

Corporate social responsibility activities by Ambuja Cements Limited: developing the local community through various initiatives

With the advancement of the modern civilization and increasing trend of mining activities, safety of human being, environment pollution and reestablishment of bio-diversity have become prime concerns at mining and other industrial areas. Mining companies by virtue of its type of work destroy the natural land and environment which have responded over the years to the need of Corporate Social Responsibility (CSR) activities. The natural bio-diversity and environmental conditions are very much affected due to the mining activities. The need of CSR activity further strengthened due to open resistance from the local communities and government authorities. However, in recent years, more and more companies are focusing on global sustainability and social responsibility. With the advent of The CSR Act, 2013, there has been an alignment achieved by the companies while fulfilling social responsibility. While companies directly or indirectly involved in industrial mining are increasingly being questioned on sustainability issues, there are several companies who have made CSR and sustainability an integral part of their operations right from the beginning. Ambuja Cements Limited (ACL) has been recognised and awarded many times for the CSR activities surrounding its mining and plant areas. This paper aims to highlight various CSR activities which are strategically built as a core part of ACL's operations that ensure overall sustainability of the business with the participation from one of its key stakeholder – the community.

Key Words: Corporate social responsibility (CSR), Ambuja Cements Foundation (ACF), local community, mining.

Introduction

The rapid growth of industrialization since past couple of decades raised the concern regarding corporate social responsibility many folds especially for the companies having operation in mining and other industries. Over the past few years CSR, as a concept, has been the focus

of many deliberations and research. It has grown in importance both academically as well as in the business sense. It captures a spectrum of values and criteria for measuring a company's contribution to social development. CSR refers to ensuring the success of the business by inclusion of social and environmental considerations into a company's operations. It means satisfying your shareholder's and customer's demands while also managing the expectation of other stakeholders such as employees, suppliers and the community at large. It also means contributing positively to society and managing organization's environmental impact. Hence, CSR is a contribution to sustainable development, implying the way a company balances its economic, environmental and social objectives while addressing stakeholder expectations and enhancing shareholder value.

Ambuja Cements Ltd (ACL), a part of the global conglomerate Lafarge Holcim, is one of the leading cement companies in India. Currently, ACL has cement capacity of 29.6 million tonnes with five integrated cement manufacturing plants and eight cement grinding units across the country. It is the first Indian cement manufacturer to build a captive port with four terminals along the country's western coastline to facilitate timely, cost effective and environmentally cleaner shipments of bulk cement to its customers. Operating for over 30 years, Ambuja Cement undertakes hassle-free environment friendly mining practices with its unique sustainable development approach. Ambuja Cements Limited (ACL) has been continually striving to realize its vision "to be the most sustainable and competitive company in the industry". Ensuring shareholder benefit, safe operations, environment conservation and social well-being have been at the core of Company's philosophy. Corporate Social Responsibility has been an integral part of Ambuja Cement since inception. ACL has been working for and with the communities through its CSR arm – Ambuja Cement Foundation (ACF), which was established in 1993. The founding principle of ACF has been to empower the host communities with productive livelihood sources so that they prosper at the same stride as ACL. Staying true to this principle, it is ACF's mission to 'Energise, involve and enable communities to realize their potential.' The

Ms. Nidhi Pathak and Mr. Chandrakant Kumbhani, Ambuja Cements Foundation and Messrs. Suryanshu Choudhury and Vijay Kumar, Corporate Mineral Resources Dept., Ambuja Cements Ltd., Mumbai

Foundation with its diverse team of development professionals implements programmes at 21 locations, across 11 states with an attempt to balance community needs and the needs of the business. The Company realized its responsibility to co-exist peacefully with the host communities, much before Section 135 of the New Companies Act was introduced in 2014. ACL has made conscious efforts to involve communities in its development journey with a CSR spending of more than 2% of profit after tax (PAT) since many years. This is the reason ACF was already well aligned with the requirements of the new mandate and has easily attained immediate compliance. Today Ambuja Cement is proud to have achieved complete compliance and beyond with reference to section 135 of the Companies Act. At ACF, the development programmes are designed through participatory need assessment, wherein the communities and the relevant stakeholders participate in identifying issues, setting priorities and evolving solutions in a systematic manner.

Following are the thrust areas of ACF's programmes:

- ◆ Water resource management
- ◆ Reversing the tide
- ◆ Livelihoods
- ◆ Healthcare
- ◆ Education
- ◆ Women empowerment

Water resource management – the basic need for life

ACL has been front runner in the areas of water resource management through innovative initiatives. The journey to ensure water availability began in Kodinar, Gujarat. The growing salinity along the coast of Junagadh constituted a threat to the livelihoods of millions, many of whom were ACL's stakeholders. To fulfil the company's motive to 'give more than we take' ACF undertook a multi-dimensional approach that includes water harvesting, development of water sources and distribution system for potable water undertaking infrastructure development activities such as construction of percolation wells, check dams and roof rain water harvesting structures. Other activities like adoption of low water intensive crop farming, soil and water conservation, drinking water solutions, etc. helped address the need for water accessibility.

Today, along with Gujarat, ACF's extensive work is also carried out in dry arid territories of Rajasthan and hilly regions of Darlaghat. Figs.1 and 2 shows the check dam constructed at Rajasthan and Gujarat. Other technologies like renovation of traditional water reservoirs, pond deepening, interlinking of rivers (Fig.3), roof rain water harvesting structures (RRWHS), reverse osmosis plants have improved accessibility to healthy drinking water and improving the quality of land and environment. Living up to its principle of

community ownership, Water User Associations established in communities ensure equitable distribution of water and maintenance of the structures. ACF is extensively working with farming communities through better farm techniques and water management practices such as micro irrigation. It is heartening to note that the farmers of drought prone region of Kodinar are now reaping up to three crops a year, all due to water abundance. As a result of these efforts, in 2014, ACL was assured to be 4.03 times water positive as certified by third party consultant DNV. ACL's Rabriyawas plant, which sits in middle of a desert in Rajasthan, has been certified to be more than 5 times water positive. For Rabriyawas, water has changed the landscape in the region, with improvement in not just biodiversity and land quality, but also the livelihoods and lifestyle of people. This also makes Ambuja Cements the only water positive cement company in India with a total water credit of 31 million cubic metres (Figs.1&2).



Fig.1 Check dam at village Dayalpura, Rajasthan



Fig.2 Check dam at Ambujanagar, Gujarat

In 2016, an independent study by Sustainable Square India Pvt. Ltd was conducted to assess the social returns on investment for ACF's water resource management in Kodinar (Gujarat) and Rabriyawas (Rajasthan). The study showed 13 times social returns in Kodinar and 5 times returns in Rabriyawas (Fig.3).



Fig.3 Interlinking of rivers through channels at Ambujanagar, Gujarat

Reversing the tide

ACL has been working with in a public private partnership with the Government of Gujarat for improvement of farm practices, soil fertility and more sustainable models of mixed and multi farming. In coastal areas, the groundwater is naturally getting discharged into sea under a hydro-dynamic balance of seawater-freshwater interface. Since the fresh water is lighter than sea water this, interface has a landward inclination with freshwater on top and seawater at the bottom. The availability of groundwater decreases following lean rainfall years and excessive groundwater pumping, the angle of landward inclination increases which leads to ingress of salinity levels. With this ingress of saline water, the crop

harvesting of the area is being affected immensely. In this regard, ACL has undertaken detailed study to carry out necessary steps reduce ingress of salinity level through the process called reversing the tide (Fig.4).

ACTION POINTS FOR REVERSING THE TIDE

- ◆ Construction of check dams
- ◆ Percolation cum recharge well
- ◆ Link canals, spreading channels and pond deepening.
- ◆ Interlinking of ponds

The results of the initiative reversing the tide were as follows:

- ◆ Reduction in TDS from 2271 Mg./Ltr. to 1150 Mg./Ltr.
- ◆ Reduction in total hardness from 1011 Mg./Ltr. to 601 Mg./Ltr (Fig.5)
- ◆ Reduction in chloride from 1433 Mg./Ltr. to 513 Mg./Ltr (Fig.5).

Generating livelihoods

One of the broad goals of ACF is to strengthen community through sustainable livelihoods realized through structured programmes on agro based livelihoods and skill and entrepreneurship development. ACF's agro-based livelihood generation programme works with a holistic approach by promoting end-to-end solutions (Fig.6). The programme fundamentally aims at bridging existing gap in farmers' traditional farm practices through capacity building on preferred package of practices, introduction of new technologies and creating market linkages. The endeavour is to make agriculture and allied activities a sustainable source of livelihood that is currently reaching out to more than 1 lakh farmers.

Two unique crop specific programmes initiated by ACF are Better Cotton Initiative (BCI) and System for Rice Intensification (SRI). ACF's implementation of the BCI project, a global initiative for sustainable cotton production,

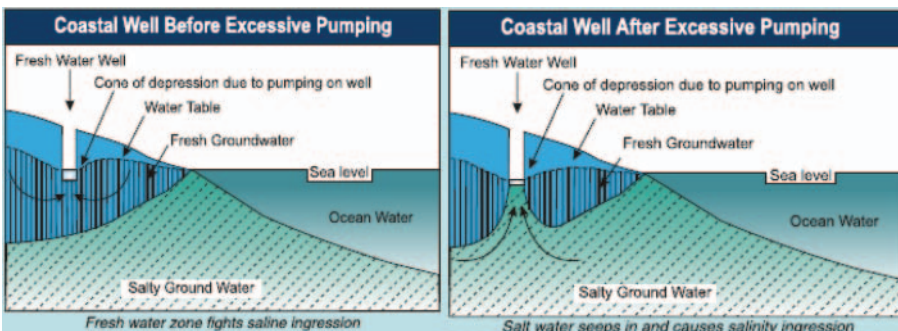


Fig.4 Reversing tide principles

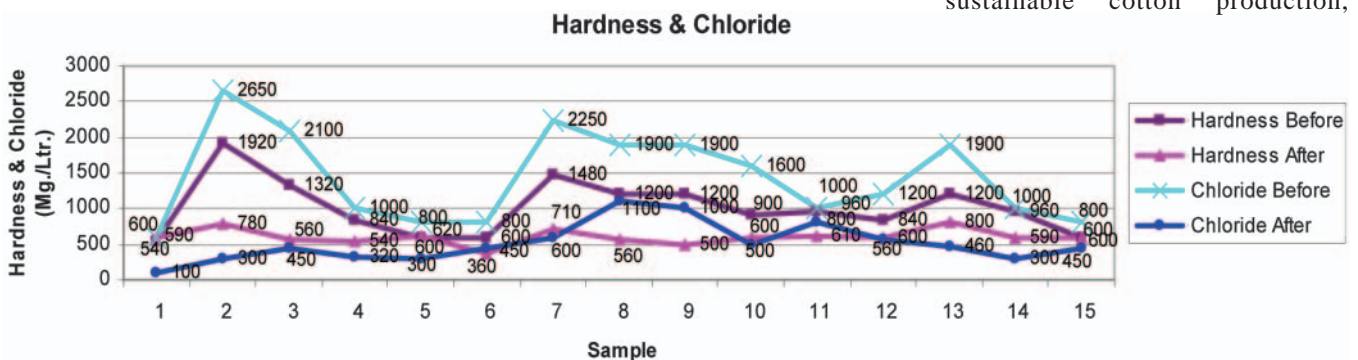


Fig.5 Results of hardness and chloride before and after initiative of reversing the tide



Fig.6 ACF promoting agrobases industries



Fig.7 Various initiatives by ACF's skill and entrepreneurship development institutes (SEDI)

Making health and sanitation a priority

ACF works with a belief that a healthy community is a strong community. The Foundation is actively working on clinical, preventive and promotive healthcare through mobile medicare units, community health clinics, diagnostic centres and specialized health camps (Fig.8). The health projects are implemented in close coordination with the Public Health Departments, panchayats, village development committees and are led by a cadre of voluntary health workers in the villages called “sakhis”.

Sakhis work as the interface between the public health system and the community. Today they are active participants in the village health and sanitation committees, vocal at Gram Sabhas about healthcare issues, and are resource persons promoting awareness on rural health and hygiene (Fig.9). In 2016, ACF conducted a study in collaboration with a reputed

reaches out to more than 40,000 farmers. ACF also works with farmers to promote animal care by organizing regular camps. In Darlaghat, local women are trained as para-veterinarians, called Pashu Swasthya Sevikas (PSS). PSS are thus providing the much needed access to cattle care, improving the status of agriculture allied activities. ACF has been exploring the avenues of introducing technology in agriculture. Currently run on pilot basis, the project is familiarizing farmers with the latest multimedia services like voice SMS and instant messenger. Farmers are also getting access to the community radio services that update them with scientific agricultural practices, implements and weather forecasts.

Agricultural land being a limited resource, there has been an increasing need in rural societies for alternative means of livelihood. ACF has established 17 skill and entrepreneurship development institutes (SEDI) across 10 states with the objective of providing vocational training, as an alternate livelihood source to at least one member in rural agricultural households (Fig.7). SEDI was first established in 2006 as functional structure to promote productive employment and micro-enterprise. SEDI offers short, intensive courses in various trades, across 12 sectors to strengthen youth's technical and functional skills. Till date, SEDI has trained more than 30,000 youth, of which 73% have been successfully placed in various industries. With the nation calling for a new focus on manufacturing with new campaigns like 'Make in India', skill training has gained momentum as the need of the hour and SEDIs thus fit in perfectly in this national agenda.

research agency to test the knowledge and skill of the Sakhis in comparison with Accredited Social Health Activists (ASHAs). The trends in the study clearly demonstrated better knowledge and skill sets amongst Sakhis trained by ACF.

The HIV and AIDS prevention programme run by ACF reaches out to the truck drivers in the plant locations of the company. Apart from truckers, the programme is also reaching out to other high risk groups in the area such as commercial sex workers (CSWs), intravenous drug users (IDUs). ACF implements several projects in collaboration with state-level AIDS control societies and corporate partners with an outreach of over 115,000 vulnerable people.



Fig.8 Health care initiative through mobile dispensary service at Rajasthan



Fig.9 Health checkup programmes at schools

ACF understands that in order to promote good health, it is imperative to make sanitation and hygiene an integral part of community's lifestyle. Considering sanitation a matter of utmost importance, there is an urgent need to build toilets in the villages. Using a toilet directly affects the health, well-being, productivity and lifestyle of the community, especially the women. While working in this direction, ACF has been focussing on mobilizing communities to construct toilets and also use them. This requires a great deal of persuasion that can be best done only by the community members. ACF has specifically identified women and children as the frontrunners of the sanitation drive who are actively steering behavioural change and generating demands.

Ambuja Cement is aligned to the national agenda of promoting sanitation and is mobilising communities to work to build clean and healthy villages. ACF facilitated the formation of village development committees (VDCs) who spearhead the cause of sanitation. Through the Community Led Total Sanitation (CLTS), we are ensuring an active involvement of the community in achieving better sanitation practices. The aim is to bring about behavioural changes in the community more than mere construction and repair of toilets.

In 2014, ACF conducted a baseline survey in its 232-core villages in 15 locations that showed only 57% households had toilet facility, several of which was left unused. Today, more than 70% households in villages neighbouring Ambuja Cement have toilets and 73 villages have achieved total sanitation with 100% sanitation. In 2016, ACF supported 6107 households for toilet construction. ACF has covered over 12,000 households and 176 schools under its sanitation initiative.

Women's empowerment

Women's empowerment is a part of ACF's DNA and is interwoven into all its programmes. Assured access to water, developing a cadre of women to ensure health and education and relevant skills training provide an opportunity to women



Fig.10 Education to local women through women empowerment initiative

to showcase their leadership. Access to finance and knowledge of running small businesses has also boosted the confidence of many women. In Kodinar, Chandrapur, Darlaghat and Rabriyawas women have federated from small self-help groups (SHG) of 15-20 members, to form women's federations (Fig.10).

These initiatives have played a critical role in ensuring an elevated status of women. Since the process has been participatory, the changes brought forth are irreversible and have become a permanent feature. The women federation has also joined hand on Swachhata Mission by promoting sanitation in the villages. ACF has specifically identified women and children as the frontrunners of the sanitation drive who are actively steering behavioural change and generating demands. Women's federations in Chandrapur (Maharashtra) and Kodinar (Gujarat) have played instrumental role in encouraging people to construct toilets in their households. The two federations, with 490 SHGs and over 6100 members are driving communities to adopt hygienic practices.

Ambuja Manovikas Kendra – fighting prejudices, inspiring lives

Ambuja Manovikas Kendra (AMK) is special facility for intellectually challenged children in Ropar, Punjab. A range of specialized activities and therapy sessions have proved to be tremendously beneficial in helping children overcoming their limitations and learning new skills. Teachers at AMK have years of experience in the field of special education and it is due to their sincere efforts that today the centre has earned a reputation of being one of the best schools for special children in the vicinity. With a focus to provide comprehensive and quality education, ACF also works closely with village-level government schools and locals teachers. Each location has unique challenge with respect to education. In some locations, extensive work is carried out in government schools to improve teaching methodologies, or infrastructural support. In other areas, ACF has also established non formal education centres encouraging out of school children to join

mainstream education.

The Company spent around Rs.41 crores on CSR activities during year 2015 (Fig.11).

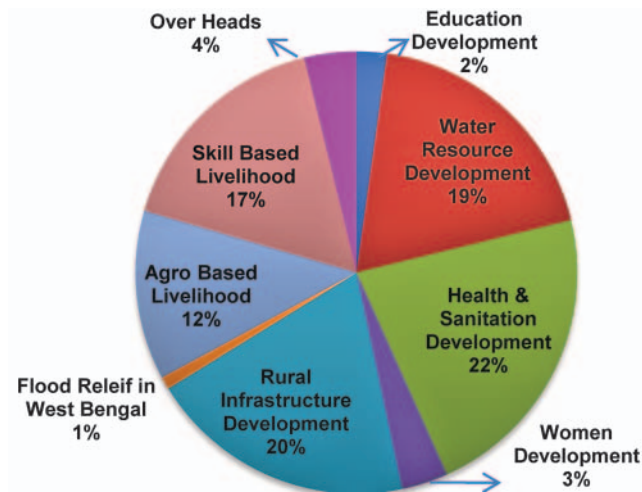


Fig.11 Activity wise expenditure of CSF funds during year 2015

Conclusion

Mining and other industrial activity related issues are complex and core responsibilities are to be aligned with local, regional, and national governments. Obtaining a “social license to mine” requires a mining company to gain the respect, trust,

and collaboration of governments and local populations. Without proper dialogue between these parties, without communication on all aspects of the proposed projects like technical, economic, environmental, and socio-political issues, the project is likely to be rejected. Mining corporations that adhere to responsible mining principles can reduce local conflicts, prevent environmental impacts, and even improve their profits. ACL is committed to being responsible stewards of the environment and maintaining the highest health and safety standards possible. It advocates of human rights and maintain a principled, conscientious approach to corporate citizenship. Corporate social responsibility has been the core to the operations of ACL by way of development of local community, implementing and maintaining environment management systems along with monitoring, reporting and continually improving environmental performance at all its operating locations. Other innovative initiatives like water positivity, plastic positivity, control on emission of noxious gases etc. has established ACL as a front runner in the areas of sustainability and safety in addition to CSR activities.

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