

Delivering Value to Customers through ESG Adaptation to Achieve the Sustainable Development Goals– A Case Study

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Abstract

Corporate Social Responsible activities of a company play a major role in keeping its customers well connected with the brand for the growth of its future business and delivering value to customers in turn enhances the business performance as per Drucker's surrounding ecological and demographic populations to save the environment. This case study also invites healthy academic discussions on the sustainability issue, since the company has survived 61 years of green marketing business in spite of having tough competition from the existing OMC players, by its commitment to actively engage in utilizing its CSR funds in the welfare of consumer population management system. India has well-regulated statutes, whereas businesses also requires to adopt ESG considerations besides CSR to achieve the SDGs. The presented case study highlights the company's marketing and innovative consumer connect initiatives taken to address social concerns by contributing substantial amount under the CSR Head for the betterment of surrounding ecological and demographic populations to save the environment. This case study also invites healthy academic discussions on the sustainability issue, since company has survived 61 years of green marketing business in spite of having tough competition from the existing OMC players, by its commitment to actively engage in utilizing its CSR funds in welfare of consumer population.

Keywords

Consumer connect initiatives, Consumer population, Green marketing, Environmental Social & governance adaptations, and Sustainable development goals (SDGs).

1. Introduction

Country's first Green Marketing Company was established by the Government of Assam to carry out all kinds of business related to natural gas in India on March 31, 1962, in Shillong as a limited company. In 1967, it started its first natural gas transportation business with the supply of natural gas to the NTPS of ASEB. Subsequently, the company grew from strength to strength and stands today as

one of the premier and leading Compressed Natural Gas Distributions (CGD) companies in India and recently completed 61 years of uninterrupted services to the upper Assam region inspite of facing tough competition from the existing Oil Marketing Company (OMC) players available in the market. The company posted a net profit of Rs. 9.37 Cr on an operating income of Rs. 57.22 Cr in 2016-17, compared to net profit of Rs. 7.94 Cr on an operating income of Rs. 50.66 Cr in 2015-2016. Presently Company's Authorized Share Capital is up to the tune of Rs. 20.00 Cr and paid-up capital is Rs 16.91 Cr. The company has already obtained ISO certification in the year 2000 and subsequently upgraded to ISO 9001:2008 in 2010. The company feels proud of its sound industrial relationship between the workers and the management leading to a healthy work environment and due to strict adherence to its safety policy, it has earned the Rajiv Gandhi National Safety Award. Is not you find the sustainability and growth story of this subject case company quite inspiring?

2. Objective of the Study

The case is most likely to develop the managerial insight on the key marketing issues like sustainability, corporate social and environmental protection responsibility of the choice-based curriculum needs of the MBA finance & marketing streams and for developing mainstream business case curriculum for educating sustainability and CSR pedagogy for BBA students. It can throw light on consumer connect initiatives and ESG-adapted CSR policies for attaining the SDGs. They will learn Drucker's theory of business that is how by "Creating a Customer", sustainability can be achieved in a fast-changing business environment of the 21st century. The century by beating the competitive environment.

3. Research Methodology

To develop this particular research paper, the methodology used was the Case Study Method, which was based upon the thorough study of innovative consumer connect initiatives undertaken and detailed quantitative analysis of all the secondary data of the subject case company available in the form of its annual financial statements, annual reports, corporate social responsibility policy, safety policy, quality policy, ISO and other environmental compliance related documents and jointly organized social events with surrounding consumer populations to draw the final conclusions.

4. ESG-based Case Exhibits for the Students

More than two dozen prominent ongoing and completed CSR projects purely based on the Environmental Social & Governance (ESG) adaptations and the commonly celebrated social events with all the stakeholders of the subject case company are showcased here to present this case study paper. The various CSR activities of the company are presented here to illustrate its innovative consumer connect initiatives taken under the CSR policy and fulfillment of the environmental protection commitments made with their surrounding consumer population base to achieve the desired level of Sustainable Development Goals over the period of past 61 years.

4.1 Environmental-based CSR Exhibits for the Students

Even before the concept of Environmental Adaptation in the CSR Policy was born, the company generously found providing free natural gas in the neighboring areas of crematoriums and developed crematoriums facilities at Chowkidingee, Dibrugarh, and Tikak Kalibari at Ledo operational areas, which were managed by the local bodies/NGOs. The company has focused on Environmental Sustainability and Ecological Balance and as a step forward has helped the local bodies to develop these NG Based crematoriums into beautiful parks so that the last journey can be performed in a cleaner, greener, and dignified environment. For moving ahead company has signed an agreement for setting up a new CGD company with Oil India Ltd and GAIL on 11-07-2019, The new joint venture company shall spread the existing CGD Network and supply the PNG to the domestic, commercial, and industrial customers and set up CNG dispensing stations for CNG vehicles in 5 Districts connecting approximately 4.16 Lakh households with the PNG and 72 CNG Dispensing stations will be set up in these districts. The Barauni to Guwahati Section of the National Gas Grid is likely to come up soon. Thereafter all eight states of the North Eastern Region will be connected to the Indradhanush Gas Grid Ltd (IGGL). In addition, new CNG dispensing stations will also be set up during this period to meet the requirement for clean fuel for the transport sector. This project will act as a catalyst to trigger the immense development and create huge employment opportunities throughout Assam and other parts of the North Eastern Region as a whole. On 17th August 2019 in a mass public-level celebration organized by the company, Assam's first CNG dispensing station was dedicated to the people of NER by Hon. CM of the State. Every year on world environment day major events are celebrated with all the stakeholders on 5th June and mass public level

gatherings are organized to felicitate the prominent environmentally savvy personalities amongst the consumers, and stakeholders across the entire NER, in order to spread awareness about the environment. In a flagship project to create social awareness for a cleaner and greener environment, a mechanized pilot plant was set up at Duliajan to segregate and convert bio-degradable waste into organic manure. It has shown the visible impact in the form of a cleaner environment, and by the production of organic manure, huge employments were generated for selling the produced organic manures.

4.2 Social-based CSR Exhibits for the Students

Numerous social welfare projects were launched by the company for the welfare of its consumer and as such more than 500 solar lamps were provided to the economically weaker sections of society in rural areas where there are infrastructure gaps in providing grid power and four toilet blocks in the Out Patient Department, Cardiology Indoors, Pediatric Indoors, and Gynecology indoors of Assam Medical College and Hospital Dibrugarh were constructed and financial assistance facilities were provided for the cancer patients at comprehensive daycare and rehabilitation centre Titabor, with the aim to ease the pain and sufferings of the cancer patients by providing emotional financial and social aid to the poor and needy ones. Financial aid were also provided by the company to underprivileged children suffering from cancer and being treated at Dr. B. Barooah, Cancer Institute, Guwahati. The case company and the Marwari Yuva Manch, Tinsukia have jointly organized a Cancer Awareness and Screening Camp on 25th and 26th March 2017 in Duliajan's Uchha Vidyalaya and Kathalguri H S School respectively, totally free for the residents of the area. The company has launched Free Health Insurance Card Scheme for all its retired employees and their dependent parents with the aim to provide much-needed financial relief cum post-retirement help even to their dependent parents where medical benefits can be availed cashless in all empanelled network hospitals of major towns and cities across NER. On 15th November 2019, meritorious students and achievers of the 2018 batch, Class X and Class XII pass-out students of company employees were felicitated as "The Rising Stars" by the Chairman of the company. Mass public level celebrations are always organized on Republic Day (26th January), Women's Day (8th March), Independence Day (15th August), and Grand Rongali Bhehu Festivals are celebrated with all the stakeholders every year on 14th April, in a mass public level gathering for connecting the entire consumer populations across NER. The company hardly leaves any

opportunity to celebrate any social event to connect with its consumer base and never forgets to celebrate Dr. Bhupen Hazarika Day, and likewise celebrated, 150 Years of Mahatma Events with all on 2nd October and celebrated company executive club day with its entire club members on 15th November. Similarly, every year on any such grand occasion company always contributes to the CM Flood Relief Fund for helping the flood-affected people across NER.

4.3 Governance-based CSR Exhibits for the Students

The company has generously contributed for creating a model village with all basic amenities like drinking water, sanitation, lighting etc, to improve the health conditions and quality education, infrastructure development for the local people for provide the sustainable livelihood opportunities and financial participation in the developmental activities. For ensuring the sustainable livelihood to the underprivileged youths of the surrounding consumer's operational area, 101 unemployed candidates have been trained for their skill development with the help of the Don Bosco Institute, Kharguli, Guwahati, and many of them have been offered placements by the different companies across Pan India basis.

A special capsule course on Disaster Management was organized by the company on fire and emergency mock drill training for the participants of Fire and Emergency Services Assam and firefighting training to combat fire was imparted to the students at their schools and a three months course on self-defense for the empowerment of women's was started at Duliajan. The company has released its CSR Brochure "PRAYAS" A touch of care-CSR Project of the company in January 2018, highlighting the successful completion of various CSR Projects, where it has made investments for inclusive growth of the Nation. Last but not least, company has very actively participated in the Swatch Bharat Abhiyan.

5. Case Evaluation

In the presented case it is pertinent to note that inspite of very tough competition from the existing OMC players, who are well supported by the Central Govt. Direct Benefit Transfer Schemes, Retail Price Subsidies, and Ujjwala Yojna, etc are attracting more rural and EWS consumers and targeting the entire BPL category populations, leaving only middle-class urban population for marketing the natural gas. This segment can only be get connected through the company's innovative and prominently visible CSR policies and environmental protection

activities meant for the surrounding population and the welfare of the society for attaining sustainability. Peter F Drucker believes that the theory of a business on which a company has been established and operating depends on its assumption about the environment, specific mission, and its core competencies needed to accomplish the mission of the organization. The business performances of a company can be evaluated through its financial results whereas to measure its sustainability over the years, one has to look for other important socio-environmental activities of the company, which can be addressed by ESG adaptation in designing a suitable CSR policy, based on the current requirements of the surrounding consumer population for achieving sustainability using the consumer connect initiatives and launching innovation driven useful projects purely based on ESG considerations to protect the natural environment and ecology of the demographic population to develop a clean and green business environment using the latest available technological tools and to achieve the desired level of SDGs required for the development of the nation in long run.

6. Case Solutions

The management Guru Peter F Drucker (1989) can be very well quoted to justify the present success story of the subject case company for attaining sustainability over the last 61 years by rethinking and reinventing itself with new dimensional CSR and innovative EPR activities through its consumer connect initiatives to keep ahead in race with existing market competitors for achieving its Sustainable Developmental Goals (SDG). Peter F Drucker with Joseph A. Maciariello in *Management-Rethinking, the Reinventing Government* wrote “Any organization, whether biological or social, needs to change its basic structure if it significantly changes its size. Any organization that doubles or triples in size needs to be restructured. Similarly, any organization whether a business, a non-profit, or a government agency needs to rethink itself once it is more than forty or fifty years old. It has outgrown its policies and its rules of behavior. If it continues in its old ways, it becomes ungovernable, unmanageable, uncontrollable” though, success is not an overnight issue, as it takes a lot of hard work to become an overnight success.

6.1 Case Solution-Faculty Teaching Notes

To get through knowledge of the existing CSR regulations of India, students must be made aware of the Companies Act, 2013 and the CSR policy rules, 2014 made there under and the related clauses of schedule VII, of section 135 of the Companies Act, 2013. The EU regulations and world-wide acceptance

of ISO-26000, standards may also be brought to the knowledge of aspirants CSR students, which cover six core areas including human rights, fair labor operating, and environmental practices besides dealing with consumer issues and community involvement for social development by taking a holistic approach. Similarly in the current international business environment, one cannot disregard the clauses of the Paris agreement on climate change, which binds all of us for taking all our future actions to save the planet Earth and remind us to work for Disasters Risk Reduction (DRR) under the Sendai Frame Work to achieve the SDGs by the year 2030. These add to our new environmental protection responsibility besides undertaking CSR work for achieving sustainable development goals. Let the students focus on some trending definitions related to CSR first. The EC defines CSR as the responsibility of enterprises for their impacts on society. The WBCSD defines CSR as a regular continuous commitment by business houses to contribute to economic development while improving the quality of life of the workforce and their families as well as of their surrounding community and society. Whereas UNIDO, consider CSR as a management concept in which companies integrate into social and environmental concerns in their business operations and interactions with all stakeholders. However CSR in India is still being considered to be an optional philanthropic activity of a company which is performing but not deliberated upon.

Sustainability, or Corporate Sustainability, which can also be termed as Sustainable Development, has been best defined by the Brundtland Commission as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. While defining the concepts of CSR, students can be taught with EU as well as ISO standards though both look similar, but EU defines CSR as a concept wherein companies integrate social and environmental concerns into their business operations and in their interactions with their stakeholders on a voluntary basis. It also states that CSR is the responsibility of enterprises for their impacts on society, whereas The World Business Council for Sustainable Development terms CSR as a regular continuous commitment by the business houses to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the surrounding local communities and society at large, while ISO guides them for taking a holistic approach in treating key stakeholders responsibility. Therefore it can be concluded that CSR is a process that is concerned with treating the stakeholders of a company or institution ethically or in a

responsible manner by treating key stakeholders in a manner deemed acceptable according to international norms. Term social includes economic, financial, and environmental responsibilities, as the stakeholder's presence is both within a firm or an institution and outside also. Thus the wider aim of social responsibility is to create better and higher standards for sustainable living, while preserving the profitability of the corporation or the integrity of the institution, for people both within and outside these entities. Success is how profits are made and not the pursuit of profits at any cost (available at: www.pwc.in).

The robust CSR practices help in enhancing the corporate reputation, securing communities as supply chain suppliers, motivating, retaining and attracting employees to increase their morale and a sense of belonging to the company, and preclude the trust deficit of the communities who are impacted by the company business operations and provided them with license to operate and to maintain apart from the governments through its laws and regulations. The notions of sustainability must also be taught to the students who are also learning CSR as both concepts are converging in nature as put forth by global organizations. However, DPE guidelines on CSR and Sustainability for the Central Public Sector Enterprises as issued by the Ministry of Corporate Affairs in April 2013 also state that CSR and Sustainability is a company's commitment to its stakeholders to conduct their business in an economically, socially and environmentally sustainable manner that is transparent and ethical in nature. The term Corporate Sustainability also refers to the role that a company plays in meeting the agenda of Sustainable Development Goals and entails a balanced approach for economic progress, social progress, and environmental stewardship; it meets the needs of the present without compromising the ability of future generation to meet their own needs (The Brundtland Commission's Report, 1987).

6.2. Case Solution-Faculty Session Plans

After teaching marketing and innovation in Drucker's Management System, which believes customers as the only profit centre, the target students may be served with this thought-provoking case study exercise, which is most likely to invite healthy discussions on the different types of activities being undertaken by the companies nowadays for improving brand image and adapting the innovative consumer connect initiatives to improve sustainability and developing happy working environment of the company in order to survive. The session will of course develop a bit of managerial confidence in

inspiring students to tackle this important issue if faced in the real work-life experience by them through this case study. While undertaking this case study session in a class room scenario, each and every student must be given sufficient time to think, explore and present the case individually and even the case may be represented by small group of students for better understanding the hidden concept of sustainability through ESG adaptation in their CSR activities for ultimately achieving the SDGs by delivering value to customers, by managing for results, doing the right thing, and making serving the customer the center of everything (Peter F Drucker).

7. Conclusion

Since the exhibited case exercise gives a very clear idea to the aspirant management students of finance and marketing streams that how a business can be survived in the today's competitive environment with the help of innovative consumer connects initiatives and the sustainability can be achieved over the years by adhering to its core corporate social responsibility and environmental protection responsibility policies? Aspiring management students shall be able to understand the core principle of management as described by Peter F Drucker, that how over the year a company has to do a lot of effort and to make a huge investments through its CSR to build a very strong and prominent visible brand image of the company amongst their existing customers to attain its sustainable developmental goals, as longevity in this business is all about being able to reinvent our self or invent in the future.

8. Case Company

The name of the subject case company is the Assam Gas Company Limited (AGCL), which is one of the oldest Compressed Gas Distribution (CGD) Companies of India engaged in the marketing of clean fuels business operating from its registered office located at India's oil and natural gas city of Duliajan, District Tinsukia, in the upper Assam area of the North Eastern Region (NER) of the country. AGCL is a subsidiary of the government of Assam and supplying Natural Gas to its domestic as well as industrial consumers since its inception and is now established as one of the leading CGD Companies in India.

9. Data Sources

Accessed www.assamgas.org; www.assamgas.in; www.assamgas.co.in for financial statements, annual reports, and other corporate policy documents for collection of the requisite secondary data used in developing this case study as

made available in the public domain site of the company's official websites as on 14th April 2023.

10. Appendix-case Questionnaires for the Students

- Can you define Corporate Social Responsibility and Environmental Protection Responsibilities?
- Can the concepts of Corporate Social Responsibility be correlated with sustainability?
- Can you define Drucker's theory of business purpose to create a customer?
- Will better CSR policy implementation be able to increase the business performance of a company?
- Is not by ESG Adaptations in the CSR Policy, Sustainability can be achieved?
- As a market research expert can you analyze the hidden factors behind the achieved sustainability of the case company in the present competitive environment over the period of the last 61 years? Is not it ESG...?
- After examining the exhibits can you highlight and put forward your views on any of the case company's CSR policies and consumer connect initiatives you found mainly responsible for its current business performance and in turn for achieving the Sustainable Development Goal? Is not it ESG...?

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12. Disclaimer

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