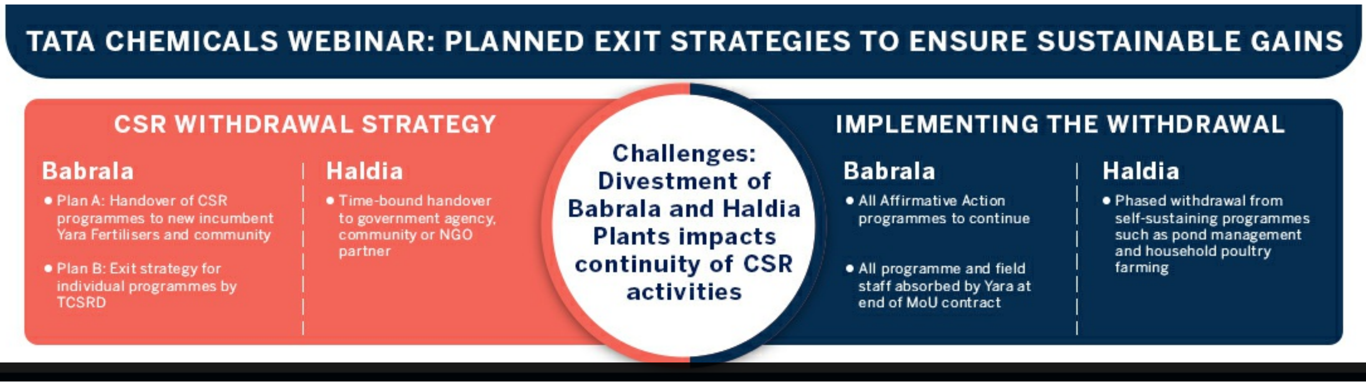
Tata Chemicals webinar on CSR withdrawal strategy for sustainable gains



When a company divests a business, the focus is typically on the business plans and securing the employees' future. However, the community is an equally important stakeholder that is affected by a change in ownership. Alka Talwar, Chief CSR and Sustainability Officer, Tata Chemicals (TCL), shared TCL's experience in this regard at the 286th EDGE Webinar hosted on February 3, 2021, when she spoke on how the company ensured the continuity of its community-based developmental programmes while divesting its Babrala and Haldia plants in 2018.

TCL's mission to Serve Society through Science extends to its corporate social responsibility (CSR) initiatives. Its social arm, Tata Chemicals Society for Rural Development (TCSRD), had accordingly engaged in developmental activities at its Babrala plant in Uttar Pradesh since 1993, and at the Haldia plant in West Bengal since 2004. These covered projects in areas ranging from healthcare, water and sanitation to education, skilling and livelihood generation to conservation.

Hence, when the company decided to divest these plants, it chose not to divest its responsibility towards the community. Instead, it drew up a CSR withdrawal strategy that addressed three key challenges of ensuring that the communities continued to benefit from its flagship Affirmative Action and other programmes; securing the livelihoods of TCSRD employees and village functionaries; and sustained management of assets built by TCSRD and its partners such as an e-library and science labs.

TCL adopted different CSR exit strategies for Babrala and Haldia based on the ground realities. At Babrala, it was the only company present and hence, the community was more dependent on it than at Haldia, where other companies and developmental agencies were also operating.

The company envisaged two exit scenarios for Babrala: One, handing over its CSR activities to the new incumbent, Yara Fertilisers, and two, individual exits from its programmes with a planned handover to community-based organisations. TCSRD designs each programmes with an exit from the outset.

TCL thus undertook detailed communications with Yara Fertilisers on the strategic importance of community engagement, apart from reviewing all its programmes and listing its assets and human resources.

Having convinced Yara to take over its developmental activities, TCL entered a memorandum of understanding (MoU) to ensure smooth handover. Under this, TCL set up a joint governance system for managing the projects and funding secured from existing partners, tracked each programme on key performance areas (KPAs), and also helped Yara to establish its own trust. All the programme and field staff were absorbed by Yara at the end of the one-year contract.

Meanwhile, at Haldia, TCSRD reviewed each programme to ascertain their end stage and decided to scale them down for a time-bound handover to either the community, government agency or partner organisation. It divided the programmes into those that were already self-sustaining and so could be closed such as household poultry farming, and those that needed to continue. It further sub-divided the latter into those that it would continue to support in collaboration with implementing partners such as mangrove plantation in the Sunderbans, and those it could hand over to implementing partners after finding new donors.

Thus, at both Babrala and Haldia, TCL has secured the sustainability of the community, its people and developmental assets. The company also continues to manage some of its flagship programmes in both places today. For instance, it is supporting Yara India Trust on key programmes funded by government agencies like the 100 Self-Help Group project with Nabard, besides helping it establish linkages with other developmental agencies.

Moreover, it is undertaking an impact study of its work at Babrala so as to evolve community development models that it can share with the Tata group at large.
