

A STUDY ON INVESTMENT INITIATIVES OF ITC

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ABSTRACT

ITC is a well-known private sector company in India with operations in a number of industries, including agribusiness, hotels, fast-moving consumer products, paperboard and packaging, and information technology. With a net profit of ₹ 18,753.31 crores as of March 31, 2023, the company was acknowledged as one of India's most valuable business organisations, with gross sales amounting to ₹ 69,481 crores. According to a Fortune India and Hay Group survey, ITC is the most admired corporation in India. This research study attempts to explore ITC's social investment initiatives, aiming to assess their impact, effectiveness, and alignment with global sustainability goals. It also examines the impact and effectiveness of ITC's social investment initiatives, evaluating key performance indicators and stakeholder perspectives. Through a comprehensive analysis, it provides insights for enhancing the company's corporate social responsibility strategies in alignment with global sustainability goals.

KEYWORDS: ITC, Investment Initiatives, Sustainability Goals.

Introduction

The current landscape of corporate responsibility and societal effect is mainly influenced by social investment initiatives. These initiatives show how business goals may be carefully matched with the broader goals of sustainable development, community welfare, and environmental stewardship. Compared to standard corporate philanthropy, which often consists of passive contributions, social investment efforts are distinct. In fact, social investment efforts entail corporations proactively allocating their funds, expertise, and to benefit the organisation as well as the society at large. These initiatives, which include everything from improving education and healthcare to supporting local communities and environmental preservation, are excellent representations of a paradigm shift towards ethical and comprehensive business operations. A company's investment initiatives determine its long-term survival and reputation in an increasingly connected and socially conscious society. They also act as catalysts for positive change in this era of heightened awareness of stakeholder expectations and corporate accountability.

Research Problem

Understanding investment initiatives is crucial because they represent corporations' proactive efforts to address environmental and social challenges while advancing sustainability over the long run. These initiatives support stakeholders' accountability and engagement while also aligning nicely with the

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organisations' overall business strategies. By assessing their effectiveness, organisations may enhance their plans, identify best practices, and advance the area of corporate social responsibility. Since ITC holds significance in the realm of Corporate Social Responsibility (CSR), the attempt to study ITC's investment initiatives may inspire other companies to adopt similar strategies for positive social impact.

Review of Literature

ITC's e-choupal in India has helped to promote rural development via the effective development of organisational, individual, and collaborative competence in a multi-stakeholder framework. (Sindhi, S., Maurya, U., & Shukla, M, 2014).

Indian agriculture is now significantly more competitive because to ITC's corporate charity and its e-choupal initiative, which has reached 100,000 villages and created 10 million e-farmers. (Basavaraj, K., & Deene, S, 2011).

Across a wide range of industries, including paperboards and packaging, apparel, foods, hotels, information technology, and tobacco products, ITC is a prominent Indian conglomerate. The business asserts that it has attained the triple bottom line, which takes into account social, environmental, and economic factors. In fact, the business has received praise and awards for its environmental efforts. (Krishnamurthy, B., & Jalnawalla, D, 2012)

In order to foster inclusive innovation and social entrepreneurship in India, alternative financing programmes like micro venture capital and social company incubation can fill the gap between banks and microfinance. (Sonne, L, 2012).

In addition to involving people in the process of generating meaning and offering opportunities for engagement and transformation, social innovation initiatives craft narratives of change that challenge the dominant capitalist, neoliberal paradigm. (Wittmayer, J et al.,2019)

The CSR mandate in India has been aided by ITC's Mission Sunehra Kal, which has effectively matched commercial expansion with social, economic, and environmental development. (Ambasta, A, 2017)

Indian FMCG firms, such as Hindustan Unilever and Dabur India, are putting CSR into practice in a number of areas, including as the environment, healthcare, education, women's empowerment, and the care of young girls. (Jaiswal N et al., 2016)

The triple bottom line, stakeholder engagement, and government involvement are the key drivers of the ITC's sustainability performance. (Anbarasan, P et al., 2018).

Since social investment programmes are in line with the principles of the welfare state, they have no detrimental effect on the protection of the impoverisher's income. Examples of these programmes are active labour market initiatives and childcare services. (Noël A, 2018)

Social investment has the potential to serve as a model for welfare policy in the twenty-first century, even though its future depends on further budgetary austerity, the competitive knowledge economy, and the needs of modern family life. (Hemerijck, A, 2017).

Research Objectives

- To identify best practices towards CSR from ITC's investment initiatives.
- To assess ITC's impact focussed program under MSK (Mission Sunehra Kal).
- To assess awareness of ITC's investment initiatives.

Research Hypothesis

H_{1a}: Awareness regarding ITC's investment initiatives differ between male and females.

H_{2a}: There exists a positive relation between perception of ITC's addressing social issues and satisfaction in buying ITC products.

Research Methodology

This article uses secondary as well as primary data. Secondary data is used from ITC portal, sustainability integrated reports, Impact reports and literature reviews. Primary data is collected from 65 respondents. Awareness and perception regarding ITC's social investment initiatives is measured through primary data.

Data Analysis and Discussion

ITC's Investment Initiatives and their Contribution to Society

ITC's Social Investment Initiatives	ITC's Contribution to Society
Afforestation Programme	improving India's green capital through multi-stakeholder partnerships, reforestation damaged areas, and generating sustainable livelihoods
Watershed Development Programme	A cooperative framework that encourages neighbourhood involvement to manage local water resources
Sustainable Agriculture	Boosting Farmer Adaptability to Climate Change via Collaboration
Livestock Development	constructing partnerships with multiple stakeholders to improve cattle in order to diversify and raise farm revenues
Women Empowerment	Using multi-stakeholder partnerships to enable economically disadvantaged women to earn higher/independent incomes
Primary Education	creating cooperative connections with a variety of stakeholders in order to improve learning outcomes, lower student dropout rates, and keep children in school
Skilling & Vocational Training	enhancing the employability of youth from underprivileged backgrounds via collaborative partnerships
Health & Sanitation	Encouraging Dignity and Health and Putting an End to Open Defecation via cooperative multi-stakeholder partnerships
Solid Waste Management	Creating a Successful Waste Management Chain with Multi-Stakeholder Collaborations

Source: ITC Sustainability Integrated Report

ITC's Impact Focussed Program (Part of Mission Sunehra Kal for Sustainable & Inclusive Growth)

Grass-root Institutions (cumulative)

Intervention	Institution	Nos.	Members	Corpus Fund (₹ Million)
Watershed	Water User Groups (WUGs)	3,856	62,154	14.6
Social Forestry	Vanikaran Sanghas (VSs)	1,792	43,856	18.3
Agriculture	Agri-business Centres (ABCs)*	613	13,147	44.0
Women Empowerment	Self-Help Groups (SHGs)	4,541	52,630	167.4
Education	School Management Committees (SMCs)*	1,293	7,758	-
		12,095	1,79,545	244.3

*ABCs and SMCs are annual numbers

Source: ITC Sustainability Impact Report

Awareness and Perception about ITC (Products, Packaging, CSR Initiatives, Impact on Society, SDG Goals Alignment etc)

Awareness and Perception about ITC Regarding/Degree of Agreement	Very High	High	Moderate	Slightly Moderate	Not at all
Eco friendly packaging	45%	32%	14%	5%	4%
Activities - Alignment with SDG goals	41%	37%	15%	6%	1%
addressing social issues	37%	35%	20%	8%	0%
transparent and well managed social activities	40%	25%	15%	11%	9%
positively contribute to the society	39%	33%	16%	8%	4%
Satisfaction in buying ITC products	47%	23%	15%	10%	5%

t Test Calculation for Research Hypothesis

H_{1a}: Awareness regarding ITC's social investment initiatives differ between male and females.

	Male	Female
Mean	3.238806	3.39622642
Variance	1.517865	0.78229318
Observations	67	53
Pooled Variance	1.193715	
Hypothesized Mean Difference	0	
df	118	
t Stat	-0.78378	
P(T<=t) one-tail	0.217369	
t Critical one-tail	1.65787	
P(T<=t) two-tail	0.434738	
t Critical two-tail	1.980272	

Since p-value of 0.217369 greater than 0.05, null hypothesis cannot be rejected at the 0.05 significance level, indicating Awareness regarding ITC's social investment initiatives do not differ between male and females.

	Perception of ITC's Addressing Social Issues	Satisfaction in Buying ITC Products
perception of ITC's addressing social issues	1	
satisfaction in buying ITC products.	0.746579	1

Correlation between perception of ITC's addressing social issues and satisfaction in buying ITC products.

The p value for correlation coefficient $r = 0.746579$ is 0.00001 which is less than 0.05 at 0.05 level of significance and hence the result is significant, null hypothesis is rejected and it is concluded that there is a significant correlation between perception of ITC's addressing social issues and satisfaction in buying ITC products.

Findings

Following are the findings of this research work:

- ITC's investment initiatives contribute positively to the society's sustainable development.
- ITC's investment initiatives are aligned with SDG goals.
- From the sustainability integrated report, it can be concluded that ITC's interventions with government partnerships towards sustainability is progressive.
- Awareness regarding ITC's investment initiatives do not differ between male and females.
- There is a significant correlation between perception of ITC's addressing social issues and satisfaction in buying ITC products.

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