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CONVERGENCE OF CORPORATE SOCIAL RESPONSIBILITY WITH THE UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS IN RELATION TO CSR IMPACT ASSESSMENT REPORTS

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Abstract

Communication processes are central to broader empowerment practices through which people are able to arrive at their own understanding of issues, to consider and discuss ideas, to negotiate, and to engage in public debates at community and national levels (Communication for Development, 2011). It is crucial to adopt effective communication strategies to encourage healthy behaviours; it inevitably leads to improving the health status of people. It is pertinent that audience centred approaches are developed in order to reach the maximum population. Public officials must identify mass media channels such as television, radio, and newspaper to promote public awareness, increase public knowledge, and lead them to adopt healthy behaviours. This paper will critically look at some of the research studies on government schemes, their implementation and outcome and the use of mass media by the government in the same.

Keywords: *Government Schemes, Mass Media, Communication, Strategy, Beneficiaries.*

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INTRODUCTION:

With the quick growth of Corporate Social Responsibility (CSR) and the widespread implementation of the Impact Assessment of certain CSR projects under CSR Amendments Rules 2021, the way to assess and measure the impact of such CSR projects has become an important concern. Although the Sustainable Development Goals (SDG) of the United Nations (UN) offer a useful framework for investors and organizations to harmonise their standards, they are unclear how to be implemented. The current practice of assessing the impact of CSR is greatly dependent on independent agencies. They also experience bias, disparity and a lack of proper disclosure. This paper focuses on the current status of Impact Assessment reporting of CSR, examining the coverage of CSR activities within the context of SDGs. The data were taken from Corporate Social Responsibility portal, Ministry Corporate Affairs, Annual Reports which was later analysed. Descriptive tools & techniques used to analyse the data and mapped these against the SDGs. This has helped to highlight the most targeted sustainable development goals as well as areas where Indian companies can focus and diversify their CSR spending by pivoting the 17 SDGs. The outcomes of the present paper have significant inferences, as SDG reports have attracted global attention in recent times. It was therefore suggested that SDG disclosure should become a mandatory obligation for companies.

Corporate Social Responsibility (CSR)¹

As stated in section 135 of the Companies Act 2013:

- “CSR applies to companies incorporated in India having any of the following characteristics in any financial year: a. Section 135(1) – Net worth not less than INR 500

Crores or turnover not less than INR 1000 Crores; or net profit not less than INR 5 Crores;

- CSR is implemented from FY 2014-15. The Net Profit shall mean the average of the annual net profit of the previous three financial years for the purpose of first CSR reporting;
- The company must spend 2% of the company's average net profit in each three-year block”

Sustainable Development Goals (SDGs)

²

In 2015, the United Nations General Assembly (UNGA) formulated the Sustainable Development Goals as part of its post-2015 development agenda, substituting the Millennium Development Goals. They were formally formulated by the United Nations General Assembly and accepted as the 2030 Agenda, commonly known as the 2030 Agenda. The 17 goals in total are intended to serve as a "common blueprint for present and future peace and prosperity for humanity and the planet."

OBJECTIVES:

The objectives of the present study are

1. To understand the need of convergence of Corporate Social Responsibility (CSR) with Sustainable Development Goals (SDGs)
2. To understand the present status of Impact Assessment Reporting of CSR
3. To suggest the possible ways for better convergence of CSR with SDGs.

RESEARCH METHODOLOGY:

The study tries to map out the CSR activities in India and link it with SDGs.

¹ Companies Act, 2013 [[cross.ref.](#)]

² The 17 Sustainable Development Goals [[cross.ref.](#)]

Looking into necessities of the purpose of the research paper, the descriptive research design is adopted. Secondary data were used in the study. Various articles, books and websites were referenced, observed, analysed and recorded.

Convergence of CSR with SDGs

Many countries are attempting to link CSR with SDGs and explaining how CSR contributes in different areas. The High-Level Committee on CSR, 2018 (HLC-2018) ³ recommended a review of current CSR practices adopted by companies. Shri Injeti Srinivas, Secretary, Ministry of Corporate Affairs was selected as the Chairman of HLC-2018. The government of India has set up the NITI Aayog to achieve SDGs. The CSR leadership in India can quite readily link the 17 SDGs to the designated CSR spending sectors. Applying the same rationale of connecting CSR with SDGs to the various development programmes of the Government of India may also lead to collaborations between public, corporate, and civil society players.

DATA ANALYSIS, INTERPRETATIONS, AND FINDINGS

Need of Convergence of CSR with SDGs

The CSR activities stated in Schedule VII of the Companies Act 2013 are mapped to the SDGs and shown in the table below:

³ Report of HLC-2018 [[cross ref.](#)]

Table 1: CSR Activities mapped with SDGs

CSR activities stated in Schedule VII of Companies Act	SDG (17 Goals)
1. "Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water."	1, 2, 3 and 6
2. "Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects"	1, 2, 4 and 8
3. "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."	1,5 and 10
4. "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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga".	6, 7, 9, 11,13, 14 and 15
5. "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 art and handicrafts"	9 and 11
6. "Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows"	3, 4 and 8
7. "Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports"	8 and 10
8. "Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women"	1, 2, 3, 4, 6,9 and 15

9. "Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting SDGs"	9,12 and 13
10. "Rural development projects"	1,2, 3,4 and 9
11. "Slum area development."	1, 2, 3, 4, 6, 7 and 9
12. "Disaster management, including relief, rehabilitation and reconstruction activities."	1, 2, 3, 6, 9 and 11

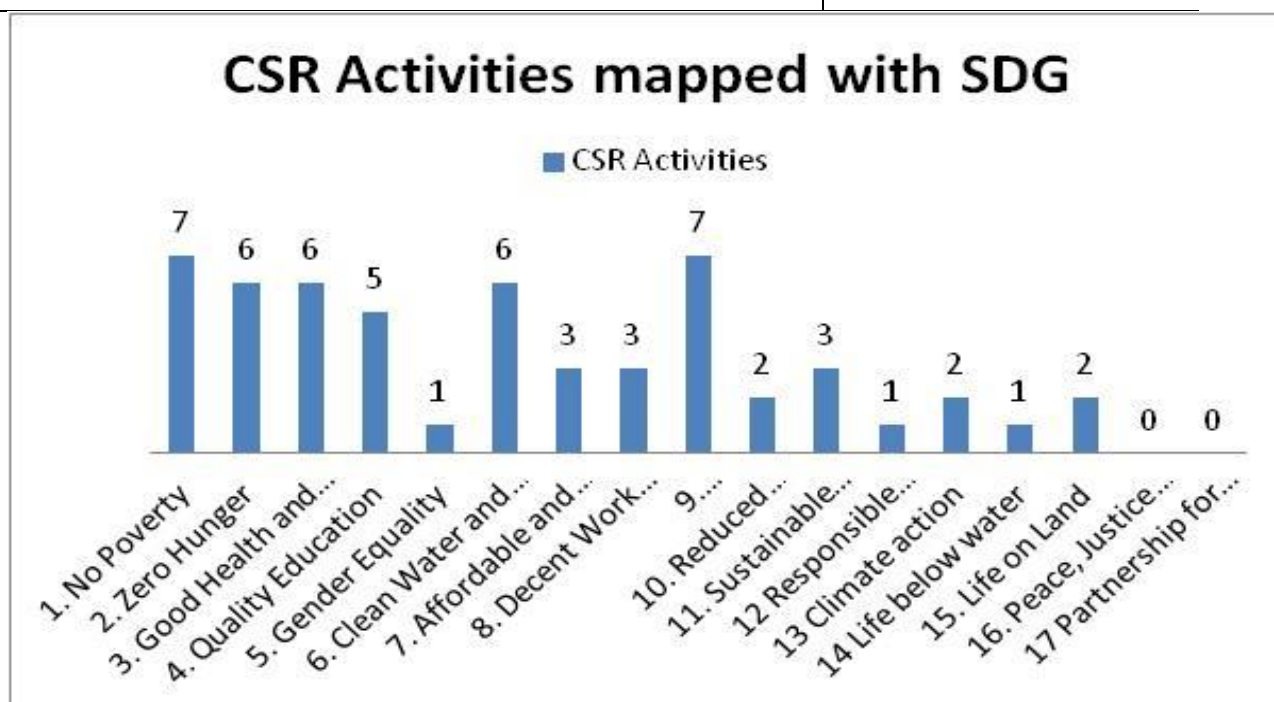


Figure 1: Mapping of CSR Activities with SDGs

The above graph is the graphical presentation of table 1 and on mapping all 12 CSR activities with 17 SDGs, it is found that SDG 1, SDG 2, SDG 3, SDG 6, and SDG 9 are covered by maximum CSR activities whereas SDG 5, SDG 12, and

SDG 14 are covered only by one CSR activity. It is worth noting that SDG 16 and SDG 17 are not covered by any CSR activity, which draws direct attention to expansion of CSR activities so that SDG 16 and SDG 17 can be covered as well.

CSR spending by Sustainable Development Goals (in INR Cr.)

Table 2: CSR Expenditure by SDGs (in INR Cr.)

SDGs	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021
1. No Poverty	228	218	159	200	321	797	1,679
2. Zero Hunger	275	1,252	607	811	1,193	1,159	1,380
3. Good Health and Well Being	1,905	2,710	2,681	3,062	3,922	5,206	7,425
4. Quality Education	3,025	4,647	5,369	6,845	7,313	9,487	7,940
5. Gender Equality	137	226	277	346	345	391	291
6. Clean Water and Sanitation	409	845	604	716	743	782	551
7. Affordable and Clean Energy	45	50	119	228	174	161	91
8. Decent Work and Economic Growth	282	345	458	322	821	994	1,649
9. Industry, Innovation and Infrastructure	1,183	1,474	1,684	1,847	2,581	2,463	2,018
10. Reduced Inequalities	70	183	271	299	326	410	397
11. Sustainable Cities and Communities	888	1,122	1,261	1,574	1,463	1,524	1,190
15. Life on Land	280	393	517	832	908	1,078	821
Total	8,728	13,466	14,006	17,083	20,109	24,451	25,432

Source: Ministry of Corporate Affairs (CSR Data)

Note: CSR areas are mapped one-to-one with the most relevant SDGs.

The table above shows that CSR spending has surged in sectors such as health and wellbeing, quality education and industry, and innovation and infrastructure, achieving SDG-3, SDG-4 and SDG-9 respectively each year. indicates that

Table 3: Trend Analysis of CSR Expenditure

Sustainable Development Goals	CSR Expenditure FY 2014-15	CSR Expenditure FY 2020-21	Change in amount	Change in %
1. No Poverty	228	1,679	1,451	636%
2. Zero Hunger	275	1,380	1,106	402%
3. Good Health and Well Being	1,905	7,425	5,520	290%
4. Quality Education	3,025	7,940	4,915	162%
5. Gender Equality	137	291	154	112%
6. Clean Water and Sanitation	409	551	142	35%
7. Affordable and Clean Energy	45	91	46	104%
8. Decent Work and Economic Growth	282	1,649	1,367	485%
9. Industry, Innovation and Infrastructure	1,183	2,018	835	71%
10. Reduced Inequalities	70	397	327	464%
11. Sustainable Cities and Communities	888	1,190	302	34%
15. Life on Land	280	821	541	193%

As per the above table, no poverty (SDG-1) trend analysis in the year 2020-21 is 636%, decent work and economic growth (SDG 8) is 485% and reduced inequalities (SDG-10) is 464%. Considered base year is 2014-15.

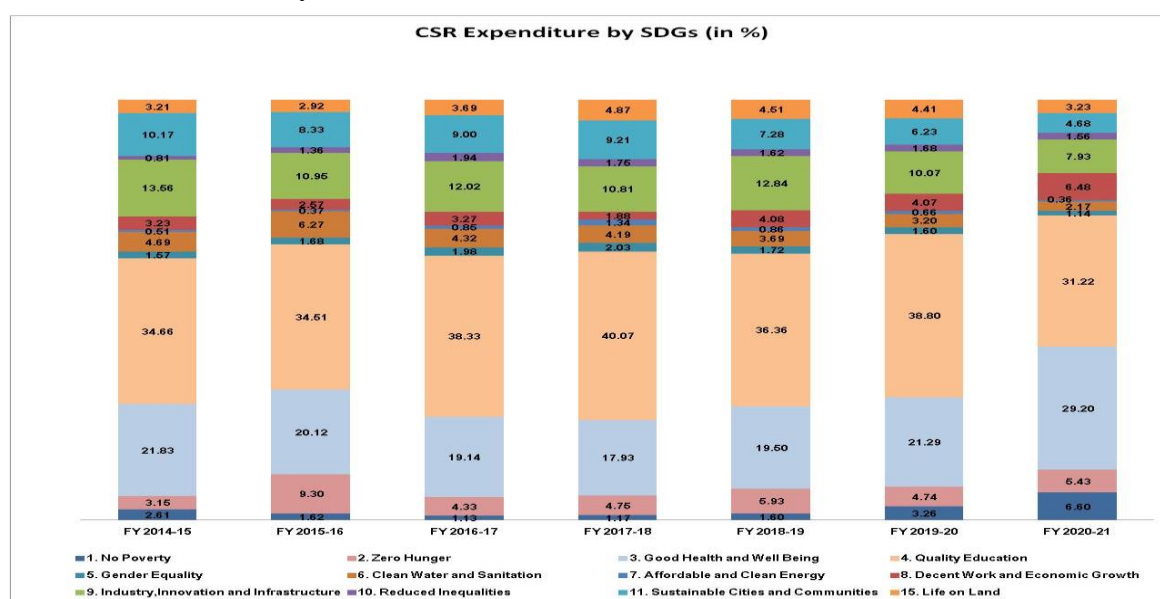


Figure 2: Analysis of CSR Spending by SDGs (in %)

From the graph above, we can see that SDG no. 3, SDG no. 4, SDG no. 9 and SDG no. 11 have seen the largest CSR spending over the past seven years compared to other SDGs. Also note that there have been no CSR outcomes from any company to date for SDG no. 12, SDG no. 13, SDG no. 14, SDG no. 16 and SDG no. 17.

Present Status of Impact Assessment Reporting of CSR

On 22nd January, 2021, the CSR Rules of 2014 were amended by the Ministry of Corporate Affairs. As per the amendment, “companies with a CSR budget of not less than INR 10 crore in any fiscal year and all projects with outlays of not less than INR 1 crore need to mandatorily undertake the impact assessment by an independent agency. Third party assessment should be adopted by every corporate for CSR projects to improve their return of social investment” (Dr. Khushboo Sharma, Dr.Happy Agrawal ,2021)⁴.

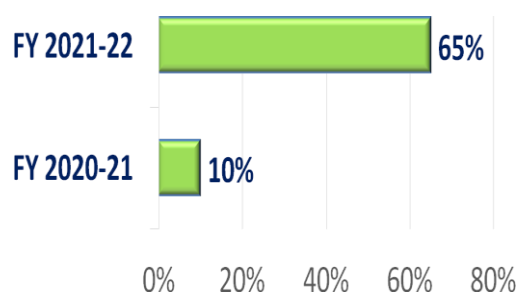


Figure 3: Analysis of CSR Impact Assessment Reporting

Note: Top 20 CSR spending companies have been selected for FY 2020-21 and FY 2021-22.

From the above graph, it is clear that there is a sudden increase in impact assessment

⁴ Dr. Khushboo Sharma, Dr.Happy Agrawal (2021) 'IMPACT ASSESSMENT OF CORPORATE SOCIAL RESPONSIBILITY': A SPECIAL CONTEXT OF THIRD PARTY: An International research Journal, Vol. 11, Issue 41

reporting of CSR activities due to mandate rule. While going through the impact assessment reports of companies, it is found that every company has followed their own way of preparation of report. Thus, it is difficult to compare the CSR projects of different companies due to a lack of uniformity in reporting. Currently, there is no specific structure given by law for preparation of the impact assessment report of CSR. Every company prepares the report as per their best knowledge and judgment.

On analysis of CSR Report of companies, it is found that a number of the companies voluntarily linked their CSR projects/areas with SDGs in their impact assessment report of CSR for the year FY 2021-22. Figure 4 is a graphical presentation of the same and it is to be noted that 71% of companies have linked their CSR activities with SDGs and whereas 29% of the companies have not linked SDGs with CSR activities as it is not required by law.

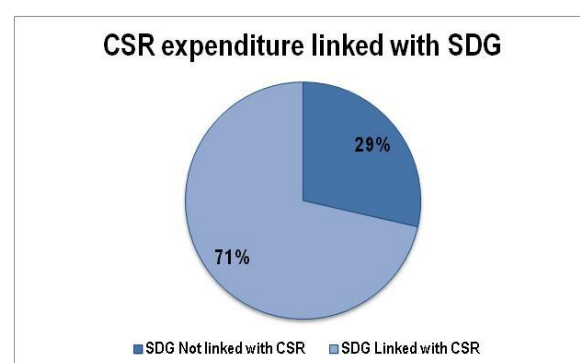


Figure 4: Analysis of reporting of SDGs in CSR Impact Assessment Report

Note: Top 20 CSR spending companies have been selected.

CONCLUSIONS:

This research of the convergence of Corporate Social Responsibility with the United NATIONS' Sustainable Development Goals in relation to CSR impact assessment reports. It is revealed

on analysis of CSR mapping with SDGs that all 12 CSR activities written in schedule VII of the companies act does not cover all the 17 SDGs (refer figure 1) and hence there is a scope of expansion of CSR activities. There is a remarkable change in CSR spending for the financial year 2020-21 as compare to financial year 2014-15 with respect to SDG 1, SDG 8, and SDG 10 (table 3). Companies are more focusing on projects related to poverty, hunger, economic growth, and inequalities, which failed to achieve the other SDGs (refer figure 2). Companies have positively accepted the new CSR rule for impact assessment reports. Also, companies have voluntarily linked their CSR activities with SDGs, which shows the relevance of convergence of both. Companies are highlighting their SDGs achievement in impact assessment reports of CSR, which are not mandatory by law.

Currently, there is no specific reporting structure given by law for preparation of the impact assessment report of CSR. Every company prepares the report as per their best of knowledge by appointing a third party. Thus, it is difficult to compare the CSR projects of different companies due to a lack of uniformity in reporting. Impact Assessment Reporting should be created with the long-term approach in mind, not the short-term approach. Goals attained and those not achieved shall be clearly detailed in the report. Company's CSR policies need to be reviewed in order to diversify CSR activities in line with SDGs. By doing this, all Indian businesses can do their part to help the country play an active participant in reaching these SDGs by 2030.

SUGGESTIONS:

- CSR activities should be expanded to cover SDG-16 and SDG-17 so that all SDGs can be achieved.
- CSR award to be reserved for contribution in SDGs- recognition to a company based on

achievement of SDGs to motivate corporates to link their CSR activities with SDGs.

- CSR may be brought within a purview of the SDGs of United Nation.
- Further research should be conducted to examine the link between the CSR and SDGs and the possibility of model building for Impact Assessment Report should be explored.

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