Corporate Communication
BAJMC
Fourth Semester
UNIT I

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Syllabus of Corporate Communication

Unit I: [Understanding Corporate Environment]   L: 12

1. Contemporary Corporate Environment: an overview
2. Forms of Corporate Constituencies
3. Brand Identity, Brand Image and Brand Reputation
4. Corporate Philanthropy and Social Responsibility

Contemporary Corporate Environment: An overview

- What does the word Contemporary means?
- According to Cambridge Dictionary; "Contemporary means belonging to the same period, or to a stated period in the past:

- Almost all of the contemporary accounts of the event have been lost.
- Most of the writers he was contemporary with were interested in the same subjects."

- Existing or happening now, and therefore seeming modern:
- Contemporary music/literature/art/fashion
- Although the play was written hundreds of years ago, it still has a contemporary feel to it.
- I wanted to update my kitchen and put in something more contemporary.

Contemporary Corporate Environment: an overview

What is Contemporary Corporate Environment

The contemporary corporate environment refers to the present-day business landscape, characterized by rapid technological advancements, increasing globalization, and heightened competition. In this environment, businesses must navigate a complex set of challenges and opportunities to remain relevant and competitive. Here are some key features of the contemporary corporate environment:

- **Globalization:** The rise of the internet and global trade has made it easier for companies to expand their operations across borders. However, this has also led to increased competition from businesses around the world.

- **Technological advancements:** New technologies such as artificial intelligence, machine learning, and the internet of things are transforming the way businesses operate. Companies that fail to keep up with these technological advancements risk being left behind.

Contemporary Corporate Environment: an overview

- **Sustainability:** More and more consumers are demanding environmentally sustainable products and practices from businesses. This trend is likely to continue, and companies that do not prioritize sustainability may struggle to remain relevant.

- **Diversity and inclusion:** Companies are increasingly recognizing the importance of diversity and inclusion in the workplace. This includes hiring a diverse range of employees and promoting a culture of inclusivity.

- **Remote work:** The COVID-19 pandemic has forced many companies to adopt remote work policies. As the pandemic subsides, many companies are likely to continue to offer flexible working arrangements, which will require new approaches to management and collaboration.

Contemporary Corporate Environment: an overview

- **Social media:** Social media has become an essential tool for businesses to connect with customers and build their brand. However, it also poses significant risks, such as reputational damage from negative reviews or social media backlash.

- **Cybersecurity:** As businesses become more reliant on technology, they also become more vulnerable to cyber attacks. Companies must invest in robust cybersecurity measures to protect themselves and their customers.

The contemporary corporate environment is complex and constantly evolving. Businesses that can adapt quickly to new challenges and opportunities are most likely to succeed in this environment. By prioritizing sustainability, diversity and inclusion, and technological innovation, companies can position themselves for success in the years ahead.

Contemporary Corporate Environment: an overview

Examples of the contemporary corporate environment:

- **Globalization:** Companies like Amazon, Apple, and Google have expanded their operations worldwide, taking advantage of the internet to reach customers in different parts of the world.

- **Technological Advancements:** Companies like Tesla, Microsoft, and IBM are at the forefront of developing new technologies, such as electric cars, cloud computing, and artificial intelligence.

- **Sustainability:** Companies like Patagonia, Tesla, and Unilever have prioritized sustainability in their business practices, promoting environmentally friendly products and practices.

Contemporary Corporate Environment: an overview

- **Diversity and Inclusion:** Companies like Microsoft, Salesforce, and HP have implemented diversity and inclusion initiatives to promote a culture of inclusivity in the workplace.

- **Remote work:** Companies like Zoom, Slack, and Microsoft Teams have become essential tools for remote work, facilitating communication and collaboration among team members who are not physically present in the same location.

- **Social media:** Companies like Nike, Coca-Cola, and McDonald's have leveraged social media to connect with customers and build their brand, creating engaging content that resonates with their target audience.

- **Cybersecurity:** Companies like IBM, Cisco, and McAfee provide cybersecurity solutions to businesses to protect their data and systems from cyber threats.

Forms of corporate constituencies

Corporate constituency refers to the various stakeholders who have a vested interest in a corporation's operations and performance. These stakeholders can include shareholders, employees, customers, suppliers, and the wider community. The concept of corporate constituency acknowledges that a corporation has a responsibility to balance the interests of these various groups, rather than solely focusing on maximizing shareholder value.

This approach recognizes that corporations have a broader impact on society beyond their economic impact, and should therefore be accountable to all those who are affected by their actions. For example, a corporation may prioritize environmental sustainability or fair labor practices, even if this comes at the expense of short-term financial gains.

The idea of corporate constituency has gained increasing prominence in recent years, as stakeholders become more vocal about their expectations for corporate responsibility and sustainability. Many corporations are now adopting a stakeholder-centric approach to business, which seeks to balance the interests of all stakeholders and create long-term value for society as a whole.

Forms of corporate constituencies

There are several forms of corporate constituencies that a corporation must consider and balance to ensure its long-term success and sustainability. Here are some of the key forms of corporate constituencies:

Shareholders: These are the owners of the corporation and have a financial interest in its performance.
- **Objective:** Shareholders invest in the company with the expectation of returns, primarily through dividends and stock price appreciation.
- **Characteristics:** Engage in shareholder meetings, exercise voting rights, and monitor financial performance.

Employees: These are the people who work for the corporation and contribute to its success through their labor.
- **Objective:** Employees seek job security, fair compensation, and a positive work environment.
- **Characteristics:** Engage through unions or direct feedback channels, and their interests include workplace conditions, benefits, and opportunities for career growth.

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Forms of corporate constituencies

Customers: These are the people who buy the corporation's products or services and are essential to its revenue and growth.
- **Objective:** Customers aim for quality products or services at competitive prices.
- **Characteristics:** Engage through reviews, surveys, and customer service interactions. Their interests revolve around product reliability, customer service quality, and value for money.

Suppliers: These are the companies or individuals that provide the corporation with the goods or services it needs to operate.
- **Objective:** Suppliers desire stable and mutually beneficial business relationships.
- **Characteristics:** Engage in ongoing communication regarding supply chain dynamics. Interests include timely payments, fair contractual terms, and consistent demand.

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Forms of corporate constituencies

- **Creditors:** Entities that lend money to the company, such as banks or bondholders, interested in timely repayments.
- **Objective:** Creditors expect timely repayment of loans or interest.
- **Characteristics:** Engage through monitoring financial reports, maintaining communication with the company. Their interests are closely tied to the financial health and creditworthiness of the company.

Community: This includes the wider society and environment in which the corporation operates, and which may be affected by its actions.
- **Objective:** Positive impact on the community's well-being.
- **Interest:** Employment opportunities, environmental responsibility.
- **Engagement:** Participating in local initiatives, addressing community concerns.

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Forms of corporate constituencies

<u>Government:</u> Regulatory bodies and authorities overseeing the company's compliance with laws and regulations.

- **Objective:** Government entities aim to ensure legal compliance and adherence to regulations.
- **Characteristics:** Engage in regulatory reporting, monitoring adherence to laws, and occasional dialogue with the company. Interests include corporate governance, tax compliance, and adherence to industry standards.

<u>Competitors:</u> Other companies in the industry who may be affected by the company's strategies and market position.

- **Objective:** Competitors aim to compete for market share and industry dominance.
- **Characteristics:** Engage in monitoring industry trends, conducting competitive analysis, and formulating strategic responses. Interests revolve around market dynamics, innovations, and competitive strategies.

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Forms of corporate constituencies

- <u>NGOs and Advocacy Groups:</u> Non-profit organizations and interest groups advocating for specific causes, influencing corporate social responsibility. **Objective:** Non-profit organizations and advocacy groups promote social or environmental causes.
- **Characteristics:** Engage in collaboration on initiatives, raising concerns related to corporate social responsibility (CSR) and sustainability practices.

- <u>Global Stakeholders:</u> Investors, customers, and partners with interests spanning international borders, influencing global business practices.
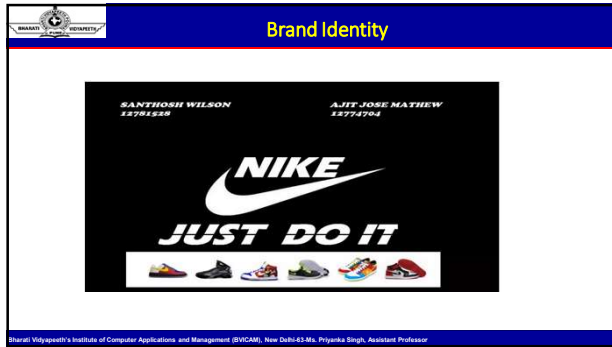- **Objective:** Global stakeholders balance global business interests and responsibilities.
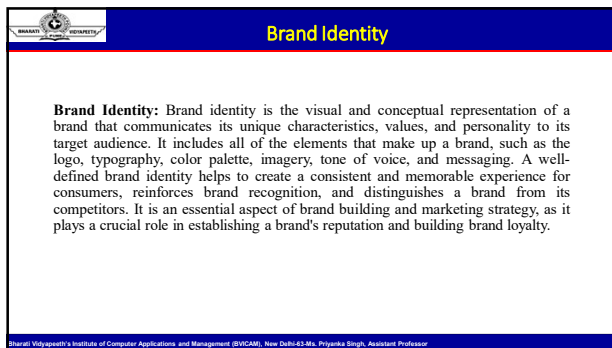
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Forms of corporate constituencies

- **Characteristics:** Engage in global partnerships, adhere to global standards, and maintain cross-cultural communication. Interests involve adapting to diverse markets, complying with international regulations, and fostering a positive global business image.
- Each of these constituencies has its own interests and expectations, and the corporation must balance and manage these interests to ensure its long-term success and sustainability. A corporation that neglects any of these constituencies may face reputational damage, legal challenges, or financial losses.

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Brand Identity

SANTHOSH WILSON
12781528

AJIT JOSE MATHEW
12774704

NIKE

JUST DO IT

Brand Identity

Brand Identity: Brand identity is the visual and conceptual representation of a brand that communicates its unique characteristics, values, and personality to its target audience. It includes all of the elements that make up a brand, such as the logo, typography, color palette, imagery, tone of voice, and messaging. A well-defined brand identity helps to create a consistent and memorable experience for consumers, reinforces brand recognition, and distinguishes a brand from its competitors. It is an essential aspect of brand building and marketing strategy, as it plays a crucial role in establishing a brand's reputation and building brand loyalty.

Characteristics of Brand Identity

• Competitiveness:
• Distinctiveness.
• Consistency.
• Leadership.
• Exposure.
• Audience knowledge.

Brand Identity

Example of Brand Identity:

An example of brand identity can be Nike, which has a well-defined and recognizable brand identity. Nike's logo, the swoosh, is one of the most recognizable logos in the world. The brand's color palette is predominantly black and white, with the occasional use of red. Its typography is sleek and modern, using the custom-designed font "Nike Sans" in all its communications. Nike's messaging focuses on inspiring athletes and promoting an active lifestyle, and its tone of voice is motivational and empowering.

Nike's brand identity also extends beyond its visual and messaging elements.

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Steps to develop a Brand Identity

1. **Define Your Brand:** Clearly articulate your brand's mission, values, and personality. Understand what sets your brand apart.

2. **Know Your Audience:** Identify your target audience and their preferences. Tailor your brand identity to resonate with them.

3. **Create a Unique Logo:** Design a distinctive and memorable logo that reflects your brand's essence. Ensure it's versatile for various applications.

4. **Choose Brand Colors:** Select a color palette that aligns with your brand's personality. Consistent use of colors helps in brand recognition.

5. **Develop a Typography Style:** Choose fonts that complement your brand image. Consistency in typography enhances brand cohesion.

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Steps to develop a Brand Identity

6. **Develop a Typography Style:** Choose fonts that complement your brand image. Consistency in typography enhances brand cohesion.

7. **Craft a Brand Voice:** Define the tone and language used in your communications. Consistency in messaging builds trust and recognition.

8. **Design Consistent Visuals:** Maintain a cohesive visual style across all brand materials, from marketing collateral to social media posts.

9. **Build a Brand Style Guide:** Document and communicate your brand guidelines, covering logo usage, color codes, typography, and other visual elements.

10. **Create Engaging Content:** Develop content that aligns with your brand identity and resonates with your target audience.

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Steps to develop a Brand Identity

11. Establish Brand Consistency: Ensure uniformity across all touchpoints – website, social media, packaging, etc. Consistency fosters brand recognition.

12. Leverage Brand Storytelling: Share your brand's narrative to create an emotional connection with your audience. Show the human side of your brand.

13. Adapt to Market Trends: Stay current with industry trends while maintaining core brand elements. Adaptation ensures relevance in a dynamic market.

14. Seek Customer Feedback: Regularly gather feedback to understand how your brand is perceived. Use insights to refine and strengthen your brand identity.

15. Evolve Over Time: Be open to evolution. As your business grows, periodically revisit and update your brand identity to stay relevant and fresh.

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Brand Identity & Brand Image

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Brand Image

Brand image refers to the perception and impression that consumers have of a particular brand. It encompasses all the thoughts, emotions, and attitudes that people associate with a brand, including its products, services, and overall identity. A strong brand image can be a valuable asset for a business, as it can help to differentiate it from its competitors and create a sense of loyalty among consumers. Brand image can be influenced by a wide range of factors, including advertising and marketing campaigns, product quality and performance, customer service, pricing, and overall reputation.

Creating and maintaining a positive brand image requires consistent effort and attention to detail. Businesses must understand their target audience and work to create a brand identity that resonates with their values and preferences. They must also be proactive in managing their brand's reputation, responding to customer feedback and addressing any issues or concerns in a timely and effective manner.

Ultimately, a strong brand image can be a powerful tool for building customer trust and loyalty, driving sales, and achieving long-term business success.

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Importance of Brand Image

Establishes credibility

- A good brand image can help a company establish credibility within its industry. It requires earning the respect of consumers and competitors through quality, consistency and honesty. There are many ways that brands establish credibility, such as:
- Being honest with consumers
- Providing expert testimony about products or services
- Answering customer feedback
- Addressing issues quickly
- Comparing products and services with competitors
- Becoming a thought leader in the industry
- Protecting customers' information
- Focusing on quality
- Taking a stance on social issues

Importance of Brand Image

Makes a good impression

Making a good first impression is important, especially in business. Consumers will create an impression or brand image of your business based on factors such as messages and values communicated through your website, customer service, social media posts and even your company logo. How consumers see your company, even on a superficial level, leaves an impression. You want all points of contact with potential customers to leave a positive impression.

Increases referrals

When customers have a positive brand image of a company, they may be more likely to refer its services or products to others. Referrals are an important part of growing the brand's audience, and trusted friends and family can serve as a credible source of information for many people. Sometimes, a potential customer simply needs a positive mention from a trusted friend to decide to support a company.

Importance of Brand Image

Creates recognition

A recognizable brand can attract new customers and establish itself as a key component of a specific industry. For example, if customers think of your brand as honest, supportive and innovative, those are the attributes they associate with each of your products or services. They might describe the brand as honest, supportive and innovative when discussing it with others or writing reviews. Their positive opinions about your company also make it easier to introduce new products under the same brand. The new items immediately have a good image since they're affiliated with your strong brand

Establishes professionalism

A brand's image can also help it appear professional and organized. If a brand's image is clean, consistent and organized, customers might think the brand embodies professionalism. Along with credibility, professionalism may help customers trust the brand and create expectations for service and products. Those expectations, when met by the brand, can help increase customer confidence and potentially their loyalty to the company.

Brand Image

One example of a **strong brand image is Coca-Cola.** Coca-Cola's brand image is known for its classic red and white logo, the iconic glass bottle, and its signature taste. The brand image conveys a sense of nostalgia and tradition, with a focus on happiness and sharing moments with loved ones. The company's marketing campaigns, such as the "Share a Coke" campaign, have further reinforced this image by emphasizing the brand's role in creating meaningful experiences and connections. Overall, Coca-Cola's brand image has become a symbol of refreshment, happiness, and togetherness for consumers around the world.

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Brand Reputation

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Brand Reputation

Brand Reputation:

Brand reputation refers to the perception or image that a company or brand has in the eyes of its customers, stakeholders, and the general public. It is the collective opinion or impression that people have of a particular brand based on their experiences, interactions, and observations.

A positive brand reputation can help a company to establish trust and credibility with its customers, improve customer loyalty, and increase sales. On the other hand, a negative brand reputation can lead to a loss of customers, decreased revenue, and damage to the company's image and bottom line.

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Brand Reputation

Factors that can influence a brand's reputation include the quality of its products or services, customer service, marketing and advertising campaigns, social responsibility, and the behavior of its employees and executives. Companies can proactively manage their brand reputation by actively monitoring and responding to customer feedback, addressing issues and complaints in a timely and effective manner, and being transparent and honest in their communications and actions.

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Corporate Philanthropy

Corporate Philanthropy refers to the practice of donating money, goods, or services to charitable causes or organizations by a business or corporation. It is a way for companies to give back to the community and support causes that align with their values and mission.

Corporate social responsibility, on the other hand, refers to a broader set of initiatives and actions that companies take to improve their social and environmental impact. This can include efforts to reduce their carbon footprint, promote sustainability, ensure ethical business practices, support diversity and inclusion, and engage in other socially responsible activities.

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Corporate Philanthropy

Corporate philanthropy and social responsibility are closely related, as both involve a company's efforts to have a positive impact on society. However, while philanthropy focuses mainly on charitable donations, social responsibility encompasses a wider range of actions that companies can take to promote positive social and environmental outcomes.

Many companies today recognize the importance of corporate philanthropy and social responsibility in building a strong reputation, attracting and retaining customers and employees, and contributing to a more sustainable and equitable world. By integrating these practices into their business strategies and operations, companies can create long-term value for themselves and for society as a whole.

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Corporate Philanthropy

• The Coca-Cola Company's 5by20 Initiative: Coca-Cola's 5by20 initiative aims to empower 5 million women entrepreneurs by 2020. The initiative provides women with access to business skills training, financial services, and other resources to help them start and grow their own businesses.

• Patagonia's Common Threads Initiative: Patagonia's Common Threads initiative encourages customers to reduce their consumption and recycle their clothing by providing resources and incentives for responsible product use and disposal.

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Corporate Social Responsibility

- Corporate social responsibility (CSR) refers to strategies that companies put into action as part of corporate governance that are designed to ensure the company's operations are ethical and beneficial for society.
- Corporate social responsibility (also known as CSR or corporate citizenship) describes a company's efforts to improve society in some way. These efforts are wide-reaching. Common examples of CSR programs include donating cash and in-kind goods to nonprofits, providing grants for employee volunteer hours, implementing grant programs, changing production or purchasing processes to benefit environmental or social justice causes, committing to diverse hiring practices, and more.

Corporate Social Responsibility

- **What is the purpose of corporate social responsibility?**

Corporate social responsibility programs aim to give structure to a company's efforts to give back to the community, participate in philanthropic causes, and provide positive social value. Businesses increasingly turn to CSR to make a difference and build a positive brand around their company. And because social responsibility is not a mandated practice, it can function as a powerful differentiator for companies that partake.

Topic	Detailed Discussion
Section 135(1)	Which company is covered under Section 135
	Every Company having
	(a) Net Worth of ≥ ₹ 500 Crores, or
	(b) turnover of ≥ ₹ 1000 Crore, or
	(c) a net profit (PBT) of ≥ ₹ 5 Crore during the immediately preceding financial year, shall constitute a Corporate Social Responsibility Committee of the Board consisting of 3 or more directors, out of which at least 1 director shall be an independent director.

Corporate Social Responsibility

Types of CSR

CSR also requires a company to balance its economic, legal, ethical, and philanthropic responsibilities, which are the four main types of CSR according to Carroll's pyramid mode. There are generally four types of CSR, often described as the four pillars of CSR:

- **Economic Responsibility**
- **Legal Responsibility**
- **Ethical Responsibility**
- **Philanthropic Responsibility**

Corporate Social Responsibility

Economic Responsibility: Economic responsibility means ensuring an economic advantage both to the region from where the purchase arrived and to the region where it is marketed. It also means that a business should provide goods and services that meet the needs and wants of consumers, create jobs and compensation for employees, and generate profits for shareholders and investors.

- This is the fundamental responsibility of a business.
- It means running the business profitably, which provides jobs, products, services, and taxes that fuel the economy.
- It's about creating wealth in a responsible and sustainable manner.

Legal Responsibility: The legal responsibility of business is another type of corporate social responsibility (CSR), which is the idea that a business has a responsibility to the society that exists around it. Legal responsibility means that a business should comply with the law and follow any applicable regulations, court orders, and ethical standards of customers, employees, investors, competitors, or society at large.

- This means obeying the law and playing by the rules.
- Businesses are expected to comply with all relevant legislation and regulations.
- Business not engage in any illegal or fraudulent activity
- Held liable for damages if it fails to meet its legal responsibilities

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Corporate Social Responsibility

Ethical Responsibility: Ethical responsibility means that a business should behave in ways that are expected by society but not necessarily required by law. It involves following moral standards and principles that guide the decisions and actions of a business. A business should not only avoid causing harm, suffering, waste, or destruction, but also be expected to do good for the environment, people, and society.

- This goes beyond the obligations set by law.
- It involves doing what's right, fair, and just, even when there's no legal requirement.
- Ethical responsibilities can cover a range of areas, from fair treatment of employees to sourcing practices, to transparency. with consumers.

Philanthropic Responsibility: The philanthropic responsibility of a business is the highest type of corporate social responsibility (CSR). It is the idea that a business has a responsibility to the society that exists around it. Philanthropic responsibility means that a business should voluntarily contribute to the well-being and development of society through charitable donations or actions. It involves going above and beyond what is expected by society or law and showing generosity and goodwill towards society.

This involves voluntarily or mandatory contributing to the community and improving quality of life.

Businesses can do this through donations, supporting local organizations, or employee volunteer programs.

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Corporate Social Responsibility

The CSR Committee and Policies

The qualifying companies are required to form a CSR committee. They are needed to spend at least 2% of its average net profit for the 3 previous consecutive financial years on CSR initiatives. Mandatorily, a CSR committee has to be formed by the qualifying company. It also has to appoint at least 3 Board of Directors (Board). This Committee is responsible for preparing and recommend to the Board, a policy and a plan that will specify the CSR activities to be undertaken (CSR Policy). They would also suggest (and protect) the amount of expenditure to be incurred on the activities referred. Monitor the implementation of CSR Policy and activity is also their job. The Board will analyse the recommendations and suggestions made by the CSR Committee and support the CSR Policy and activities of the company. The significant role of the board of directors of a company plays a crucial role in the CSR activities of the company.

- Approval of the Corporate Social Responsibility policy.
- Ensuring that the CSR plan gets implemented in its entirety.
- Full disclosure of the spends and plan of CSR policies which are related to its report.
- Displaying the same on the company website.
- Making sure that specified amount allotted is being spent by the company in CSR activities.
- Though there is no penalty if the entire amount is not spent on CSR activities in India, the CSR committee and the board's report should include the reason for the short spending.

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Corporate Social Responsibility

- **The following are the types of CSR activities in India that the qualifying listed companies under the Companies Act 2013 can contribute to:**

- **(i) Eradicating hunger, poverty and malnutrition:** This can be done by promoting health care and sanitation in rural areas. This can also be a contribution to the **Swach Bharat Kosh** which has been set-up by the Central Government. Blood donation camps can also be done as a part of a company's CSR initiative.

- **(ii) Promoting education:** This can be inclusive of providing education to children and essential vocational skill training that enhance employment or special education among women, elderly and the differently-abled.

- **(iii) Promoting gender equality:** Women empowerment programmes can be launched by setting up affordable hostels for women. Establishing old age homes, daycare centres and other facilities for senior citizens is another option. Orphanages can also be set up and managed by the **CSR committee**.

- **(iv) CSR initiatives related to the environment:** Contributions can be made towards environmental sustainability. Activities that help in maintaining the ecological balance, protection of flora and fauna, promote animal welfare, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government.

- **(v) Protection of national heritage, art and culture:** This can include the restoration of heritage sites, buildings of historical importance and works of art. Public libraries can be set up as well.

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Corporate Social Responsibility

- **The following are the types of CSR activities in India that the qualifying listed companies under the Companies Act 2013 can contribute to:**

- **(vi) Measures can be taken towards the benefit and support of armed forces veterans, war widows and families.**

- **(vii) Contributions to the Prime Minister's National Relief Fund or any other fund set up by the central government, for welfare, development and relief of the schedule caste, tribes, other backward classes, women and minorities.**

- **(viii) Contributions or funds provided to the development of technology located within the central government approved academic institutions.**

(ix) Contributions can be made towards rural development projects and slum area development.

Companies in India doing CSR activities in India

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