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The Future of CSR in India with Aditya Nataraj

Insights from Aditya Nataraj, CEO of Piramal Foundation - An Interview by Rusen Kumar

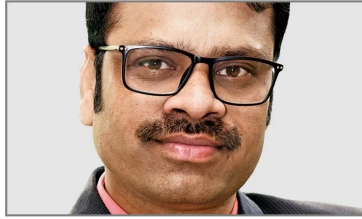_by_ **INDIA CSR** — April 17, 2024 Reading Time: 11 mins read   AA

Aditya Natraj CEO Piramal Foundation India CSR

Rusen Kumar

Words **Rusen Kumar**

Explore the future of CSR) in India in an enlightening interview with Aditya Nataraj, CEO of Piramal Foundation, hosted by Rusen Kumar, editor of India CSR.

This year commemorates a decade of mandatory Corporate Social Responsibility (CSR) in India, a pivotal movement that significantly enhanced corporate contribution to social and environmental initiatives. As we celebrate this milestone, it's essential to reflect on the achievements, understand the evolving challenges, and anticipate the future dynamics of CSR in India. In this detailed discussion, **Aditya Nataraj, CEO of Piramal Foundation** shares his profound insights with **Rusen Kumar, editor, India CSR** on how CSR has transformed the landscape of corporate giving and what future trends may shape its trajectory.

Excerpts:

Evolution and Impact

How has the CSR landscape in India evolved over the past decade? What are some of the key milestones and achievements?

In the last decade, India's CSR landscape has undergone profound changes, largely catalyzed by enforcing the CSR mandate 2014. This directive, mandating companies to allocate 2% of their average net profit of 3 preceding financial years towards social development, has driven a substantial surge in resources directed towards development initiatives.

As a result, there has been a notable expansion in the scope and impact of CSR activities, with a growing emphasis on addressing societal challenges aligned with national goals. This evolution reflects a broader recognition among Indian corporates of their shared responsibility in contributing to the country's social and economic development.

Moreover, emerging trends such as deep-impact investing and social innovation underscore a shift towards projects with long-term commitments and measurable social or environmental outcomes. These trends signify a maturing CSR ecosystem in India, characterized by a more strategic and sustainable approach to corporate responsibility.

Additionally, integrating Environmental, Social, and Governance (ESG) principles further highlights a growing focus on sustainability and climate action among Indian corporations. These developments reflect a positive trajectory towards a more inclusive, equitable, and environmentally sustainable future driven by corporate responsibility and philanthropy in India.

What has been the impact of mandatory CSR on businesses, NGOs, and communities?

Mandating companies to allocate profits towards social development initiatives has instilled a culture of social responsibility and sustainability within businesses. This transition has resulted in a discernible increase in CSR spending, notably in the education, healthcare, and environmental sustainability sectors. Many organizations

have surpassed CSR expenditure expectations, demonstrating a steadfast commitment to community development initiatives.

Moreover, as observed in companies, stringent impact measurement and reporting practices have bolstered transparency and accountability in CSR endeavours, consequently driving positive societal change and fostering sustainable development.

While challenges persist, by including accountability gaps and inconsistent reporting standards, companies are increasingly acknowledging the integration of CSR into core business strategies. Initiatives spearheaded by companies and foundations underscore the role of CSR in fostering sustainable business practices and generating shared value for society and shareholders alike. Looking ahead, sustained collaboration and innovation in CSR practices are imperative for effectively addressing evolving social and environmental challenges and effectuating positive change within communities nationwide.

Have there been any unintended consequences or challenges associated with the current CSR framework?

Implementing India's current CSR framework has yielded notable benefits but also encountered challenges. One significant issue is the accountability and transparency surrounding CSR expenditure and reporting. Despite regulatory mandates, there have been instances of inadequate monitoring and inconsistent reporting practices, raising concerns about the misuse of funds.

Additionally, there's a risk of CSR activities being perceived as superficial or disconnected from core business strategies, potentially undermining their effectiveness in addressing societal needs.

Moreover, smaller enterprises may find it challenging to meet mandatory spending requirements, leading to financial strain, and diverting resources from other critical areas. Regulatory oversight, transparency mechanisms, and a shift towards more strategic and integrated CSR approaches are needed to address these challenges. By fostering genuine social responsibility and encouraging meaningful stakeholder engagement, the CSR framework can better fulfill its intended purpose of driving positive social impact while mitigating unintended consequences.
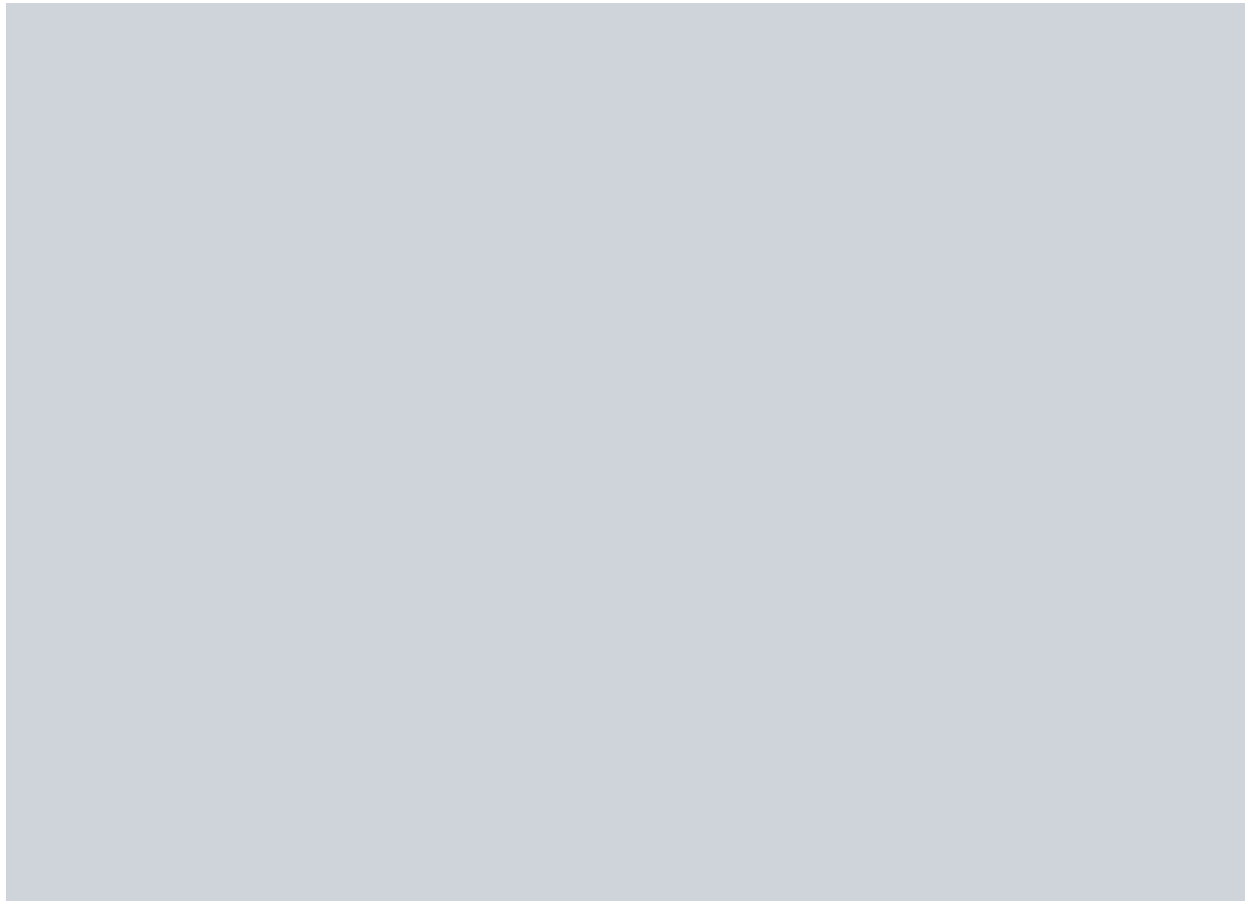
Aditya Natraj CEO Piramal Foundation. Image Copyright: India CSR

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Emerging Trends and Opportunities

What are some emerging trends in CSR that are likely to shape the future of corporate giving in India?

Several emerging trends are poised to shape the future landscape of CSR. One notable trend is increasing technology integration into CSR initiatives, that's enhancing transparency, efficiency, and accountability. Technologies such as data analytics, blockchain, and artificial intelligence hold promise in optimizing the impact of CSR efforts, with applications ranging from tracking fund flows to effectively implementing sustainable solutions.

This tech-driven approach reflects a strategic shift towards leveraging innovative tools to drive positive social and environmental outcomes, aligning with the broader imperative for inclusive and sustainable development.

With escalating concerns surrounding climate change and resource scarcity, companies are expected to intensify their CSR contributions towards clean energy projects, eco-friendly initiatives, and resource-efficient practices. The adoption of sustainable business practices not only aligns with companies' long-term viability but underscores their commitment to addressing pressing global challenges. Moreover, CSR initiatives are increasingly directed towards fostering diversity, equality, and inclusion within the corporate sector.

Through targeted efforts in gender equality, equal pay, and empowerment of marginalized communities, companies strive to create more inclusive workplaces while contributing to social equity and cohesion in India. These emerging trends signal a transformative shift towards a more strategic, tech-enabled, and socially responsible approach to corporate giving in India's evolving CSR landscape.

How can technology be leveraged to enhance the effectiveness and transparency of CSR initiatives?

Technology offers substantial avenues to bolster the effectiveness and transparency of CSR initiatives. Through advanced data analytics tools, companies can derive actionable insights into the impact of CSR programs, enabling informed decision-making and resource optimization. Moreover, integrating blockchain technology ensures transparency by establishing an immutable ledger of transactions, enhancing accountability, and mitigating the risk of misallocating funds.

Additionally, artificial intelligence (AI) algorithms facilitate streamlined monitoring and evaluation processes, enabling real-time assessment of CSR project outcomes and agile adjustments to strategies for optimal results. Harnessing technological innovations empowers companies to strengthen the integrity, efficiency, and overall impact of their CSR endeavours, thereby fostering tangible advancements in both social and environmental spheres.

What role can collaboration and partnerships play in maximizing the impact of CSR?

Collaboration and partnerships are indispensable drivers in maximizing the impact of CSR initiatives. By forging strategic alliances with diverse stakeholders such as government entities, non-governmental organizations (NGOs), local communities, and fellow businesses, companies can harness collective expertise, resources, and networks to effectively address multifaceted societal challenges. This collaborative approach cultivates synergies, enabling the amalgamation of complementary strengths and resources toward shared objectives.

Furthermore, partnerships extend the reach and depth of CSR initiatives, facilitating broader engagement and sustainable impact within target communities. Collaboration fosters innovation by exchanging insights and best practices, enabling more robust and scalable solutions. Embracing collaboration and partnerships empowers companies to amplify the positive outcomes of their CSR initiatives, catalyzing meaningful societal change and advancing the common good.

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Focus Areas and Strategies

What are some key areas where CSR can make a significant contribution to India's development goals?

CSR initiatives wield considerable influence when deployed at grassroots levels, particularly within underserved communities. Forging partnerships with local entities, CSR initiatives can tackle pressing socio-economic issues such as education, healthcare, environmental sustainability, and poverty alleviation.

At the grassroot level, CSR programs can empower marginalized communities by facilitating access to essential services like quality education, healthcare provisions, and livelihood opportunities. Furthermore, CSR initiatives can prioritize sustainable development by promoting eco-friendly practices, enhancing access to clean water and sanitation facilities, and supporting community-led environmental conservation.

CSR projects can also champion social inclusion by actively engaging with marginalized groups, including women, persons with disabilities, and indigenous communities. This may entail implementing initiatives to foster gender equality, empower women through skill development and entrepreneurship programs, and establish inclusive work environments that uphold diversity and equal opportunities,

while also focusing on fostering leadership skills and capacity building of government officials to improve service delivery.

By operating at grassroots levels and targeting improving the service chain that supports the underserved communities, CSR initiatives have the potential to effectuate meaningful and sustainable change, thereby significantly contributing to building India and supporting India's overarching development objectives of fostering inclusive growth, environmental stewardship, and social equity.

How can companies ensure their CSR initiatives are aligned with the needs of communities and contribute to sustainable development?

Aligning CSR initiatives with community needs and fostering sustainable development demands a strategic and systematic approach. Initially, comprehensive need assessments should be conducted through engagement with local stakeholders, enabling a deep understanding of their priorities, aspirations, and challenges. This facilitates the customization of CSR interventions to ensure they are pertinent and responsive to specific community requirements.

Additionally, aligning CSR efforts with established frameworks such as the United Nations' Sustainable Development Goals (SDGs) provides a structured approach to addressing critical issues while catering to localized needs effectively.

Moreover, collaborative partnerships play a pivotal role in maximizing the impact of CSR initiatives. Companies can pool resources, expertise, and networks to design and execute CSR programs more efficiently and comprehensively by engaging with like-minded partners such as other corporations, NGOs, government entities, and academic institutions.

Such collaborations foster synergies, prevent duplication of efforts, and ensure holistic approaches to addressing community needs. Active engagement and solicitation of feedback enable companies to adapt and refine their initiatives, ensuring they remain responsive to evolving community needs and driving sustainable development outcomes.

What are some best practices for measuring and reporting the impact of CSR activities?

Measuring and reporting CSR impact requires adherence to rigorous practices to uphold transparency, accountability, and credibility. It begins with clearly defining CSR goals and selecting pertinent indicators, aligning objectives with organizational values and societal needs while identifying key performance metrics to effectively gauge progress. Subsequently, selecting a suitable reporting framework, such as the Global Reporting Initiative (GRI) or the Sustainability Accounting Standards Board (SASB), ensures standardized and comprehensive reporting, resonating with stakeholders and adhering to industry standards.

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Engagement with stakeholders throughout the reporting process is paramount for obtaining diverse perspectives, validating data, and fostering trust. This participatory approach ensures that stakeholders' concerns are addressed, enhancing the credibility of the reported information.

Moreover, verifying and assuring data integrity through independent audits or third-party verification enhances the reliability and accuracy of CSR reports, reinforcing transparency and instilling confidence in the reported outcomes.

Effective communication and disclosure of CSR reports enable companies to transparently share their achievements, challenges, and future goals with stakeholders, fostering accountability and demonstrating their commitment to driving positive social and environmental impact.

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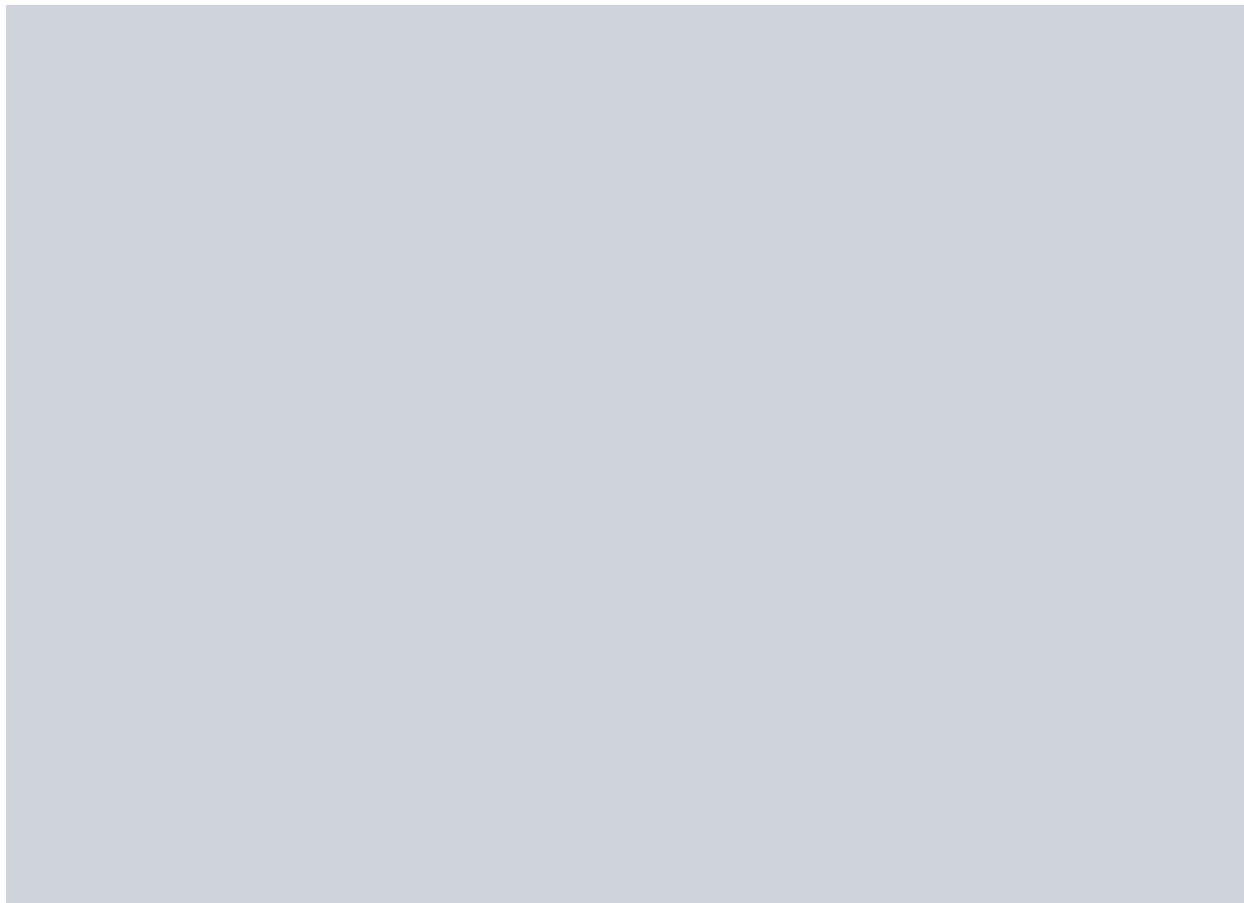
Piramal Foundation Logo. Image: India CSR

Looking Ahead

What are your hopes and expectations for the future of CSR in India? What needs to be done to ensure its continued growth and effectiveness?

There's a collective hope for CSR's continued growth and effectiveness in India. To ensure this, efforts are needed to foster a culture of corporate responsibility through robust governance and ethical leadership. This entails instilling accountability and transparency aligning CSR initiatives with core business values and societal needs. Additionally, prioritizing innovation and adaptation to emerging challenges is crucial for effectively addressing evolving community needs while maintaining agility in CSR strategies.

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Enhancing collaboration between businesses, government, NGOs, and local communities is crucial for amplifying CSR impact. By leveraging collective expertise

and resources, stakeholders can address complex social issues and drive holistic development nationwide. Partnering with the government is essential for achieving scale and making a meaningful difference.

Together, by fostering collaboration and leveraging passion, tangible progress can be achieved, as seen in successful initiatives like reducing maternal and infant mortality rates in tribal areas.

Additionally, attracting top talent in the CSR space can be competitive, but there are several strategies you can employ to ensure you're attracting and retaining the best candidates. These include clearly defining your purpose and values, offering meaningful work, creating a positive work environment, investing in professional development, and providing competitive compensation and benefits.

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About Aditya Natraj

Aditya Natraj is the CEO of Piramal Foundation. Aditya is a qualified chartered accountant, holds a master's in economics and has an MBA from INSEAD. Aditya started his career working with KPMG for 5 years and then joined the start-up team of an internet company in Europe for 2 years. For the last 18 years, he has worked in the Development sector – first with Pratham in Gujrat for 5 years and the Piramal Foundation for the last 13 years. Aditya is an Ashoka Fellow, an Echoing Green Fellow and an Aspen India Fellow.

Aditya also serves on the governing board of the Quality Council of India, the Akanksha Foundation and BridgeSpan India. Aditya was awarded the Times Now Amazing Indian award in the Education category.

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About the Author

Rusen Kumar is the Managing Editor at India CSR, the largest news platform in India dedicated to Corporate Social Responsibility. With years of experience in journalism, Rusen has become a prominent voice in CSR discourse, consistently highlighting impactful initiatives and fostering discussions that drive social change and sustainable development across the nation.

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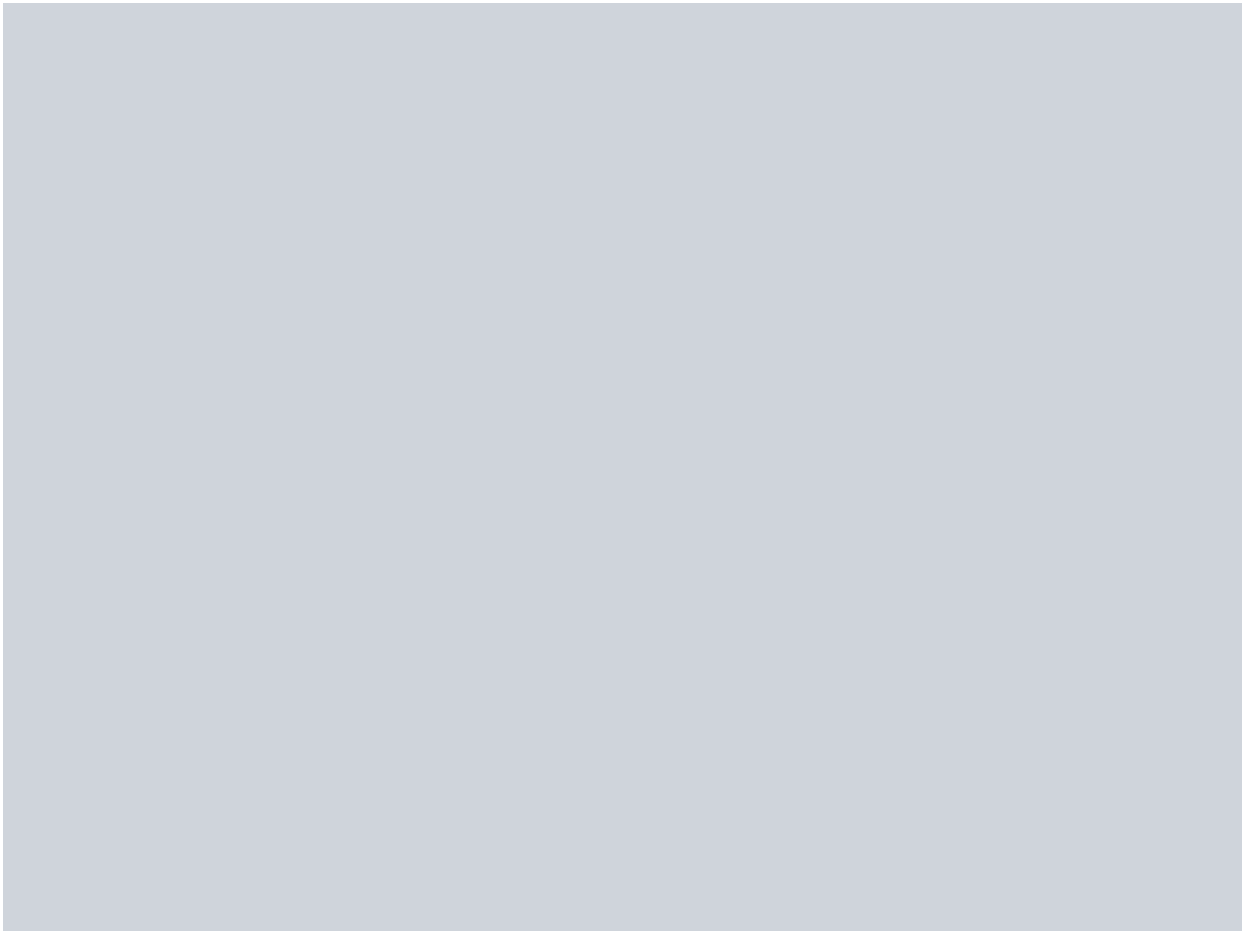
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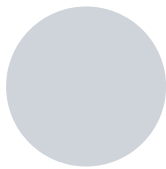### Crafting a Better Tomorrow: The Fiserv Journey in CSR Leadership

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