

Itc company essay sample



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The case highlights on CSR responsibilities of ITC Company towards its customers. It brings out new dimensions such as economic, social and environmental which are important in modern world. The case depicts different facets such as ITC's social performance and adaption of Triple Bottom Line (TBL) to establish Corporate Environmental Responsibility (CER). It highlights the concern for companies like ITC whose major earning are from cigarettes to reinvent their strategy towards environmental degradation.

It raises a major question that is adaption of TBL reporting a measure for environmental degradation? ITC Company was incorporated on August 24th 1910 under name of “ Imperial Tobacco Company of India Limited” and later it was renamed as India Tobacco Company (I. T. C. Limited). During its journey starting from 1910, it has diversified into various business divisions such as Cigarettes, Packaging and Printing business, hotel business and paper board etc. ITC Limited (ITC) earns 60% of its revenue from cigarette, so the company is seen as anti-environmentalist and causing injury to public health.

The company has made an attempt to establish its Corporate Environmental Responsibility (CER) through Triple Bottom line (TBL) approach. The approach focuses on fulfillment of three objectives such as economic prosperity, ecological prosperity and social responsibility. The company has adopted “ Six Sigma based development process” for production of cigarettes. The company has also adopted four goals such as Performance beyond Compliance; Carbon Positive Footprint; Water Positive Footprint; Zero solid Waste.

The company has made a mark on environmental performance by enforcing Zero solid waste discharge and creating four times rainwater harvesting than ITC's net consumption. Currently the company's major business division is Cigarettes and Leaf Tobacco. These products have adverse effects on Triple Bottom Line factors. Some of the challenges from social context are smoking leads to premature death, green tobacco sickness which prevails in tobacco farmers and workers.

Cigarettes butts are washed into rivers, lakes and the ocean which causes ecological imbalance, ITC's factories emit Green House Gas which affects the environment through global warming. The taxation from the government has increased which further puts question mark on pricing of cigarettes. The Indian market has been saturated for a while so the company has to come up with another strategy in mainstream business. The CO2 emission of the company has been on the rise but it has shown effort in absorption of Green House gases. There is still a scope of improvement in the methodology.

Company's major sources of revenue is Cigarettes which accounts for 60% of the revenue so company has to come up with strict policy towards environmental degradation. Some of the possible solutions are that company can strengthen its new business divisions like Food business "Kitchen of India", ITC InfoTech Limited, FMCG products such as bath and body care etc. From strengthening its new business divisions it will be able to reallocate its revenue evenly among various businesses. Company can look for overseas market where there is enormous potential for Cigarettes business.

Company can bring in environment friendly products to gain trust and support of Indian customers. Company can bring in more CSR initiatives like E-choupal, Zero solid waste, Mission “ Sunehra Kal” and sequencing of CO2 gas. The company adaption of TBL has resulted in high performance results. Company’s paper division (Tribeni Tissue) has adopted several energy conservation and environment friendly technologies for all itsproject. We can rightly say that adaption of TBL reporting is a measure of environmental degradation.