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Context to the conversation

Harish speaks about the three different levels at which the Tata Group tries to make a difference to the communities it operates in. One is at the level of the Tata Trusts and the organizations it supports. Second is at the level of each company in the Tata Group and the CSR initiatives within each company. The third is through the various brands (such as Tanishq and Tata Tea) and the messages they carry when they reach out to the consumers.

Transcription

Deepak Jayaraman (DJ): I think the one thing that strikes the reader when I read this book, Harish, just this notion of making a difference to the world, right. Even recent top 50 givers list prepared by Hurun Report and EdelGive Foundation, Jamsetji Tata has emerged as a biggest philanthropist globally in the last century, and they had put a number like 102 billion in terms of the amount that has been given, what got me curious was, how does the group, across its various companies, drive this vision of impacting the wider community where the group operates.

Harish Bhat (HB): Yeah. So the community is truly center stage at the Tata Group and Jamsetji Tata, our Founder, articulated that vision when he said he wants to build a corporation or an institution, where the community is center stage and not just another stakeholder. Now his sons and he created the Tata charitable trusts, the JN Tata Endowment Trust was created by Jamsetji Tata himself in 1892 for the overseas education of Indians, the Sir Ratan Tata Trust was created by one of his sons and the Sir Dorabji Tata Trust was created by his elder son, Dorabji Tata, and there have been other Tata charitable trusts as well. But what is unique is that these trusts have owned and have continued to own a large majority of the equity shares in our parent company Tata Sons. Today, about 66% of the equity capital of our parent company Tata Sons is held by these charitable trusts. What does that mean? What it means is 66% of the dividends issued by Tata Sons go to the Tata charitable trusts, which then use this money to contribute back to the community. So over the course of the past 100 years, the Tata trusts have used this money to build institutions, such as the Tata Memorial Hospital, the Tata Institute of Social Sciences, the Tata Institute of Fundamental Research, NCPA, the National Center for Performing Arts, and, of course, right at the beginning, Jamsetji Tata used his own personal wealth to also build the Indian Institute of Science in Bangalore, which is one of the finest universities in the world today. So there are many such institutions, institutions of national importance, which have contributed back to our community, which has been built by these Tata trusts over a long period of time. So even now as we speak, the Tata trusts are leading the fight against cancer, the Tata Medical Center came up in Kolkata in 2012, and just now, the Tata trusts are working with the several state governments in India. They are building cancer hospitals in those states, so this includes cancer facility networks that are coming up in Assam, Odisha, Jharkhand, Telangana and Nagaland, cancer research and treatment centers coming up in Varanasi, Tirupati,

Bhubaneswar, Ranchi, Allahabad and Mangalore. So that is one way through, and of course, in the more recent past, the fight against COVID-19, where the Tata trusts have partnered with Tata Sons to contribute a very significant amount, you know, right at the beginning of the pandemic, 1,500 crores was committed to the fight against the pandemic. So the ownership structure of the Tata Group, where the Tata charitable trusts own 66% of the parent company Tata Sons, is one way by which the Tata Group gives back to the community. The second is each of our companies also give back to the community in their own right. And let me illustrate this by two or three examples. For instance, with Tata Steel, Tata Steel manages the town of Jamshedpur, one of the best run towns in the country. But in addition, Tata Steel is also doing a lot to uplift the lives of tribals in that entire region of Eastern India. But let me take a very different example. Let us take an example of Tata Chemicals, Tata chemicals operates in the Okhamandal region of Gujarat, a very dry region of this country, and once again, inhabited by the Rabari tribals and many other tribal communities. Tata Chemicals has put in place a Tata Chemicals Foundation for the development of these communities and one outcrop of that is a brand like Okhai, which is a brand of garments based on the weaving skills and the visual skills and the handicraft skills of the Rabari tribals of that area. And the story of Okhai is one of the 40 stories in #TataStories, a very moving story to read. But a third way I would say is, look at a brand like Tata Tea. Tata Tea, over the years, has built a very powerful platform for Jaago Re, which is about civic consciousness. Initially, it was positioned against corruption. Later, it was positioned in the area of encouraging women to vote. In the more recent past, it has been positioned as things that you can proactively do in your community to encourage sports people, for instance. So that whole thread of, let us say, civic consciousness is what Jaago Re has been able to build and that is also contributing back to the community. Or if I look at Tanishq, our jewelry brand, which I have associated with for many years. Tanishq, of course, markets beautiful jewelry and is, by far, the best-known brand of jewelry in India, but did you know that they also do a lot to support jewelry karigars, the artisans who actually produce jewelry. They give them hygienic working conditions, they ensure that they are paid fairly and in time, they have set up jewelry or karigar parks across the country. So those are examples of how our companies contribute to the community. I would say there are three predominant methods through which the Tata Group's contribution to the community happens. One is through the Tata charitable trusts, which are majority owners of Tata Sons, and the fight against cancer is a story, which I have narrated in my book #TataStories, which pertains to that part of community contribution. The second is through the CSR work, which a lot of our companies do in communities in and around them. Like, for instance, the work that Tata Steel or Tata Chemicals do with the tribal communities that live in their hinterlands. The third is the work that the Tata brands do. You know, either Tanishq or Tata Tea, I gave you examples of karigar parks, of the Jaago Re platform, and this work could be at the back end or it could be at the front end communication, which once again goes towards serving the community. So it is a combination of all these through which the Tata Group tries its best to give back to the community. You know, in the words of JRD Tata, a lot of stories in #TataStories are about JRD Tata who was Chairman of the group for 50 years, in one of his most resident words, he says, what comes from the people goes back to the people over and over again. I think that has been a guiding philosophy of that book.

DJ: And sticking with this for a couple of minutes, Harish, at the highest level, Tata trusts serving social causes, it is structurally set up to do that, but at a company level, given there is a profit objective that a lot of the leaders are going after, how do you ensure that while pursuing profit, they do not lose sight of this community piece, how is it handled at the company level?

HB: I think it is, in most, if not all Tata Group companies, community is inbuilt into the DNA of a company. I think, many many of our group companies understand that that is the reason why we were established. It is not an either/or situation. I think, you build a very profitable business based

on sustainable competitive advantages, which varies from industry to industry, but you also ensure that a part of those profits go towards nurturing the community around you. And I would say that is a positive spiral because you nurture the communities around you and you live in harmony with the communities around you, there is also a great deal of respect, which builds up for the brand, and that respect then translates into customer affection also.

Reflections from Deepak Jayaraman

DJ: Thank you for listening. For more, please visit playtopotential.com. If you are curious about how different individuals have embarked on a journey of philanthropy and social impact, you might want into tune into the Playlist Social Impact in the Curated Playlist section at playtopotential.com. You might also find the conversations with Venkat Krishnan and Ashish Dhawan inspiring in this context.

End of nugget transcription

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About Deepak Jayaraman

Deepak seeks to unlock the human potential of senior executive's / leadership teams by working with them as an Executive Coach / Sounding Board / Transition Advisor. You can know more about his work [here](#).

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