

# Sustainable Environment and Corporate Social Responsibility

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## INTRODUCTION

Corporations around the world are struggling with a new role, which is to meet the needs of the present generation without compromising the ability of the next generations to meet their own needs. Organizations are being called upon to take responsibility for the ways their operations impact societies and the natural environment. It is the corporation, which should take sole responsibility for protecting out Mother Nature, which is our environment, which is the need of the hour.

Corporate Social Responsibility means

- Conducting business in an ethical way and in the interests of the wider community
- Responding positively to emerging societal priorities and expectations
- A willingness to act ahead of regulatory confrontation
- Balancing shareholder interests against the interests of the wider community
- Being a good citizen in the community

Issues about Corporate Social Responsibility

It is the corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare. The term generally applies to company efforts that go beyond what may be required by regulators or environmental protection groups.

Corporate social responsibility (CSR) promotes a vision of business accountability to a wide range of stakeholders, besides shareholders and investors. Key areas of concern are environmental protection and the wellbeing of employees, the community and civil society in general, both now and in the future.

The concept of CSR is underpinned by the idea that corporations can no longer act as isolated economic entities operating in detachment from broader society. Traditional views about competitiveness, survival and profitability are being swept away.

Some of the drivers pushing business towards CSR include

The shrinking role of government

In the past, governments have relied on legislation and regulation to deliver social and environmental objectives in the business sector. Shrinking government resources, coupled with a distrust of regulations, has led to the exploration of voluntary and non-regulatory initiatives instead.

Demands for greater disclosure

There is a growing demand for corporate disclosure from stakeholders, including customers, suppliers, employees, communities, investors, and activist organizations.

Increased customer interest

There is evidence that the ethical conduct of companies exerts a growing influence on the purchasing decisions of customers. In a recent survey by Environics International, more than one in five consumers reported having either rewarded or punished companies based on their perceived social performance.

Growing investor pressure

Investors are changing the way they assess companies' performance and are making decisions based on criteria that include ethical concerns. The Social Investment Forum reports that in the US in 1999, there was more than \$2 trillion worth of assets invested in portfolios that used screens linked to the environment

and social responsibility. A separate survey by Environics International, revealed that more than a quarter of share-owning Americans took into account ethical considerations when buying and selling stocks. (More on socially responsible investment can be found in the 'Banking and investment' section of the site.)

#### Competitive labor markets

Employees are increasingly looking beyond paychecks and benefits and seeking out employers whose philosophies and operating practices match their own principles. In order to hire and retain skilled employees, companies are being forced to improve working conditions.

#### Supplier relations

As stakeholders are becoming increasingly interested in business affairs, many companies are taking steps to ensure that their partners conduct themselves in a socially responsible manner. Some are introducing codes of conduct for their suppliers, to ensure that other companies' policies or practices do not tarnish their reputation.

#### Environmental Protection

Environmental protection is a practice of protecting the environment, on individual, organizational or governmental level, for the benefit of the natural environment and (or) humans. Due to the pressures of population and our technology the biophysical environment is being degraded, sometimes permanently. This has been recognized and governments began placing restraints on activities that caused environmental degradation.

#### Voluntary Environmental agreements

In industrialized countries, voluntary environmental agreements often provide a platform for companies to be recognized for moving beyond the minimum regulatory standards and thus support the development of best environmental practice. In developing countries such as throughout Latin America, these agreements are more commonly used.

Corporate Social Responsibility and the Environment  
Corporate Social Responsibility and Environmental Management provides a practical resource for the ever-increasing number of organizations concerned about social and environmental responsibilities in the

context of sustainable development and are interested in developing tools to improve their performance and accountability in these areas.

#### Social Accounting, Auditing and Reporting

For a business to take responsibility for its actions, that business must be fully accountable. Social accounting, a concept describing the communication of social and environmental effects of a company's economic actions to particular interest groups within society and to society at large, is thus an important element of CSR.

Social accounting emphasizes the notion of corporate accountability. D. Crowther defines social accounting in this sense as "an approach to reporting a firm's activities which stresses the need for the identification of socially relevant behavior, the determination of those to whom the company is accountable for its social performance and the development of appropriate measures and reporting techniques." Thus, Social accounting, auditing and reporting makes the companies much more responsible.

#### Disability and CSR

Basically, CSR indicates that a company's business model should be socially responsible and environmentally sustainable. By socially responsible it means that the company's activities should benefit the society and by environmentally sustainable it means that the activities of the company should not harm the environment.

But nowadays, there is an outburst of enthusiasm for environmental causes only. For e.g. Controlling pollution, global warming, deforestation, mitigate carbon emissions etc. Whereas it can be said that the same enthusiasm is not seen for social welfare. This is because most of the social welfare activities of the companies contribute to the welfare of us able bodied people but

do not take into account the disabled people who are also a part of the society in which the company exists and who amount to at least 10% of the population. Therefore, disability must be made a part of CSR policies of the companies and people with disabilities must be allowed to become stakeholders. So by taking people with disabilities into account the companies will be able to utilize the potential and hidden talent of

a large part of the population and in turn lead to more profits.

#### Green initiatives in business

The grass is always greener where green business initiatives are concerned because of one simple fact: new green business is necessary to help sustain a healthy planet; and those who are engaging in green business practices are continuing to pave the way through a very thick environmentally challenged forest. Green business initiatives are still in their infancy stage, the opportunities for those early adopters who are now entering this market and are engaging in new green businesses are quickly becoming the explorers of a new frontier.

#### Climate Change and Corporate Social Responsibility

Recent climate records show that the world is getting warmer, and that the rise in temperature is taking place with unprecedented speed. Evidence is also mounting that extreme weather events - such as floods, cyclones and droughts - are becoming more commonplace, and more severe.

Though cause and effect are notoriously difficult to prove in climatology, the chief culprit behind global warming is thought to be the build-up of carbon dioxide in the atmosphere, arising from the use of coal, oil and gas during the past 200 years.

Businesses are responsible for a large slice of global carbon dioxide emissions. It is not just heavy industries like steelmaking and chemicals that contribute to the 'greenhouse effect', but also the wider commercial sector, which consumes large amounts of energy for lighting, space- heating and transport.

The 1997 Kyoto Protocol committed industrialized nations to reducing their carbon dioxide emissions. Business will need to play its part in delivering these targets, and in helping to stabilize the atmosphere.

Climate change is one of the most critical challenges facing humanity today. The process of change unleashed by the rapid rise of atmospheric greenhouse gas emissions, historically and today, has the capacity to alter our economic systems, ecological networks and social relationships.

To minimize the adverse impacts of climate change, significant reductions in greenhouse gas emissions are needed on an urgent basis. Yet achieving these reductions will be challenging given current reliance

on fossil fuel-based energy systems for the achievement of economic development.

#### The Green House Gas Protocol

The Greenhouse Gas Protocol (GHG Protocol) is the most widely used international accounting tool for government and business leaders to understand, quantify, and manage greenhouse gas emissions. It provides the accounting framework for nearly every GHG standard and program in the world - from the International Standards Organization to The Climate Registry - as well as hundreds of GHG inventories prepared by individual companies. The GHG Protocol also offers developing countries an internationally accepted management tool to help their businesses to compete in the global marketplace and their governments to make informed decisions about climate change.

#### Corporate Social Responsibility Initiatives and Examples

##### Dalmia Cement (Bharat) Limited

The water source for the villages in and around the Dalmia Cement factory is dependent on rains. During summer months, the villagers, particularly women folk, travel long distances to fetch water for drinking and other purposes. Considering the difficulties and hardship faced by the people, the company, after discussing with the village elders and concerned Government authorities, took the initiative of making water available by:

Providing deep bore wells. So far, 45 bore wells have been provided in various villages, namely Kallakudi, Palanganathan, Malvoi, Elakkurichi, Muthuvathur, Pullabmadi, Edayathankudi etc. Approximately, 300 to 400 people get adequate drinking water from each bore well.

##### Water tanks to store the water

Rain and seepage water is harvested in the quarries of the company is pumped into a tank and supplied to inhabitants. 44,000 trees were planted and nurtured over a period of eight years. The presence of large trees and vast greenery has considerably improved the ecology in the area.

##### Tata Consultancy Services

The Adult Literacy Program (ALP) was conceived and set up by Tata Consultancy Services in May 2000 to

address the problem of illiteracy. ALP believes illiteracy is a major social concern affecting a third of the Indian population comprising old and young adults. To accelerate the rate of learning, it uses a TCS-designed Computer-Based Functional Literacy Method (CBFL), an innovative teaching strategy that uses multimedia software to teach adults to read within about 40 learning hours.

#### Preservation of Biodiversity

Biodiversity is distinguished from so-called “grey” environmental issues, such as litter or the greenhouse effect, even though there is an indirect relationship between the green and grey issues. Biodiversity affects the activities of all companies in one way or another.

#### Habitat degradation

This refers to aspects which, have an impact on the a-biotic environment in an area (air, soil and water), but which will eventually affect the local biodiversity.

#### Disturbance of flora and fauna

Plants and animals can be disturbed in their natural environment by noise, light, odor, and hunting or by human presence. This can result in disturbance of the eco-system. Companies can also contribute to conservation of natural elements in production areas.

#### Example

Initially a tour operator decided not to visit a degraded national park in Ecuador, in order not to cause further disturbance of the eco-system. Recently however they decided to offer the trip anyway, for commercial reasons. This tour operator contributes financially to projects in visiting countries that aim at the conservation of nature parks.

### CONCLUSION

Thus, corporate sector play a vital role in protecting the environment. In this globalized era, it all vests in the hands of the companies, who not only should take initiatives, but should take adequate steps to protect environment and must be socially responsible, accountable to the stakeholders. This will also help companies to fulfill their objectives without much problems.

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