all sections of community. The services also include conducting eye camps in neighbouring villages, eye screening camps and checkups of patients visiting the centre, providing medicines and spectacles and conducting surgeries in the base hospital in Noida. Close interaction with the community is developed so that with their active participation promotion of eye health education, childhood blindness screening and awareness creation among the villagers can be achieved.

Environment- The project also aims to support the school and vision centre with tree plantation and rain water harvesting in the school to solve the water problems for the students. This will also help towards an all round development.

Employee engagement activities are regularly organized at the village government school and the vision centre to support the three core areas, and build a personal connect between the employees and the community. In the past, activities like a friendly cricket match between our employees and the school children, painting the vision centre by our employees, collection of books and spectacles for the library and vision centre have been organized. Regular visits by the senior management and employees are also encouraged by the management.

Corporate Social Responsibility at Tata Group
Tata Group has emerged as biggest CSR spending group in the country. As per a media report an Indian conglomerate, the Tata Group spent Rs 1,000 crore on corporate social responsibility (CSR) in 2013-14. According to Times of India, If one were to exclude the salt-to-software enterprise’s philanthropic trusts, the Tata Group companies spent Rs 660 crore on CSR in the just ended fiscal. The diversified Indian multinational’s CSR spend was well above 2% of its net profit, a minimum requirement for an Indian company under the Companies Act.
A significant amount of the total CSR spend by the Tata Group has gone into skill development, health and education, with Tata Steel emerging as the biggest spender within the group. Among other Indian conglomerates, the $40-billion Aditya Birla Group spent Rs 200 crore on CSR in fiscal 2014, which is a little over 2% of the net profit from India.

Under the new law, all companies with at least Rs 5-crore net profit or Rs 1,000-crore turnover will have to spend 2% of their annual net profit on CSR activities — which include slum redevelopment, road safety awareness and consumer protection services — with effect from April 1, 2015.

While some Tata companies spend more than 2% of their profits on CSR, others like Tata Consultancy Services (TCS) are yet to meet the requirement. In fiscal 2014, the outsourcing giant’s CSR expenditure was Rs 93 crore, which was 0.48% of its profits. At TCS’ annual general meeting last month, chairman Cyrus Mistry informed shareholders on TCS’ intent to do more on CSR.

“Over the last decade, our spend on CSR activities, between the Tata trusts and the Tata companies, has been in excess of Rs 8,000 crore. In the last three years, we have been trending at an average of Rs 1,000 crore per annum between the trusts and our companies, typically in a 60:40 ratio between the companies and the trusts,” said Mukund Govind Rajan, member-group executive council and brand custodian, Tata Sons, the holding company of the $100-billion group.

The Tata trusts hold 66% of Tata Sons, which in turn has holdings across group companies.

The Aditya Birla Group, which has a presence in cement, telecom, carbon black and financial services, spent Rs 150 crore on CSR in 2012-13. The CSR spend has risen in 2013-14 with growth in profits. The group’s CSR initiatives are led by Aditya Birla Centre for Community Initiatives and Rural Development.

The Godrej Group is also among conglomerates that run their philanthropic activities through trusts. About 25% of the shares of the Godrej Group’s holding company Godrej
& Boyce are held in a trust that supports initiatives in education, healthcare and environmental sustainability. Apart from the trust, Godrej Group companies spent around Rs 18 crore on CSR under the ‘Good and Green’ initiative, which is more than 2% of the profits.

Around 8,000 companies are expected to come under the ambit of the new CSR regulations. The annual CSR funding by companies is expected to be in the range of Rs 15,000-20,000 crore, according to industry estimates. (Source- Times of India, 16 July 2014)

Corporate Social Responsibility at GAIL(India) Limited

GAIL believes, it is in responding to the needs of the people, benefitting communities and protecting the environment that will ultimately determine the sustainability of continued progress

GAIL (India) Ltd., with a turnover of 7.2 billion US $ is India’s largest natural gas company and ranked as the top gas utility in Asia. But GAIL is more than just a gas company. As a conscious corporate citizen, the organization believes that it has a social purpose. The rigour and strategic thought that drives GAIL to be consistently ranked among the top gas utilities in the world, also drives its CSR initiatives. GAIL’s motto statement ‘Tomorrow is yours’ is also a reflection of the hopes, aspirations and dreams of the many beneficiaries of the CSR initiatives. At GAIL, every year two percent of Profit after Tax (PAT) is earmarked for various CSR programmes of the Company that are structured to result in effective outcomes. It follows global best practices in identifying, implementing, sustaining and monitoring its CSR programmes to maximize sustainability, scalability and transparency.

Recently GAIL(India) limited has taken initiative for the students who belongs to backward strata where the initiative was taken by 23 students of the GAIL under Utkarsh-flagship programme at Kanpur. Under this programme, 100 students belonging to the economically backward strata of the society were provided with a free residential coaching programme for the AIEEE/JEE entrance exams. The training and expert
coaching was provided under the mentorship of Shri Abhyanand for 11 months. In the new pattern started by JEE Test, 81 students cleared the main exam of IIT-JEE.

**Corporate Social Responsibility at Reliance group**

Organizations, like individuals, depend for their survival, sustenance and growth on the support and goodwill of the communities of which they are an integral part, and must pay back this generosity in every way they can... This ethical standpoint, derived from the vision of the founder, lies at the heart of the CSR philosophy of the Reliance Group.

While they strongly believe that their primary obligation or duty as corporate entities is to their shareholders –just as mindful of the fact that this imperative does not exist in isolation; it is part of a much larger compact which they have with the entire body of stakeholders: From employees, customers and vendors to business partners, eco-system, local communities, and society at large. They evaluate and assess each critical business decision or choice from the point of view of diverse stakeholder interest, driven by the need to minimize risk and to pro-actively address long-term social, economic and environmental costs and concerns. Being socially responsible is not an occasional act of charity or that one-time token financial contribution to the local school, hospital or environmental NGO. It is an ongoing year-round commitment, which is integrated into the very core of reliance business objectives and strategy.

They have launched a countrywide initiative known as “Project Drishti”, to restore the eyesights of visually challenged Indians from the economically weaker sections of the society. This project, started by one of India’s corporate giants has brightened up the lives of over 5000 people so far.

**Corporate Social Responsibility at IBM. India**

IBM believes that a company culture based on core values not only helps our business, but also defines the role that we can and should play in society. We identify and act upon opportunities to apply our technology and expertise to societal problems, and scale
existing programs to achieve maximum benefit. We empower employees and others to serve their communities. And we integrate corporate citizenship and social responsibility into every aspect of our company.

Reinventing Education Transforming Classrooms across India Since 2007, the IBM Reinventing Education Program which is aligned to the National Curriculum Framework, has worked in partnership with State Education Departments in Andhra Pradesh and Tamil Nadu.

The initiative has helped over 50 government schools in under-developed rural and urban areas to transform teaching by integrating Information and Communication Technology (ICT) and pedagogy tools in a way that makes science, math and English simple and fun.

The Transformed Classroom model has empowered over 600 teachers and benefitted about 7000 children in more than 90 schools in the two states. In 2012 – 2013, the Reinventing Education program is expanding to Government and Municipal Corporation Schools in the States of Ahmedabad, Rajasthan, and Haryana, and Municipal corporation schools in the cities of Coimbatore and Madurai, Tamil Nadu. By training the trainers, the program is expected to reach over 1000 teachers and nearly 200 schools across these four states.

In 2011, five Corporate Service Corps teams were deployed at Coimbatore, Jaipur and Chennai. Fifty-three IBMers from 21 countries worked with 22 NGOs on projects pertaining to the environment, healthcare, and education.

Through the IBM Centennial Catalyst Grant, 100 volunteers were involved in a project with NGO partner, Retina India, to create an online interactive database where people who are willing to be a scribe or reader for a visually impaired or physically handicapped student will be able to register, and students needing a scribe or reader can quickly find the appropriate volunteer. This website will also be used to increase awareness about retinal diseases and related resources.
IBM volunteers will be involved in the technical solution design and implementation. As of April 2012, the Scribes project has been successfully completed and the volunteers are working with the organization in adding more features to the website, participate in launch events on June 15th in cities across India, and register as scribes and readers.

**Corporate Social Responsibility at Glaxo Smith Kline Pharmaceuticals**

Being a premier pharmaceutical company in the country, GSK's core value is to be a good corporate citizen. It is committed to the communities in which it works. Support to the community through various social development initiatives is the way through which it invests in society. This is done by supporting social projects in partnership with not for profit organizations both in rural and urban areas. Their initiatives are primarily focused towards women, children and the aged and are directed in the areas of Health, Education and Livelihood. They believe that these areas are related and of direct concern to GSK. If there is proper education, one will eventually learn to be hygienic, and if one is hygienic, will one remain healthy. The organization facilitates in educating masses on good practices of healthy living.

At GlaxoSmithKline India, the activities towards community development are taken care by Corporate Social Responsibility Cell attached to the Corporate Communications Department. Since 1970, the Company has been implementing various social activities in the field apart from statutory ones. The following initiatives are being carried through the company's Corporate Social Responsibility cell situated at its Head Office in Mumbai. They provide money, medicines, time and equipment to non-profit organizations to help improve health and education in underserved communities and focus on programs that are 'innovative, sustainable and bring real benefits to those most in need'.
Corporate Social Responsibility at Aditya Group

As early as the 1940s, the founding father Shri G. D. Birla espoused the trusteeship concept of management. Simply stated, this entails that the wealth that one generates and holds, is to be held as in a trust for our multiple stakeholders. With regard to CSR, this means investing part of our profits beyond business, for the larger good of society.

While carrying forward this philosophy, legendary leader, Mr. Aditya Birla, weaved in the concept of 'sustainable livelihood', which transcended cheque book philanthropy. In his view, it was unwise to keep on giving endlessly. Instead, he felt that channelising resources to ensure that people have the wherewithal to make both ends meet would be more productive. He would say, "Give a hungry man fish for a day, he will eat it and the next day, he would be hungry again. Instead, if you taught him how to fish, he would be able to feed himself and his family for a lifetime."

Taking these practices forward, chairman Mr. Kumar Mangalam Birla, institutionalised the concept of triple bottom line accountability represented by economic success.

Their projects are carried out under the aegis of the "Aditya Birla Centre for Community Initiatives and Rural Development", led by Mrs. Rajashree Birla. The Centre provides the strategic direction, and the thrust areas for their work ensuring performance management as well. Their focus is on the all-round development of the communities around their plants located mostly in distant rural areas and tribal belts. Their Group companies — Grasim, Hindalco, Aditya Birla Nuvo and UltraTech have Rural Development Cells, which are the implementation bodies.

All projects are planned in a participatory manner, in consultation with the community, literally sitting with them, and gauging their basic needs. They take recourse to "participatory rural appraisal", which is a mapping process. Subsequently, based on a consensus and in discussion with the village panchayats, we prioritise requirements, thus project is born. Village meetings are held periodically to elicit feedback on the benefits of our community programmes and the areas where these need to be beefed up.
One of our unique initiatives is to develop model villages, so each of their major companies is working towards the total transformation of a number of villages in proximity to their plants. Making of a model village entails ensuring self-reliance in all aspects viz., education, health care and family welfare, infrastructure, agriculture and watershed management, and working towards sustainable livelihood patterns. Fundamentally, ensuring that their development reaches a stage wherein village committees take over the complete responsibility and our teams become dispensable. The Group spends in excess of Rs.130 crore annually, inclusive of the running of 18 hospitals and 42 schools. The Group transcends the conventional barriers of business and reaches out to the marginalised as a matter of duty and to bring in a more equitable society.

**Corporate Social Responsibility at Dalmia Cement (Bharat Limited)**

The water source for the villages in and around the Dalmia Cement factory is dependent on rains. During summer months, the villagers, particularly women folk, travel long distances to fetch water for drinking and other purposes. Considering the difficulties and hardship faced by the people, the company, after discussing with the village elders and concerned Government authorities, took the initiative of making water available by:

- Providing deep bore wells. So far, 45 bore wells have been provided in various villages, namely Kallakudi, Palanganathan, Malvoi, Elakkurichi, Muthuvathur, Pullabmadi, Edayathankudi, etc. Approximately, 300 to 400 people get adequate drinking water from each bore well. Water tanks to store the water. Rain and seepage water is harvested in the quarries of the company is pumped into a tank and supplied to inhabitants. 44,000 trees were planted and nurtured over a period of eight years. The presence of large trees and vast greenery has considerably improved the ecology in the area. Their focus is on education, health and sanitation, livelihood and income generation, environment and empowering rural youth.
Corporate Social Responsibility at Infosys

Narayan murthy chairman and chief mentor of Infosys has always been on the forefront of philanthropic activities as a part of CSR. Mr.Narayan murthy firmly underlines the significance of CSR: “for benefit of globalization and technology to reach the poor, the private sector, philanthropic institutes and individuals should cooperate and establish partnership with government institutions. This would lift millions of our people out of the poverty, provide them with opportunities and make them participate in the process and progress of globalization”.

At Infosys, the distribution of wealth is as important as its legal and ethical creation. A strong sense of social responsibility is therefore an integral part of our value system.

Infosys Foundation - committed to contributing to the society and established the Infosys Foundation in 1996 as a not-for-profit trust to support social initiatives. The Foundation supports programs and organizations devoted to the cause of the destitute, the rural poor, the mentally challenged, and the economically disadvantaged sections of the society. The Foundation also helps preserve certain cultural forms and dying arts of India.

Community service - Through Computers at classrooms initiative launched in January 1999, they donated 2,567 computers to various institutions across India. Additionally, getting permission to donate computers to educational institutions on an ongoing basis in the future. Microsoft Corporation continues to participate in this initiative by donating relevant software.

Social commitment in education - Infosys’ Education & Research group has the pride of anchoring the Infosys Extension Program (IEP), which consists of the Infosys Fellowship Program, Rural Reach program, Catch Them Young and Train the Trainer.

Corporate Social Responsibility at Mahindra group

The K C Mahindra Education Trust was established in 1953 by late Mr. K C Mahindra with an objective to promote education. Its vision is to transform the lives of people in
India through education, financial assistance and recognition to them, across age groups and across income strata. The K. C. Mahindra Education Trust undertakes number of education initiatives, which make a difference to the lives of deserving students. The Trust has provided more than Rs. 7.5 Crore in the form of grants, scholarships and loans. It promotes education mainly by the way of scholarships. The Nanhi Kali project has over 3,300 children under it. They aim to increase the number of Nanhi Kalis (children) to 10,000 in the next 2 years, by reaching out to the underprivileged children especially in rural areas.

Corporate Social Responsibility has always been an integral part of the vision of the Mahindra Group and the cornerstone of our core value of Good Corporate Citizenship. We believe that CSR is an opportunity and a privilege for us and goes far beyond managing corporate image. CSR received a major boost in 2005 when M&M celebrated its 60th anniversary by pledging 1% of its annual Profit after Tax to social activities every year, as a way of thanking the nation and its stakeholders for 60 years of trust.

Esops: The Mahindra Way-"With the implementation of Esops, they are proud to announce that on any given day in the year somewhere in India we will find a Mahindra employee contributing to society."

**Corporate Social Responsibility-The OIL Way**

Since its inception OIL has always given top priority towards the all-round development of the people residing in and around the Company’s area of operation. OIL management understands that there is a need to strike a balance between the overall objectives of achieving corporate excellence vis-à-vis the corporate responsibility towards the community. It is this twin objective of business and social commitment that has prompted OIL to embark upon massive programmes of educational, health and infrastructural development endeavors; an attempt to invest technology with a human face.
Social Survey: OIL conducted a social survey through Dibrugarh University in the year 1983 (in its operational areas in the North-East) to evolve a CSR Strategy. Based on the recommendation of the survey, the Company introduced a scheme entitled Social Welfare Programme (SWP) in 1984 and later on another scheme called Areas Development Scheme (ADS) in 1996. The SWP policy places OIL’s commitment of protecting the environment, upliftment of education, Health and socio-economic Development a topmost priority. All-round development of education, rural infrastructure, primary health care, environment protection, promotion of sports/sportsperson (especially rural sports), assistance to youth and women organizations in carrying out community development activities are some of the key areas covered under SWP.

Area Development Scheme (ADS) was introduced in 1996 with the objective of supporting the various socio-cultural activities in the operational areas. The Scheme covers the construction of roads, setting up of educational institutions and primary health centres in the North East Region and other operational areas of the company. Based on the recommendations of the Social Survey, OIL has till date constructed over 100 bridges/1400 Kms of roads (PWD/Village roads) and provided financial assistance to most of the educational institutions in and around OIL’s operational areas in Assam.

Health: OIL’s Mobile Dispensary services: The mobile hospital services of OIL have always been one of the most significant community welfare projects of the Company. Today, the team of doctors and paramedical staff of OIL hospital cater to the basic medical needs of the villages in and around OIL’s operational areas.

In the recently carried out social audit of OIL’s community welfare initiatives, the Company’s Mobile Hospital services were ranked very highly by all the respondents. Based on this feedback, the Company decided to increase the number of visit as well as extend the services to new areas. From the earlier 16 – 20 visits per month, the mobile services make 40-50 visits per month. The Company has signed a MoU with St Luke’s Hospital, which will extend the services to villages in Tinsukia District while the Company’s own team would cater to villages in Dibrugarh District.
**Education:** Since inception, OIL has been providing financial assistance to all-round development of education from primary to higher education. As on date, the Company has provided financial assistance towards construction of school building, libraries, auditoriums, teachers’ common room etc in over 350 institutions in the Company operational areas in Upper Assam. The Company also provided Merit Scholarships to students who excel in their 10th and 12th Board exams from schools in and around OIL’s operational areas in Upper Assam. In its commitment to the all-round development of higher education, OIL has sponsored two prestigious Chairs (KD Malaviya Chair in Geosciences at Dibrugarh University & Sankardeva Chair in Literature at Guwahati University). Recently, the Company has extended a one time financial assistance of Rs 3.68 Crore to Business and Centre of Management Studies, Dibrugarh University and Rs 1.5 Crore to Assam Engineering College, Guwahati.

**General Nursing Midwifery (GNM) training in OIL Hospital, Duliajan:** The nursing school in OIL Hospital Duliajan conducts 3 years General Nursing Midwifery (GNM) training course which is recognized by the Directorate of Medical Education, Government of Assam. The annual intake is 20 (Twenty) candidates, out of which two vacancy each is reserved for SC and ST and four for OBC candidates. Stipend is paid to the students in addition to limited hostel accommodation, uniform and protective clothing.

**Financial Assistance to Socio-Cultural/Sports/Youth Organizations/Mahila Samities:** The Company has supported the youth and women organizations in a big way. The support is mainly in terms of financial assistance towards enabling the different organizations in carrying out their developmental activities.

**Project Rupantar- The New CSR Initiative:** In order to address the problem of growing unemployment and poverty, OIL has undertaken a long-term project named Rupantar (transformation) of investing in projects, which can help the unemployed youths to find alternate source of employment. Oil India Limited signed a MoU with the State Institute of Rural Development (SIRD), Assam at the Company’s field headquarters in Duliajan on 8th September, 2003. The guiding provisions of the MoU are a long term vision to generate sustainable self employment avenues for the educated
unemployed youths in and around the Company’s operational areas in upper Assam. The project aims to create self employment avenues and promote entrepreneurship in the region and generate sustainable sources of livelihood. In order to help the large number of unemployed youth and strengthen the rural economy, the focus is on development of agro-based industries, diversification in handloom products with special focus on eri and muga (world famous golden silk of Assam) poultry farming, pig breeding, duck rearing, fishery, sericulture, organic farming etc. Till date over 2000 SHGs have already been formed and a large number of these SHGs have received loans from banks.

The agro-based industries are not only helping in ensuring the economic independence of the people residing in and around OIL’s operational areas but at the same time result in wealth creation and self-employment to a large section of the people of Upper Assam. Oil India christened this new project as “Rupantar” (an Assamese word meaning Transformation) – which is providing the rural poor and the unemployed an opportunity to become self-employed.

**Agriculture Development Programme:** OIL INDIA RURAL DEVELOPMENT SOCIETY (OIRDS) under the aegis of OIL adopts villages under registered Pathar Parichalona Samity (PPS), provides assistance and technical guidance to farmers in nearby villages of OIL’s operational areas for agricultural development. Extensive in-field training on modern methods of cultivation both in Kharif & Rabi, farming equipment, high-yielding seeds, organic fertilizers etc. are introduced and distributed to farmers of the region. Introduced in the year 1991, 31 villages have been adopted under this scheme till date.

**Handicraft Training & Production Centre (HTPC):** Established in 1984, OIL’s Handicraft Training and Production Centre, located at Duliajan imparts training to women on Handicraft, Weaving, Embroidery and Tailoring on monthly stipendiary for a 9 months period. Till date, over 500 women have been trained, most of whom have set-up their own small production units.
**Project ASWAN** - OIL is replacing the telecommunication system of 1157 Km crude oil trunk pipeline which supplies crude oil to the four refineries in India’s north eastern region with optical fibre cable (OFC). The additional capacity (bandwidth) that will be available in the OFC System, would act as an infrastructure provider for value added services in telecommunication business. OIL has committed to provide the spare bandwidth to Government of Assam’s ASWAN (Assam State Wide Area Network) project which aims to connect all the district headquarters of the state.

**Resource allocation:** From a relatively small budget of Rs 20 Lakhs in the early eighties, OIL currently spends a minimum of .75% of its net profit on CSR.

### 3.3 Corporate Social Responsibility under Section 135 of the Company Act

Corporate Social Responsibility is not a new concept in India, however, the Ministry of Corporate Affairs, Government of India has recently notified the Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 "hereinafter CSR Rules" and other notifications related thereto which makes it mandatory (with effect from 1st April, 2014) for certain companies who fulfill the criteria as mentioned under Sub Section 1 of Section 135 to comply with the provisions relevant to Corporate Social Responsibility.

**What Constitutes CSR Under Companies Act, 2013?**

Recently notified Companies (Corporate Social Responsibility Policy) Rules, 2014 has defined the term "Corporate Social Responsibility (CSR)" as follows: "Corporate Social Responsibility (CSR)" means and includes but is not limited to :

- Projects or programs relating to activities specified in Schedule VII to the Act; or
ii. Projects or programs relating to activities undertaken by the board of directors of a company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

Meaning thereby, conducting all those activities which are either specified under Schedule VII to the Companies Act, 2013 or those which are recommended by the CSR Committee of the Board as per the CSR Policy and are undertaken by the Board of directors of the Company will be covered under the scope of activities of Corporate Social Responsibility.

Activities Covered Under Schedule VII Of The Companies Act 2013

Ministry of Corporate Affairs vide its Notification dated 27th February, 2014 (which shall come into force with effect from 1st April, 2014) has come up with the modified Schedule VII which covers wide range of activities which can be undertaken by the Companies as a part of their CSR initiatives.

The activities involve the following:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;

Measures for the benefit of armed forces veterans, war widows and their dependents;

Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;

Contribution to the Prime Ministers’ National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

Contributions or funds provided to technology incubators located within academic institution which are approved by the Central Government;

Rural development projects.

The above mentioned activities constitute the CSR activities and the companies which are covered under the provisions of Section 135 shall be required to carry out any one or more of the activities as specified above along with following its CSR Policy.

For Whom Applicable?

The companies on whom the provisions of the CSR shall be applicable are contained in Sub Section 1 of Section 135 of the Companies Act, 2013. As per the said section, the companies having Networth of INR 500 crore or more; or Turnover of INR 1000 crore or more; or Net Profit of INR 5 crore or more during any financial year shall be required to constitute a Corporate Social Responsibility Committee of the Board "hereinafter CSR Committee" with effect from 1st April, 2014. The pictorial representation below gives the representation of Section 135 (1).
The above provision requires every company having such prescribed Networth or Turnover or Net Profit shall be covered within the ambit of CSR provisions. The section has used the word "companies" which connotes a wider meaning and shall include the foreign companies having branch or project offices in India.

All such companies shall spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. It has been clarified that the average net profits shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013. Also, provision to the Rule provide 3(1) of the CSR Rules that the net worth, turnover or net profit of a foreign company of the Act shall be computed in accordance with balance sheet and profit and loss account of such company prepared in accordance with the provisions of clause (a) of sub-section (1) of section 381 and section 198 of the Companies Act, 2013.
3.4 Profile of Large Manufacturing Industries of India and Pune region of Maharashtra selected for the study

Indian Economy

Despite the recent headwinds India has faced, its fundamentals remain solid. The economy is slowly regaining momentum, with both domestic and external conditions starting to improve. Favorable demographics and recent government reforms are expected to accelerate expansion over the medium term, making India the world’s fifth-fastest growing economy by 2015. Recent reforms in support of growth include the raised FDI ceilings for the retail, airline, telecoms, financial and defense sectors. To support future growth, the Government should focus on infrastructure investment and increased efficiency in delivery mechanisms. The monetary policy might remain tight in the near future, triggered by the US Federal Reserve’s remarks in May about potentially scaling back its quantitative easing program. Consequently, to support the rupee, the Central Bank has announced a window in which foreign currency non-resident US dollar fund swaps will be allowed, enabling banks to convert US dollar deposits by Indians abroad.

India saw tepid GDP growth in 2012, as it grappled with a challenging investment climate. Recently, the economy has been hampered by high fiscal deficit and low investment growth. The Government aims to bring down the fiscal deficit from 4.9% in 2012–13, to 3% by 2016–17.

Sources: EY Rapid-Growth Markets Forecast, EY, October 2013; Partha Sinha, “Chidambaram targets 3% fiscal deficit by FY17, 8% GDP growth by FY15,” The Times of India, 6 April 2013, via Dow Jones Factiva, ©2013 The Times of India Group; “India’s 2012/13 fiscal deficit narrows to 4.9 percent of GDP — source,” Business Standard, 31 May 2013, via Dow Jones Factiva, ©2013 Business Standard Ltd.

Indian Manufacturing Sector

India’s manufacturing sector could reach US$ 1 trillion by 2025, as per a study by global management consulting firm McKinsey and Company. This could be achieved
on the back of the continually growing demand in the country and the inclination of multinational corporations to establish low-cost plants in India. Up to 90 million domestic jobs could be created by 2025, with the manufacturing sector contributing to about 25–30 per cent of India’s gross domestic product (GDP).

India’s expanding economy offers domestic entrepreneurs and international players alike, opportunities to invest. The Government of India knowing the importance of the sector to the country’s industrial development has taken a number of steps to further encourage investment and improve the economy. India was ranked the fourth most competitive manufacturing nation in Deloitte’s global index for 38 nations (2013). The country’s economy witnessed significant expansion in the period 2006–2011, achieving a five-year compound annual growth rate (CAGR) of 7.8 per cent.

**Market Size**

India’s manufacturing sector presently contributes about 16 per cent to its GDP. The HSBC Purchasing Managers’ Index (PMI) for the manufacturing sector touched 52.5 in February, the highest since March 2013. The index was at 51.4 in January 2014.

In terms of volume of production, the Indian chemical industry is the 12th largest producer in the world and third largest in Asia. The industry accounts for about seven per cent of the world production of dyestuff and dye intermediates, particularly for reactive acid and direct dyes.

Electronics goods production in India is projected to touch US$ 104 billion by 2020. The production grew at a CAGR of 14.4 per cent during the period FY 2007–2013. The country’s electronics market is projected to grow to US$ 400 billion by 2020, and is expected to expand at a CAGR of 24.4 per cent during the period 2012–2020.
**Investments**

The following are some of the major investments and developments in the Indian manufacturing sector:

CRI Pumps has started a manufacturing unit in State Industries Promotion Corporation of Tamil Nadu’s (SIPCOT) Special Economic Zone (SEZ) at Perundurai, Tamil Nadu, with an investment of Rs 30 crore (US$ 4.99 million). The unit will manufacture stainless steel submersible pumps, vertical multistage pumps, pressure boosting systems, motors and industrial pumps.

Germany-based Linnhoff, which makes asphalt batching and concrete mixing plants, has set up a greenfield manufacturing facility at Khed City near Pune. The facility which is set up at an investment of Rs 50 crore (US$ 8.31 million) is the company’s fifth manufacturing facility globally and will look after both domestic and export needs. Further, the company also plans to establish a research and development (R&D) centre at the same location.

Chennai-based tractor manufacturer Tractors and Farm Equipment Ltd (TAFE) plans to invest Rs 250 crore (US$ 41.59 million) by end of FY 2014–15 on development and expansion of new products. The company, with four factories, has a capacity of around 200,000 units per annum, which it plans to take up to around 300,000 units per annum in the next two years, as per Ms Mallika Srinivasan, Chairman and Chief Executive Officer, TAFE.

Despite the growth of digitisation, India’s demand for paper is projected to rise 53 per cent over the next six years, chiefly on the back of a sustained increase in the number of school-going children in the hinterlands. Consumerism, modern retailing, growing literacy and the increasing use of documentation is likely to keep demand for writing and printing paper high.

Switzerland-based Baumer Group has established an engineering, training and assembly operations at Pune to produce electronic pressure sensors. “In Pune we will ramp up our operations by investing US$ 10 million over next two years and increase the headcount
from 30 to over 100 people,” as per Mr Oliver Vietze, CEO and Chairman, Baumer Group.

Coca-Cola plans to establish a greenfield manufacturing facility in the Nellore district of Andhra Pradesh. The facility which is estimated at Rs 1,200 crore (US$ 199.65 million) will be the company’s biggest in Asia. Its move to choose Nellore district for the facility is an attempt to bridge the increasing demand for its products in the south Indian states of Andhra Pradesh, Karnataka and Tamil Nadu.

Denmark-based Danfoss Industries plans to establish a greenfield manufacturing and R&D centre near Chennai, Tamil Nadu. “The facility at Oragadam near Chennai is spread over 50 acres and would be fully ready by the end of this year. It would employ around 1,200 people and the focus would be on R&D capabilities,” as per Mr Ravichandran Purushothaman, President, Danfoss.

**Government Initiatives**

The Centre’s Salt Commissionerate, Government of India, has apportioned 1,972 acres of salt pans to several public sector companies in Tamil Nadu to set up industrial parks. The NTPC Tamil Nadu Energy Company Ltd (NTECL), a joint venture between NTPC Ltd and Tamil Nadu Electricity Board has been given 1,000 acres; Ennore Port Ltd (764 acres); HPCL (108 acres); and BPCL (100 acres), as per Mr EM Sudharsana Natchiappan, Minister of State for Commerce and Industry, Government of India.

India plans to create as many as 100 million skilled jobs in the manufacturing sector by raising its share of GDP from 16 per cent to 25 per cent, said Mr Anand Sharma, Commerce and Industry Minister, Government of India, at the World Economic Forum (WEF) annual meet in January this year.

The Indian government has agreed, in principle, to five National Investment and Manufacturing Zones (NIMZs) outside the Delhi–Mumbai Industrial Corridor (DMIC) region. The zones include Nagpur in Maharashtra; Tumkur in Karnataka; and Chittoor, Medak and Prakasam in Andhra Pradesh. The state governments have to first acquire the land before any investments can be made in the approved zones.
Road Ahead

India’s manufacturing industry is important for the country’s economic progress. Today, the sector’s attractiveness as a hub for foreign investments is clear. Several mobile phone, automobile and luxury brands, among others, either have or are looking to set up their manufacturing base in the country.

Hi-tech exports are also anticipated to boost India’s manufacturing sector. Hi-tech exports have witnessed CAGR of 26 per cent during the period 2007–2011, with exports touching US$ 20.9 billion from US$ 8.1 billion in 2007. The pharmaceuticals and electronic goods dominate exports of hi-tech products, with the share of electronics almost doubling during the period 2007–2011, as per an industry study.

Exchange Rate Used: INR 1 = US$ 0.0166 as on June 27, 2014 (References: Media Reports, Press Releases, McKinsey Publication, Deloitte Report)

India’s manufacturing exporters have played a key role in promoting the sector’s prowess to consumers across the world. Manufacturing exports have always been a major contributor to India’s total merchandise exports. The main export markets for Indian manufacturing goods are the United States and Western Europe. Within Western Europe, Germany and the United Kingdom are two most important export markets.

Prominent Manufacturing Clusters

Manufacturing clusters have developed along major infrastructure corridors. These are specific areas developed for inter-regional industrial growth, including the development of manufacturing areas and clusters along the corridor. These corridors provide infrastructure such as roads, power and other utility services to facilitate the growth of manufacturing industries and regional economic development. Industrial development in India is scattered and can be divided into four zones—north, south, east and west.
Industrial Profile of Pune District & Geographic Location

West Zone-Mumbai, Pune, Bhiwadi, Jaipur, Ahmedabad, Vadodara and Panaji
North Zone-Delhi (NCR)/Gurgaon, Kanpur, Lucknow, Chandigarh and Indore
East Zone-Kolkata, Guwahati, Patna and Jamshedpur
South Zone-Hyderabad, Visakhapatnam, Bangalore, Chennai and Coimbatore

The map below shows the major industrial states and cities in each zone of India.

Map 3.1: Major industrial states and cities in each zone of India
Pune district is known as the centre of educational and cultural activities, home of politicians and social workers, and a source of inspiration for progress and development in all spheres of life. It is the second largest town in the state. The geographical area of Pune district comprises of 5.09% of the area of Maharashtra State. The literacy percentage in the district is high as compared to that of State. The district is well connected by rail and road to all important cities in the country. The district has major Defence and Research establishment. The Agriculture occupies major share in the economic activities in the district, followed by industries and service sectors. The IT industry is developing very fast in and around Pune city. A special Info-Tech Park is established for development of IT industry.

The district lies between 17.5° to 19.2° North latitudes and 73.2° to 75.1° East longitudes. The district is surrounded by Ahmednagar district on the North and east, Satara district on the South, Raigad district on the West. It is also surrounded by Solapur district on the South-East and Thane on the North-West. Pune has been the favourite industrial destination since the inception of the Pimpri-Chinchwad Municipal Corporation (PCMC) in the 1960s. Furthermore, the Maharashtra Industrial Development Corporation (MIDC) stimulated the growth of industries in Pune by acquiring land and providing the requisite infrastructure. Talegaon and Chakan are home to automotive giants such as Volkswagen, Mercedes Benz, Mahindra & Mahindra and General Motors, whereas Ranjangaon hosts all kinds of industries, such as automotive, white goods, jewellery, paints, food products and chemicals. As a result, the city has established itself as one of the most preferred locations in India for industrial development.

**Large Scale Industries/Public Sector undertaking of Pune Region**

Large scale industries refers to those industries which require huge infrastructure, manpower and a have influx of capital assets. The term 'large scale industries' is a generic one including various types of industries in its purview. All the heavy industries of India like the Iron and steel industry, textile industry, automobile manufacturing industry fall under the large scale industrial arena. However in recent years due to the IT boom and
the huge amount of revenue generated by it the IT industry can also be included within the jurisdiction of the large scale industrial sector. Last but not the least the telecoms industry also forms and indispensable component of the large scale industrial sector of India. Indian economy is heavily dependent on these large industries for its economic growth, generation of foreign currency and for providing job opportunities to millions of Indians.

In India, the enterprises have been classified broadly into two categories:
(i) Manufacturing; and
(ii) Those engaged in providing / rendering of services.

Both categories of enterprises have been further classified into micro, small and medium enterprises based on their investments in plant and machinery (for manufacturing enterprises) or on equipment (in case of enterprises providing or rendering services). The present ceiling on investments to be classified as micro, small or medium enterprises is as under:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Manufacturing Enterprises</th>
<th>Service Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>Upto Rs. 25 Lakh (US $ 50 thousand)</td>
<td>Upto Rs. 10 Lakhs (US$ 20 Thousand)</td>
</tr>
<tr>
<td>Small</td>
<td>Above Rs. 25 Lakh (US$ 50 thousand) and upto Rs. 5 crore (US$ 1 million)</td>
<td>Above Rs. 10 lakh (US $ 20 thousand) and up to Rs. 2 crore (US$0.40 million)</td>
</tr>
<tr>
<td>Medium</td>
<td>Above Rs. 5 crore (US$ 1 million) and upto Rs. 10 crore (US$ 2 million)</td>
<td>Above Rs. 2 crore (US $ 0.40 million) and up to Rs. 5 crore (US$ 1 million)</td>
</tr>
<tr>
<td>Large</td>
<td>above Rs 10 Crores</td>
<td>above Rs 5 Crores</td>
</tr>
</tbody>
</table>

* Fixed costs are obviously higher

Source: Micro, Small and Medium Enterprises Development (MSMED) Act, 2006
List of the units in Pune & nearby area : 642 Nos.
Major Exportable item : Automobile spare parts, Machine tools

Food products, Diesel Engines, Medicine
Electronics products

**Pimpri-Chinchwad** is municipality in western India, in Maharashtra state, with a population of over 1 million. Pimpri-Chinchwad is a twin city of Pune and one of the biggest industrial centres in Asia. The Pimpri-Chinchwad city with 206 Sq. Km. base is situated towards northeast and 160 k.m. from Mumbai. The city Pimpri-Chinchwad is predominantly an industrial area, developed during last 4 decades. The process of urbanization of this area began in 1954 with the establishment of "Hindustan Antibiotics" a public sector pharmaceutical undertaking. With each coming year the landscape began to change from long stretches of farm land to clusters of enclosed factory campuses. The first response came in 1970, in form of creation of Municipal Council incorporating four villages-panchayat in the area. In 1982 the civic body was upgraded to its present status namely "MUNICIPAL CORPORATION". During proceeding decades the population of this town has increased from 85,000 to 10,00,000. PCMC has received first prize in the state for "Excellence in Energy conservation Award" from MEDA, Government of Maharashtra and also received second Prize from Government of Maharashtra for exceptional "Increase in Octroi collection". Recently citizen-centric project of PCMC "Citizen Facilitation Center" has received Bronze Icon at the 8th National Conference for e-Governance initiatives.
Following are the list of Large Scale Manufacturing Organizations of Pune region which are taken for the research study.

Table 3.2: List of Large Industries of Pune region of Maharashtra considered for the Study

<table>
<thead>
<tr>
<th>S No</th>
<th>Company Name</th>
<th>S No</th>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ador Powertron Ltd.</td>
<td>28</td>
<td>Kishor Pumps Ltd</td>
</tr>
<tr>
<td>2</td>
<td>Ajay Bio-Tech (India) Ltd.</td>
<td>29</td>
<td>KSB Pumps Ltd</td>
</tr>
<tr>
<td>3</td>
<td>Alfa Laval (India) Ltd.</td>
<td>30</td>
<td>Lear corporation</td>
</tr>
<tr>
<td>4</td>
<td>Atlas Copco (India) Ltd.</td>
<td>31</td>
<td>Lumax Auto Technologies Ltd.</td>
</tr>
<tr>
<td>5</td>
<td>Autoline Industries Ltd.</td>
<td>32</td>
<td>Mahavir Steel Inds. Ltd.</td>
</tr>
<tr>
<td>6</td>
<td>Automotive Stampings &amp; Assemblies Ltd.</td>
<td>33</td>
<td>Mahindra Composites Ltd.</td>
</tr>
<tr>
<td>7</td>
<td>B E L Optronic Devices Ltd.</td>
<td>34</td>
<td>Mahindra Hinoday Inds. Ltd.</td>
</tr>
<tr>
<td>8</td>
<td>Bajaj Auto Ltd.</td>
<td>35</td>
<td>Mather &amp; Platt Pumps Ltd.</td>
</tr>
<tr>
<td>9</td>
<td>Behr India Ltd.</td>
<td>36</td>
<td>Mercedez Benz</td>
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<tr>
<td>10</td>
<td>Century Enka Ltd.</td>
<td>37</td>
<td>Moj Engineering Systems Ltd.</td>
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<tr>
<td>11</td>
<td>Dai itchi</td>
<td>38</td>
<td>PMT machine tools</td>
</tr>
<tr>
<td>12</td>
<td>Eaton Fluid Power Ltd.</td>
<td>39</td>
<td>Premier Ltd.</td>
</tr>
<tr>
<td>13</td>
<td>Ecoboard Industries Ltd.</td>
<td>40</td>
<td>Pudumjee Pulp &amp; Paper Mills Ltd.</td>
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<tr>
<td>14</td>
<td>Elantas Beck India Ltd.</td>
<td>41</td>
<td>Saint-Gobain Sekurit India Ltd.</td>
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<tr>
<td>15</td>
<td>Exide Industries Ltd</td>
<td>42</td>
<td>Sandvik Asia</td>
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<tr>
<td>16</td>
<td>Finolex Cables Ltd.</td>
<td>43</td>
<td>Sanghvi Movers Ltd.</td>
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<td>17</td>
<td>Forbes Marshall</td>
<td>44</td>
<td>Simmond Marshall Ltd.</td>
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<tr>
<td>18</td>
<td>Force Motors Ltd.</td>
<td>45</td>
<td>SKF</td>
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<td>19</td>
<td>Garware-Wall Ropes Ltd.</td>
<td>46</td>
<td>T A L Manufacturing Solutions Ltd.</td>
</tr>
<tr>
<td>20</td>
<td>Gennova Biopharmaceuticals Ltd.</td>
<td>47</td>
<td>Tata Auto Comp</td>
</tr>
<tr>
<td>21</td>
<td>GKN Sinters Ltd</td>
<td>48</td>
<td>Tata motors</td>
</tr>
<tr>
<td>22</td>
<td>Graviss Hospitality Ltd.</td>
<td>49</td>
<td>Thermax Engineering Construction Co.</td>
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<tr>
<td>23</td>
<td>Greaves Cotton Ltd</td>
<td>50</td>
<td>Thyssen krupp Pvt Ltd</td>
</tr>
<tr>
<td>24</td>
<td>Indian Card Clothing Co. Ltd.</td>
<td>51</td>
<td>Trinity India Ltd. (1990) [Merged]</td>
</tr>
<tr>
<td>25</td>
<td>Innovative Technomics Pvt. Ltd.</td>
<td>52</td>
<td>Twilight Litaka Pharma Ltd.</td>
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<tr>
<td>26</td>
<td>Jaya Hind Inds. Ltd.</td>
<td>53</td>
<td>Zuventus Healthcare Ltd.</td>
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<tr>
<td>27</td>
<td>Kinetic Engineering Ltd.</td>
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</tbody>
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