

## 1.1 Corporate Social Responsibility

Public Sector Enterprises have legal responsibilities to maximize shareholder profits; but a shift in corporate mindset led by social expectations and pressure is causing business leaders to rethink their responsibilities with respect to corporate performance measured in terms of economic impact, social impact and environmental impact – commonly called the **Triple Bottom Line**.

The **Corporate Social Responsibility** (CSR) is seen as a concept in which companies voluntarily integrate social and environmental concerns into their business operations. The idea of being a socially responsible company means doing more than comply with the law by taking concrete measures to address environmental and social concerns. Corporate Social Responsibility (CSR) is a concept whereby organizations serve the interests of society by taking responsibility for the impact of their activities on all stakeholders including environment in all aspects of their operations.

Corporate Social Responsibility is a Company's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. This commitment is beyond statutory requirements. Corporate Social Responsibility is, therefore, closely linked with the practice of Sustainable Development. Corporate Social Responsibility extends beyond philanthropic activities and reaches out to the integration of social and business goals. These activities need to be seen as those which would, in the long term, help secure a sustainable competitive advantage.

Steel manufacturing has a variety of impacts on the environment. The main impacts come from the use of energy and raw materials, which result in the emission of carbon dioxide (CO<sub>2</sub>), sulfur-oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>) and dust to air, as well as water usage and associated emissions. Iron and steel industry contributes 15 per cent of CO<sub>2</sub> emission from industry sector in India. Steel plants generate huge quantity of waste materials including hazardous waste. Steel Industry poses one of the most difficult challenges in the area of safety, health when compared to many other industries due to complex nature of its operations and maintenance activities and wide range of hazards associated with them.

**1.2** Steel Authority of India Limited (SAIL) is the leading steel-producing company in India. It has five<sup>1</sup> integrated steel plants with production capacity of 13 Million Metric Tonne (MMT). During the year 2009-10 it recorded gross sales of ₹ 43,935 crore with net profit of ₹ 6,754 crore. The product profile of the company comprises of pig iron, wire rods, rounds, reinforcement bars, angles, channels, beams, coils, pipes, billets, blooms, rails and wheels and axles for Indian Railway. Rashtriya Ispat Nigam Limited (RINL) known as 'Vizag Steel', is one of the major steel producers in India. It has a plant in Vishakhapatnam in Andhra Pradesh with production capacity of 3 MMT and it is the only shore based steel plant in India. The turnover of RINL in 2009-2010 was ₹ 10,635 Crore and net profit was ₹ 797 crore.

The SAIL and RINL being the profit making companies have sufficient resources to discharge these responsibilities.

<sup>1</sup> Bokaro Steel Plant (BSL) in Jharkhand, Bhilai Steel Plant (BSP) in Chattisgarh, Rourkela Steel Plant (RSP) in Orissa, Durgapur Steel Plant (DSP) and IISCO Steel Plant (ISP) in West Bengal.