

BUSINESS RESPONSE TO COVID-19 THROUGH CSR

CSR initiatives by Top 100 companies, expressing
solidarity with the government in its fight against the
COVID-19 outbreak



ABOUT INDIAN INSTITUTE OF CORPORATE AFFAIRS (IICA)

Established as a think tank for the Ministry of Corporate Affairs, The Indian Institute of Corporate Affairs was set-up in 2008 to advance thought leadership in the Indian business environment on various subjects and matters relevant to corporate regulation and governance such as corporate social responsibility, corporate and competition law, corporate finance, corporate governance, business and human rights, responsible business, insolvency laws etc.

The IICA has been set up with a flexible organizational structure that includes:

- Schools for teaching, training and capacity building in academic disciplines relevant to corporate regulation and functioning.
- Centres and forums for interaction, innovation and experience sharing
- A Think Tank for research, studies and policy advice to the government
- Need-based expert groups, task forces and out-sourced projects
- A knowledge management system for continuous creation, collation and dissemination of knowledge and information
- A network of global partnerships with government, institutions, corporate entities, academic and other institutions.

NATIONAL FOUNDATION FOR CORPORATE SOCIAL RESPONSIBILITY (NFCSR)

National Foundation for Corporate Social Responsibility (NFCSR) is an apex National Institution being housed at IICA, Ministry of Corporate Affairs, providing a favourable environment for the corporate sector to work in tandem with the Government, Non-Government, Civil Society Organisations and Local Community Organisations in the field of the rapidly emerging concept of CSR.

NFCSR has been successfully bridging the gap between businesses and communities by helping them develop value-based, sustainable, and SMART corporate social responsibility (CSR) programs. To propagate and facilitate the compliance of Section 135 of Companies Act-2013, NFCSR has been hand holding corporates and providing cutting edge services in following:

- Research, data analysis and report writing.
- Advocacy and consultation.
- Real-time evaluation of on-going projects.
- Designing and review of CSR policies.
- Planning and undertaking need and baseline of the studies.
- Impact evaluation of completed projects.
- Certification and several short-term courses on CSR.

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INTRODUCTION

On the 30th of January 2020, the World Health Organisation (WHO) declared COVID-19 a public health emergency of international concern. Such a global health crisis has caused an unprecedented restructuring of resources in terms of both speed and scale of mobilisation.

Corporate Social Responsibility (CSR), is playing a crucial role in the age of this pandemic COVID-19, where business is trying their best to cope up this tremendous challenging time. CSR is a “self-regulating business model” which implies that the procedures of interaction by a company with its stakeholders and the general public at large for creating a scenario of being socially responsible.

On March 23, 2020, all expenditures incurred on activities related to COVID-19, were announced to be added as the permissible avenues for CSR expenditure. It was further informed that the funds may be spent on activities relating to promotion of healthcare, including preventive health care and sanitation and disaster management. The CSR community quickly took up the mantle to drive up its response initiatives with internal approval processes.

Even before this announcement was made, we saw some examples of benevolent individual corporate leaders offering resources to combat COVID-19. Companies have been motivated to participate in COVID-19 responses by not only funding non-profits and PM CARES Funds but also by taking part themselves, whether it be through manufacturing PPE kits or through driving relief efforts in their community. Since the announcement of the PM CARES fund and its inclusion in Schedule VII of the Companies Act, 2013 through a subsequent amendment, a huge amount of funding has also been directed from corporates to the PM Cares Fund.



Source: The Times of India

The pandemic has affected both personal and professional lives across industries of all scales and types thereby multiplying relief efforts through the cooperation of all kinds of entities. The present publication takes an account of 100 Companies’ CSR response to COVID-19. The document reviews non-monetary contributions of CSR companies.

CSR TO FIGHT COVID-19



As a part of commitment to rise to the occasion when the Nation needs it the most, Indian Companies are supporting those impacted by the COVID-19 pandemic - daily wage workers, people living in urban slums and rural areas. The Companies are also extending its support to the ones on the front line - the Doctors, Nurses, Police Officers, the local municipal corporation workers; all those who are working relentlessly to fight the pandemic, to ensure our people make it through this crisis.



100

Companies



500+

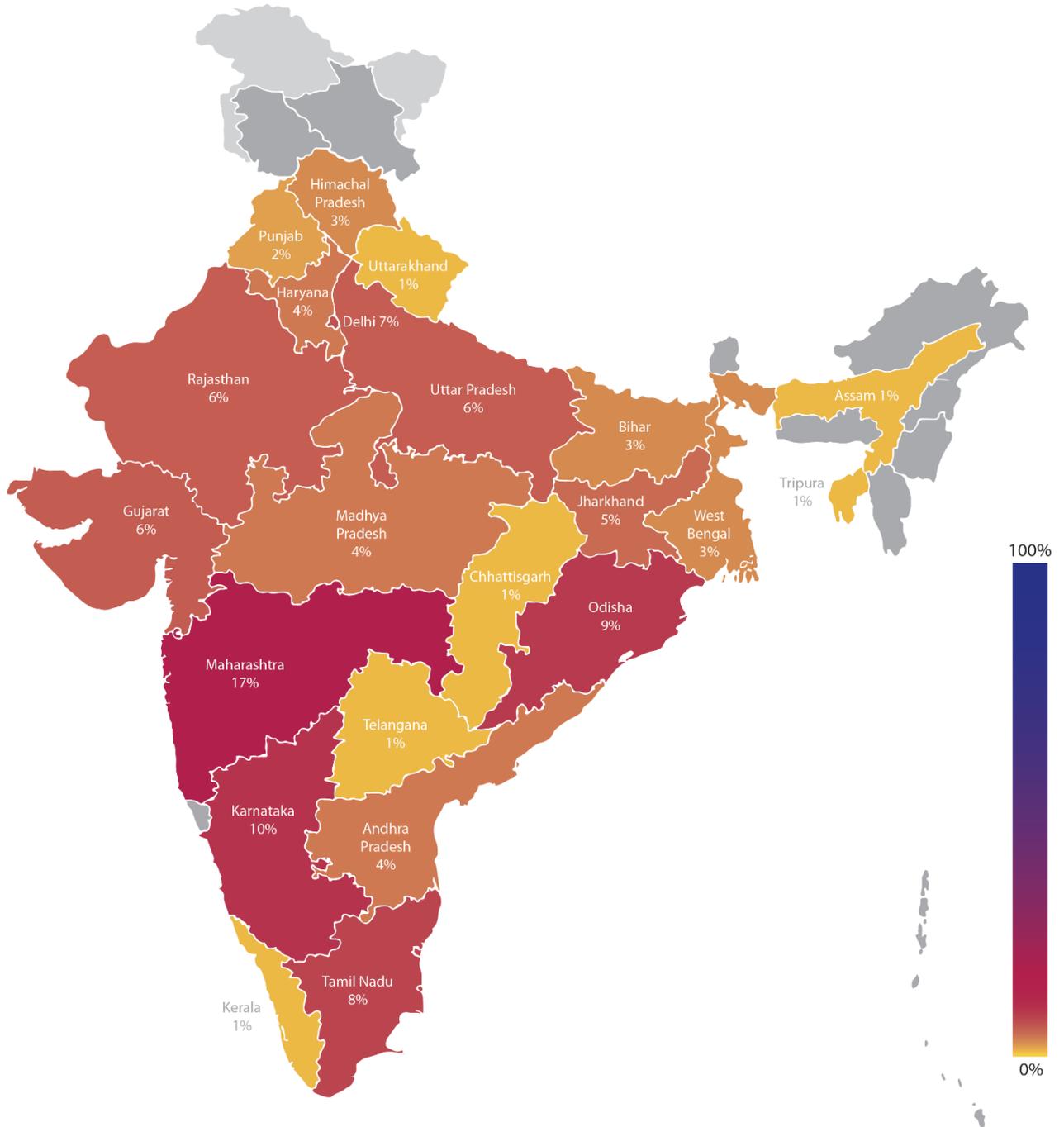
CSR
Initiatives



11

Sustainable
Development
Goals

COMPREHENSIVE GEOGRAPHICAL COVERAGE



The maximum number of projects were undertaken in the state of Maharashtra, accounting to 17 per cent of the total mapped projects. Maharashtra has been one of the COVID-19, worst impacted states in India. The second and the third largest number of projects were undertaken in Karnataka and followed by Odisha.

METHODOLOGY

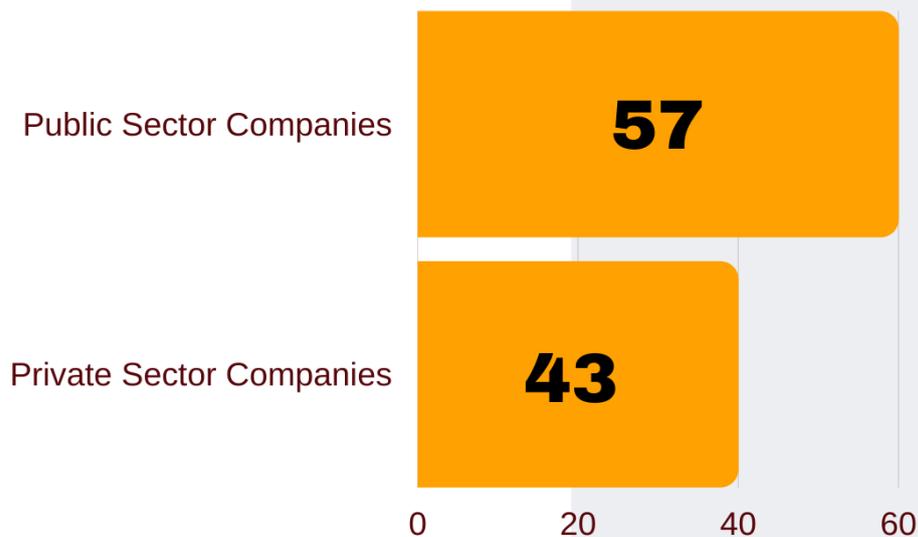
The report brings forward an overview of the innovative and necessary CSR activities, being undertaken by the top 100 companies in India in accordance with the Schedule VII and SDG indicators. This study aims to examine CSR activities for COVID-19 relief, based on various thematic areas, target groups, mode of implementation, geographical coverage, etc. The objective of the report is not only to create a sense of awareness and responsibility but will also foster active participation and involvement of many more organizations for the betterment of society during the trying times.

DATA COLLECTION

The data collection was conducted through a thorough review of the secondary data available on the companies' website, social media handles and newspaper coverage.

Businesses are grappling with this unforeseen crisis and trying to mitigate several challenges. Corporate sector in India have stepped up to support the efforts in various ways. CSR programmes are now either directed towards COVID-19 preparedness and response, or actively preparing to contribute in the direction.

The sample selected for the study was based on the Top 100 companies as per the Ranking of Responsible Business 2019 - a comprehensive list of Corporates making positive strides towards achieving the Sustainable Development Goals. Out of the companies selected, 57 were Public sector companies, while 43 were Private sector companies.



Provision of Healthcare Services

- Preventive health (Sharing of information, provision of quarantine facilities, contact tracing)
- Screening and diagnostics of COVID cases (Identification and testing of potential cases)
- Treatment, control and management of cases (Provision of quarantine and treatment of COVID positive individuals).

Response to Water, Sanitation & Hygiene

- Preventive health (Sharing of information, provision of quarantine facilities, contact tracing)
- Screening and diagnostics of COVID cases (Identification and testing of potential cases)
- Treatment, control and management of cases (Provision of quarantine and treatment of COVID positive individuals).

Health System Strengthening

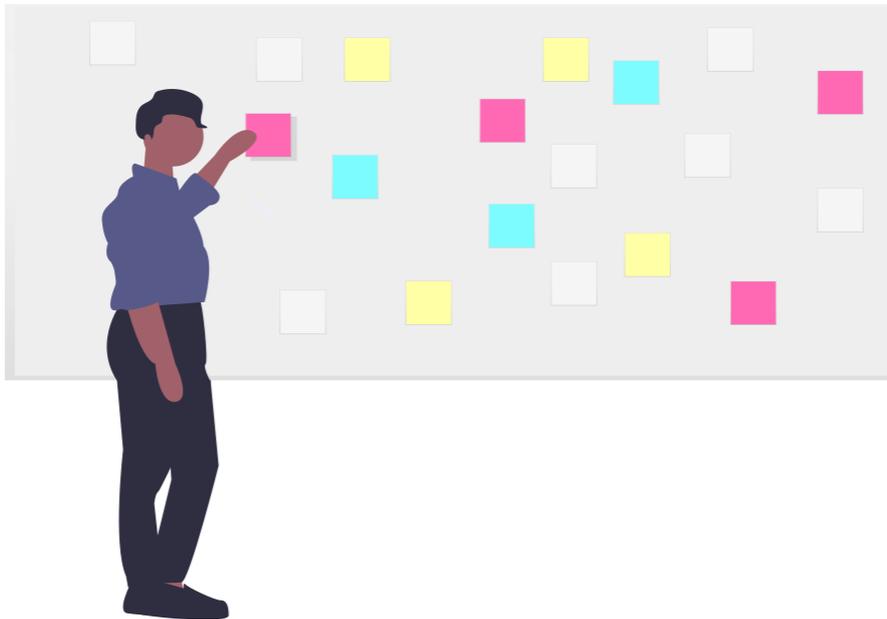
- Community support and demand (improve knowledge of community needs, participation in health programs, and treatment compliances)
- Service delivery and human health resource (improving existing facilities/aid the setup of new facilities and build capacity of health workers to improve access).
- Health information and technology (establish patient tracking and decision support systems, and enable evidence-based decision-making and collaboration).
- Medical products and supplies (support improvement in availability of medical products/supplies and extension of diagnostics/testing services).
- Providing Health Insurance (advocate for and enable access to health insurance schemes, and equity in response measure).

Response to Poverty & Livelihood Needs

- Provision of economic sustenance through direct transfers, providing wages.
- Provision of essential items and services (especially to vulnerable population)
- Sustaining livelihood initiatives of at-risk communities.

Response to Educational Needs of Children

- Promotion and use of ICT for enabling greater information access to children.
- Other educational interventions.



Focusing on the Sustainable Development Goals (SDGs) allows companies to address a significant challenge facing corporates in order to devise an effective CSR approach valid across multiple jurisdictions. For companies with cross-border business operations, developing a cohesive CSR approach may be difficult, however, the SDGs are inherently universal and can therefore, provide a suitable remedy to such issues. The SDGs and CSR thematic development areas share a lot of overlap in terms of activities needed to achieve either. The CSR regulation sets a broad framework and gives direction for better sustainable future and the SDGs set tangible well-defined targets to measure the outcome of activities. The spread of COVID-19 demands global cooperation among governments, international organizations and the business community. When the future of the world is at stake, facing considerable economic, social and environmental challenges, companies can't visualise their future without trying to protect the multiple stakeholders.

Thus, this has given rise to the concept of linking CSR with sustainable development, and now includes sustainability and responsibility as two complementary elements of CSR. The various SDGs are mapped with the Schedule VII activities related to COVID -19 relief, are illustrated as follows:

(i) **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.



(ii) **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.



(iii) **Contribution to the Prime Minister's 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.



(vii) **Promoting education**, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.



(ix) **Contributions or funds provided to technology incubators** located within academic institutions which are approved by the Central Government.



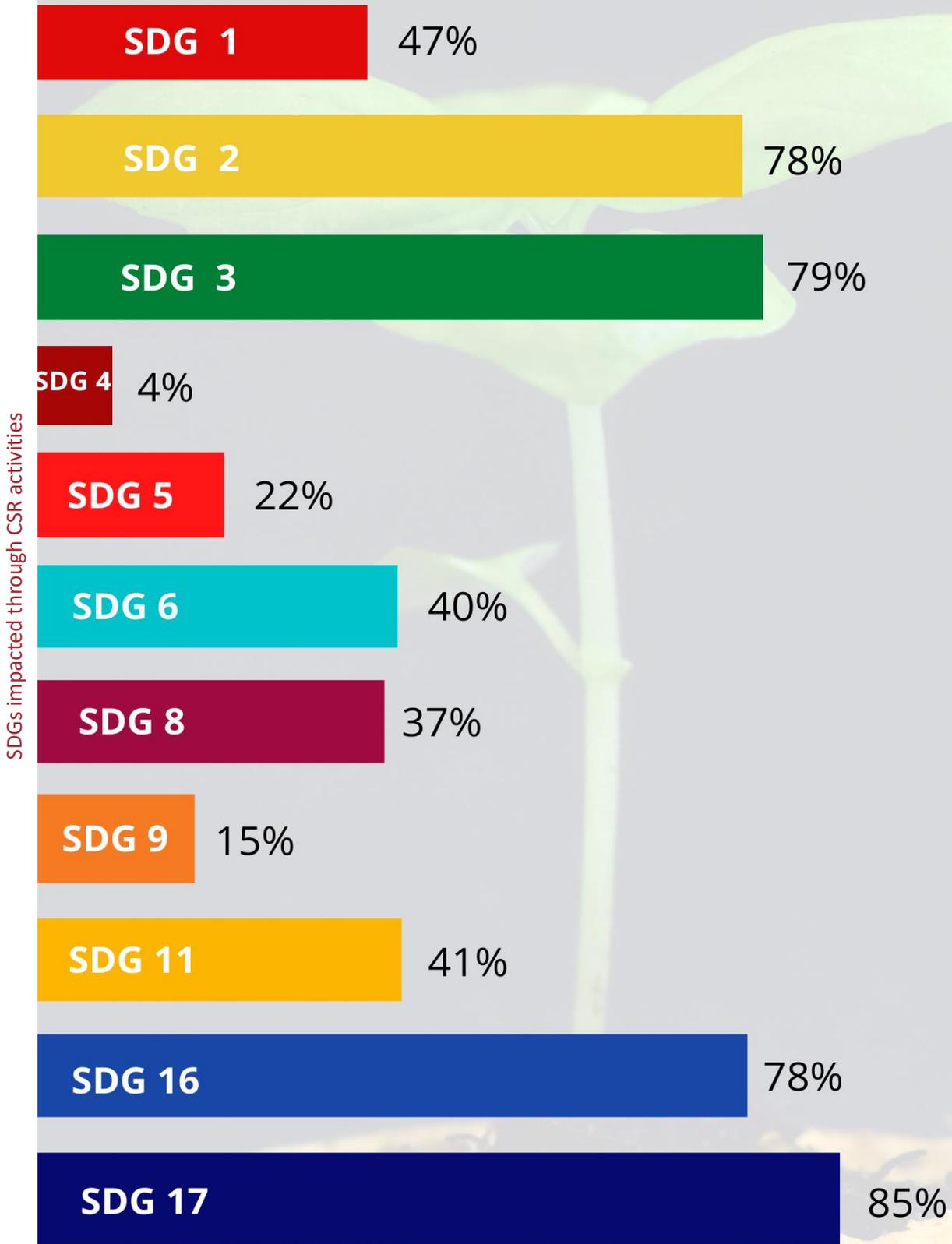
(x) **Rural development projects**, efforts for improving the social, economic, cultural and infrastructural conditions of rural populace.



(xi) **Slum development area**, integrated approach towards the development of any area declared as "slum area" by the Central Govt/any State Govt/any competent authority under any law for the tenure in force.



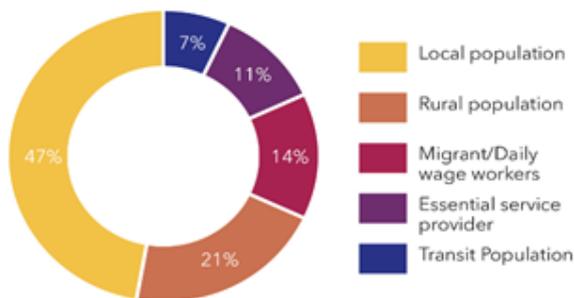
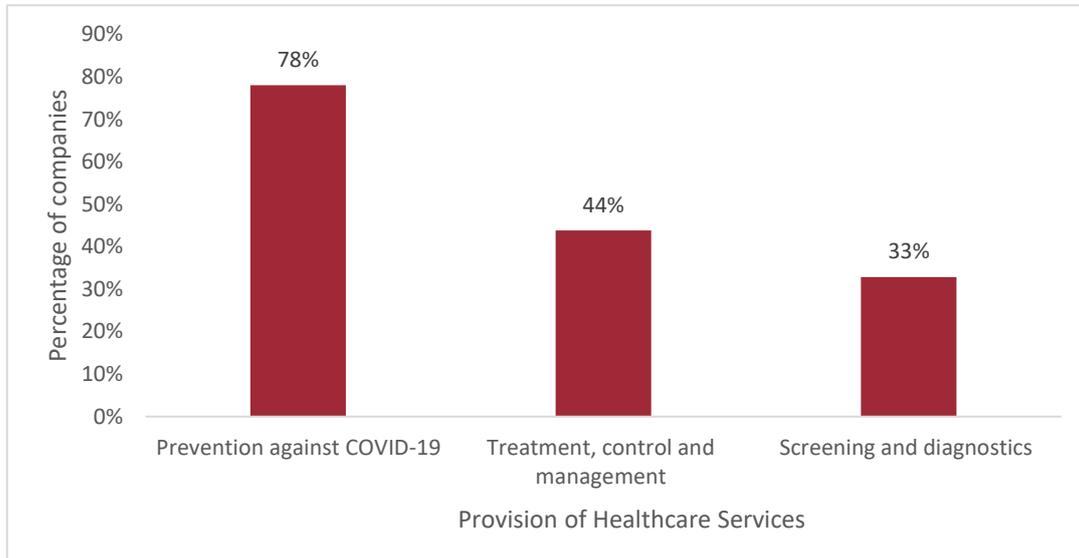
COVID-19 RELIEF CSR ACTIVITIES MAPPED WITH THE SDGs



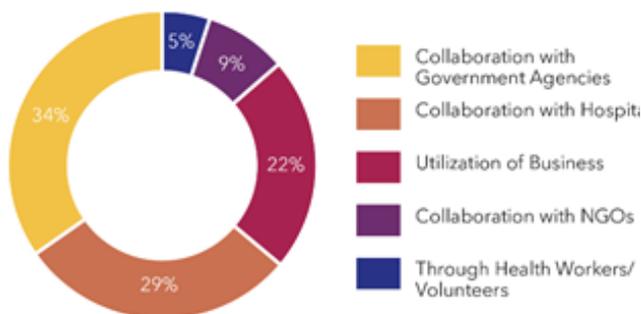
COVID-19 relief projects focussed towards SDGs

FOCUS ON COVID-19 ACTIVITIES

PROVISION OF HEALTHCARE SERVICES



Targeted Beneficiary for Preventive Health



Mode of Implementation of Preventive Health

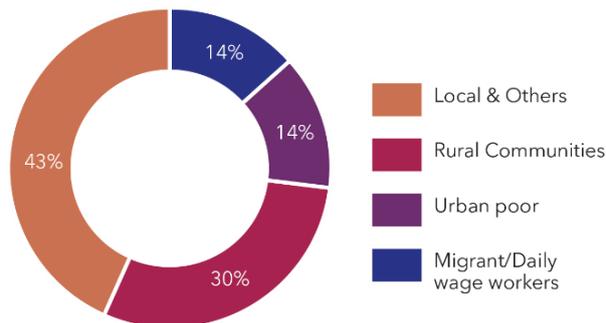
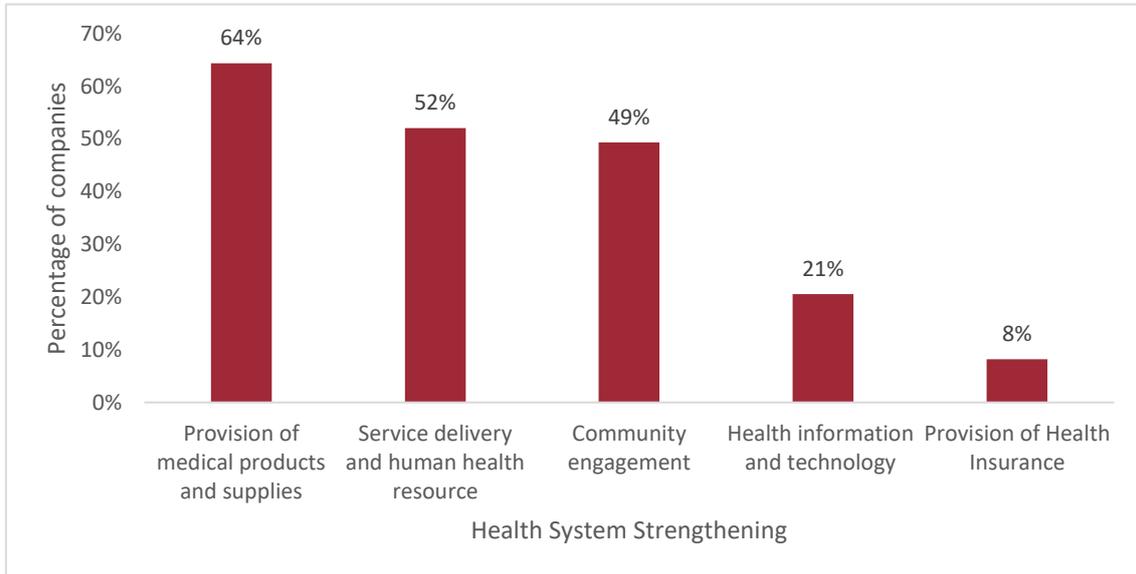
Preventive healthcare is an important dimension of health – SDG 3, that needs significant attention and investment from all sections of the society. It is a national health priority and a notified area under Schedule VII of the CSR Section 135 of the Companies Act.

Preventive healthcare directly improves health, well-being and productivity of community/population, families and individuals, and promotes equity by benefiting most the disadvantaged and marginalised groups. It covers a range of public health activities focused on prevention of diseases, promotion of good health and strengthening of health systems.

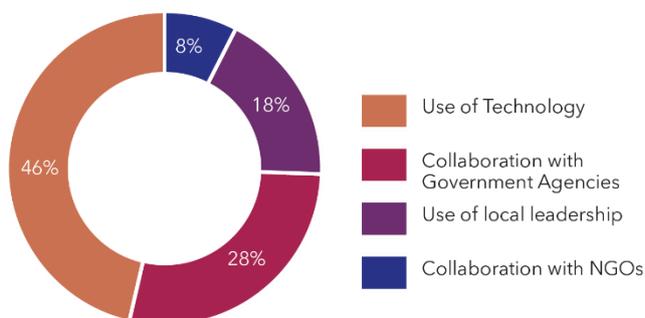
Reinforcing its commitment towards its battle against COVID-19, the Indian Corporate sector, initiated relief efforts by providing medical products and services for healthcare workers and vulnerable communities of the country, keeping in mind the urgent need, and ensuring the safety of the people involved.

Many companies are offering hotels for quarantine purposes, by linking them to existing COVID-19-dedicated hospitals to be used as extended coronavirus facilities. These hotels shall provide regular services, including rooms, food, housekeeping and disinfection, to patients.

HEALTH SYSTEMS STRENGTHENING



Targeted Beneficiaries for Community Engagement

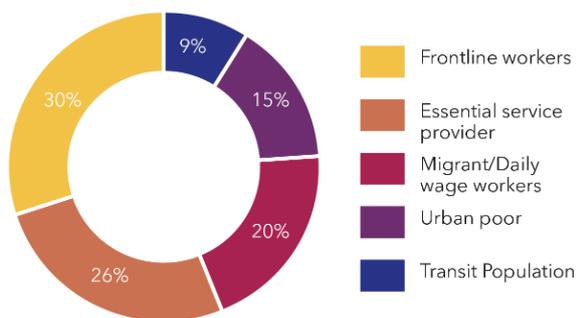
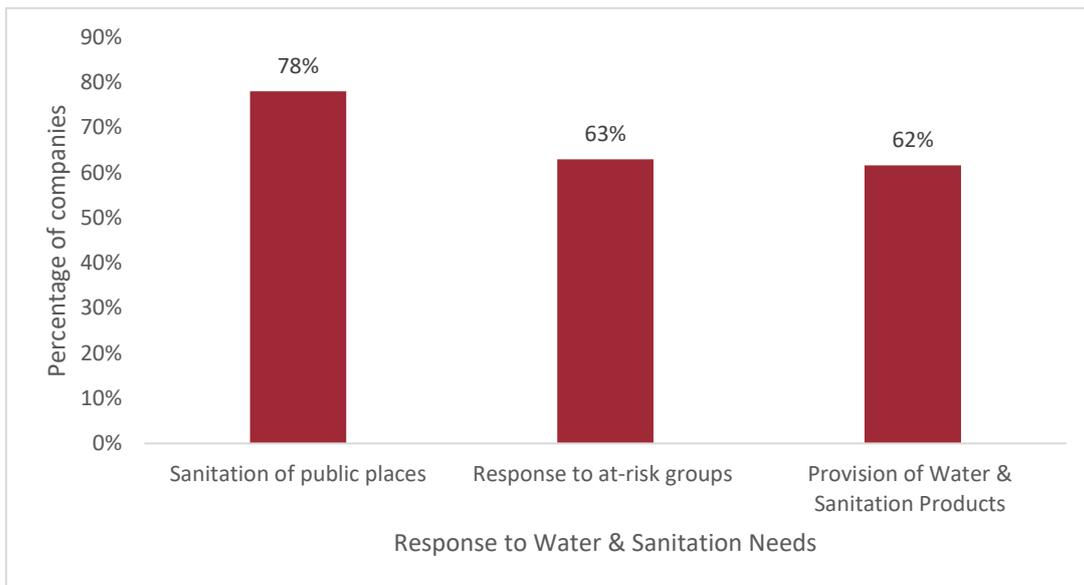


Mode of Implementation for Community Engagement

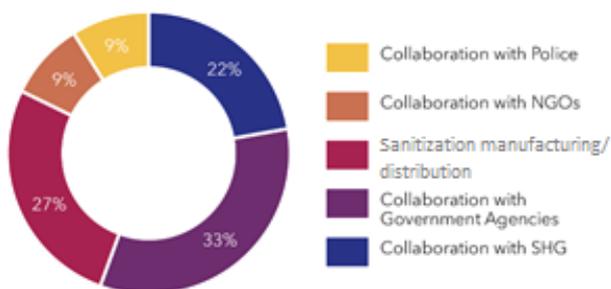
CSR is taking some burden off frontline health workers by supplementing public health systems, supplying hygiene kits and supporting the establishment of temporary quarantine facilities. Companies have responded to the needs of frontline workers to stay safe and equipped to respond to the COVID-19. The companies have made efforts in capacitating and training health care providers using technologies across hospitals in direct consultation with the government department.

SDG 9 has become more relevant than ever as many automobile companies have re-structured themselves to respond to the growing need of ventilators. These companies have collaborated with hospitals and government departments to respond to the growing need of medical supplies and emergency equipment. A few companies have provided health insurance to essential service providers as an effort to address financing, policy and governance efforts. Simultaneously, the public and private partnership has invested in many strategies for mass testing, medical research and hand-washing campaigns. This collective and proactive approach has proved so far to contain the virus.

RESPONSE TO WATER & SANITATION NEEDS



Targeted Beneficiaries of WASH Products



Mode of Distribution of WASH products

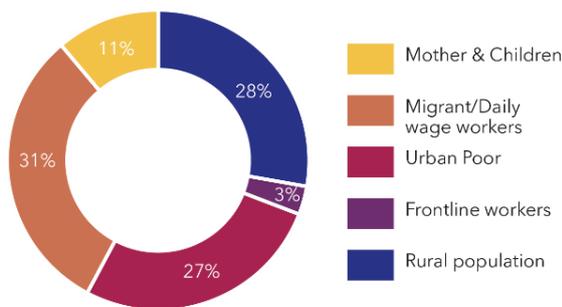
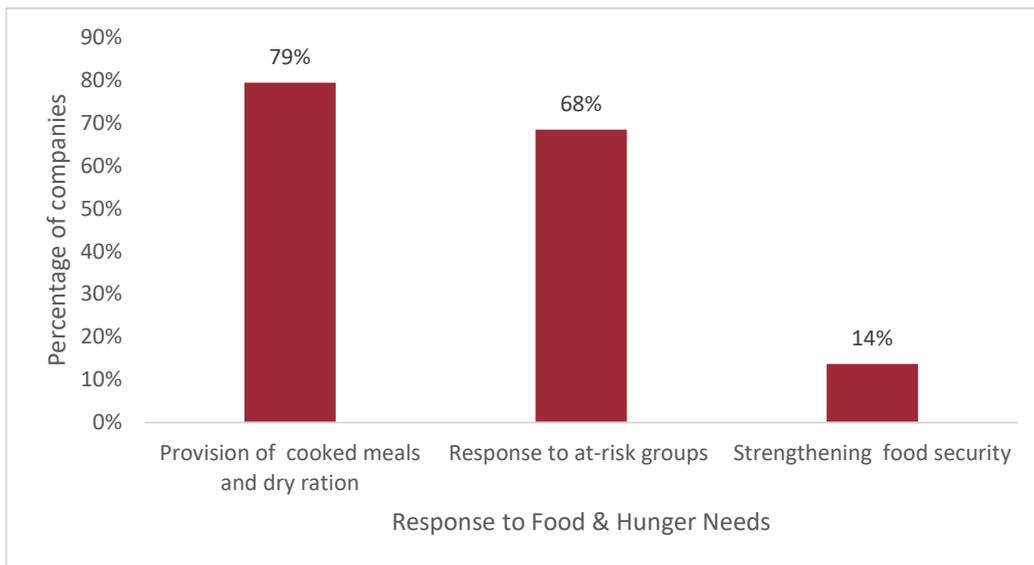
In these times of distress, the importance of efficient waste management techniques cannot be overemphasized, especially for a country like India, where more than 163 million people do not have access to clean drinking water and only 50 per cent of the household's report using sanitation facilities. Aligned with SDG 3, 6, 11, the Swachh Bharat Mission has catalysed the conversation around sanitation, right from the streets to the boardrooms of corporate India.

Corporate India has responded enthusiastically to the Government's call-to-action aligned with SDG 16, 17 on Water, Sanitation and Hygiene (WASH) issues. However, despite substantial support from the corporate sector, the road ahead remains challenging. Lack of Water Sanitation and Hygiene (WASH) best practices have an undeniable link to the spread of diseases like COVID-19. Just as the nation's health workers tirelessly work to save lives, our sanitation workers have also been working in every ward and Mohalla to ensure that we remain safe and healthy. The corporate sector is ensuring that families not only have adequate infrastructure for handwashing, but are also equipped with the knowledge of the health and safety benefits of this simple but life-saving action.

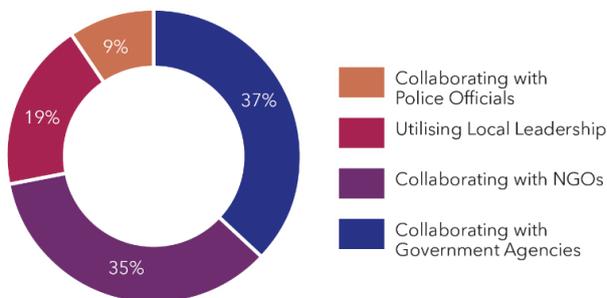
The companies have made efforts in sanitizing public places, villages and others. A common practice under the corporate social responsibility is to spray sodium hypochlorite in association with local Administration in project affected villages for cleaning and disinfecting purposes.

Furthermore, apart from distribution of essentials such as surgical masks, sanitizers, liquid soap and home & surrounding cleansing items. Corporates are conducting informative and awareness sessions to help people understand the benefits of handwashing through educational and behavioural tools and tactics and advocating with the government to strengthen public healthcare and economic assistance.

RESPONSE TO FOOD SECURITY AND HUNGER



Targeted Beneficiaries for Food/Ration Relief



Mode of Providing Food Relief

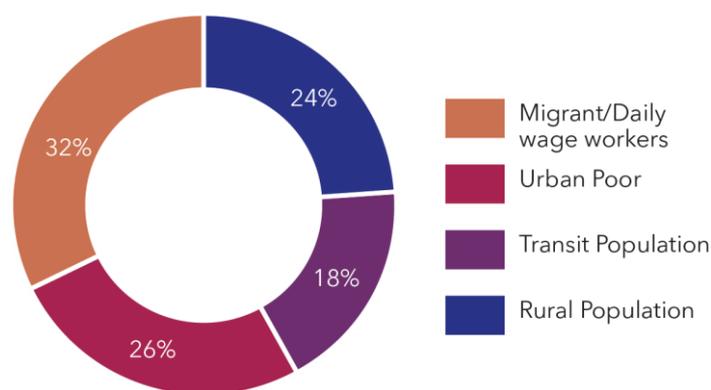
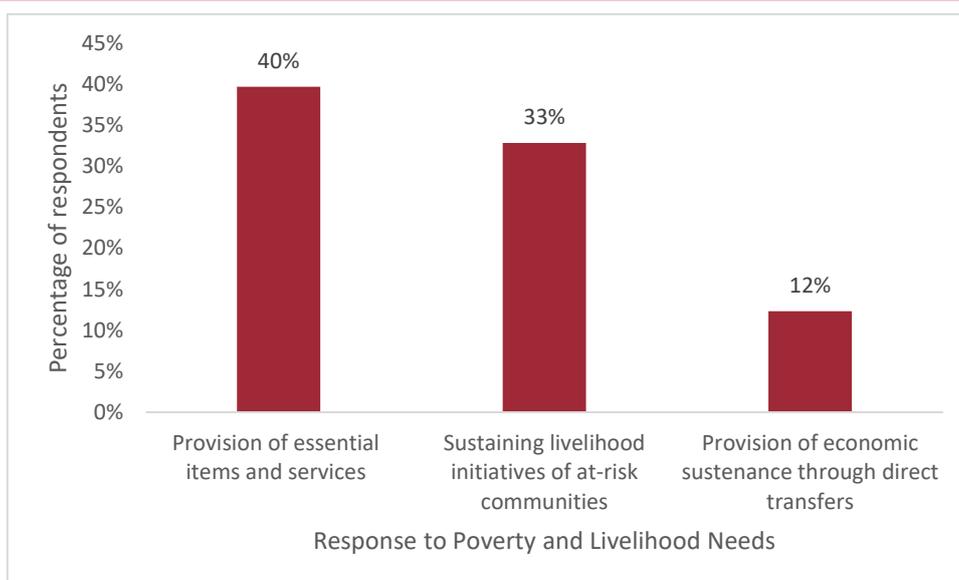
In the midst of the on-going pandemic, social distancing is a luxury that India's informal workforce of 450 million cannot afford. With the government lockdown order and inadequate state provisions for food distribution, several families are sleeping hungry -- in their homes, stranded at railway stations or state borders. The part of the countrywide lockdown was that it coincided with the country's peak harvesting time of a variety of crops of the season. Summer vegetables and fruits were ripened and ready to pick; wheat, paddy and barley crops were ready for harvest but all the farmers' hard work went to waste due to the sudden halt of the country.

As the majority of the population is characterized as vulnerable, authorities feared a problem bigger than the pandemic - hunger.

Many corporates have stepped in along with the government to feed the needy by providing relief packages to take care of food security measures for the poor. Their action helped the poorest of the poor to cope with the hardship. Companies have actively been helping the underprivileged amid the COVID-19 crisis, and have extended their support by providing cooked meals and ration packets in the communities. Continuing the efforts to offer relief measures under CSR and SDG 1,2, 11,16 and 17- the daily wagers, migrant labourers and below poverty line (BPL) families in the villages are being benefited from the concerted efforts of the companies across geographies in the country. Additionally, corporates are working closely with a number of NGOs, charity organizations and religious institutions to ensure uninterrupted supply of food and essentials at subsidized rates to them.

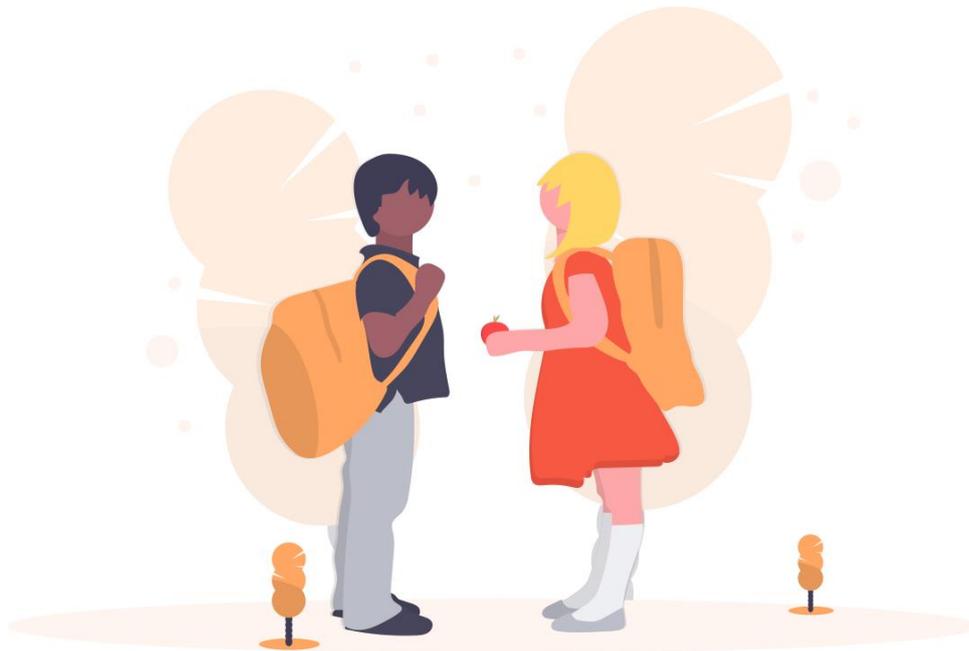
As per UN FAO, the four pillars of food security are availability, access, stability and utilization. These indicate the physical availability of food; economic access to food; stability of the availability & access; and absorptive capacity (health status). Availability and access become extremely important in the present context. Food distribution remains a key social security measure to reduce food deprivation, especially in emergency situations. investment in a country's future, because it preserves and strengthens the human assets and livelihoods that are the foundation of future stability and development.

RESPONSE TO POVERTY AND LIVELIHOOD NEEDS



Targetted Beneficiaries Provided with Groceries/Essentials

Along with the government, giant corporates and NGO's in alignment with SDG 16, 17 are in the frontline to make consensus to curb the spread of the virus. Out of the 100 companies' 12 percent of the companies have invested in providing direct benefit transfers to vulnerable groups especially daily wage and contractual workers as part of SDG 8 and 11. A few companies, despite being closed due to the lock-down, have made efforts to provide wages without accounting deductions and safeguarded livelihood of suppliers and other essential workers. The pandemic has brought about a greater need for healthcare products and essentials. The need has been well understood by the companies implementing CSR. In accordance to SDG 5 and 8, women SHGs are making masks which have provided livelihood and skill development opportunities as well as helped communities to practice hygiene and safety. With huge numbers of informal workers losing their livelihoods during the lockdown and food supply chains getting disrupted in some areas, SHGs with the support of corporate and government have set up over community kitchens across the country to feed stranded workers, the poor, and the vulnerable.



Due to the nation-wide lockdown educational institutions have particularly faced the brunt as schools, colleges have been shut down. The situation is especially severe for those children who live in remote and rural areas.

Out of the total reviewed companies' 4 percent of the companies were found to exclusively dedicate their CSR initiatives focussing on SDG 4 to deliver a combination of educational, engaging and fun online and printed content which support remote teaching and learning – a new reality for millions of teachers, parents and students during this time.

These companies have tried to engage teachers, students and parents to make sure that there is no lockdown on education as student's right to education should not be contingent on where they live or their family's income. Companies are trying to find creative new ways for teachers and students to connect from a distance ensuring remote reach to students through smart phones. The use of educational digital programs in alignment of SDG 9, have been a common trend in these companies through use of applications including Google Hangout, Zoom & WhatsApp.

A few companies have also made exclusive application dedicated mobile applications for enabling access to education to children. The need and relevance of Tech-ed initiatives to reach out to children in remote and rural areas has been understood as a major area where the current education initiative could be redirected. Tech-ed initiatives have also become important to address the SDG 4: Quality Education.

CONCLUSION



The COVID-19 pandemic has brought about a flux wherein responsible and responsive business have become more important. The current times pushed global and corporate leadership to take the forefront especially being responsive to safety to employees, effectively running core operations and responding to change. It is evident how the efforts of companies have been not only to serve the targeted beneficiaries but solve national problems.

Companies are making efforts to keep the employees safe and protected. This has been translated in CSR efforts as well. It is important that CSR should also invest in advocating for and enable access to health insurance schemes, and other equity measures in response. In regard to the thematic areas where healthcare has been the most widely recognised and worked upon. Climate change, WASH, socio-economic concerns including livelihood, hunger, poverty, rural development are some areas which will need significant impetus.

Apart from corporate houses, the employees too have pledged to be a part of the global fight against the pandemic. Practices including employee and volunteer engagement are becoming important to respond to the current scale of health emergencies. The need to understand and assess the CSR response from a preparedness, response, recovery and risk mitigation & resilience perspective to better assess, understand and measure the impact of short-term and long-term initiatives.

The effects of COVID-19 have provided an unprecedented stress test of corporate social responsibility. In every crisis there are risks and opportunities and this is what we have witnessed through our study thus far. Companies across all sectors have taken the opportunity to further embed themselves into the social fabric of the communities where they operate. In this context, CSR presents a pathway to protect consumer trust, investor confidence and workforce loyalty. If there is a simple lesson that we can relearn, it is that CSR practices can act as powerful when responding to a crisis.

Team Involved



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