

Environmental Aspects of Corporate Social Responsibility

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ABSTRACT:

In early period the motive of every business was earning profit and production concept of marketing was used but now there are many stakeholders who have interest in business and business have to fulfill the need of all stakeholders for long term growth of business which is known as social responsibility. Now every business is trying to fulfill its responsibility towards all stakeholders but the major problem which society is facing is related to environmental degradation. This research paper is concerned about environmental aspect of corporate social responsibility and suggests some measures which can help in reducing environmental problems. So every business should plan its production activity carefully.

INTRODUCTION:

Corporate social responsibility seems to be a new concept but it is no new in the business world previously, it was known as social responsibilities of business i.e. a business had responsibilities towards its customers, employees, suppliers, government etc. regarding the prices, quality, payment of wages, taxes etc. But now the concept and its scope has been somewhat widened keeping in view the requirement of global business world.

If we look at the past, we find that CSR is a very old concept. In India, CSR has been developed in four phase:

1. In the first phase, charity and philanthropy were the main drivers of CSR. In the pre- industrialization period i.e. till 1850, wealthy merchants shared a part of their wealth with the society by way of setting up temples, helping the victims of famine etc. so as to have integrated positions in the society. The industrial families of 19th century such as Tata, Godrej, Birla, Bajaj, Modi etc. were strongly inclined towards economic as well as social consideration.

2. In the second phase, during the independence movement, there was increased stress on Indian industrialists to show their concern towards the progress of the society. That time our rashtrapita mahatma Gandhi introduced the notion of “trusteeship” .under his influence, business established trusts for schools and so contributed towards welfare of common men.

3. In the third phase(1960-80), the private sector was forced to have backseat due to emergence of mixed economy, public sector undertakings(PSUs) and laws relating labour and environmental standards. But PSUs were effective only to a limited extent. In 1965, a workshop on CSR was organized a national level where transparency and social responsibility of PSUs was emphasized.

4. In the fourth phase (1980 till present), In 1990s the concept of globalization and liberalization were undertaken. As a result of globalization, Indian companies ho export and produce good for developed countries were compelled to pay a close attention towards the environmental standards in the developing countries.

That is the reason why environmental aspect of CSR has become the basic need of the corporate sector. Today , CSR is an integral part of business strategy- every company is responsible for treating its employees well ,preserving the environment , developing sound corporate governance , fostering human rights , respecting cultural differences and helping to promote fair trade , no doubt as I have told earlier that many companies such as the Tata group of companies, Birla group and some PSUs have been involved in CSR for decades by setting up schools ,colleges , hospitals etc. to serve the society but still Indian corporate world is lacking on environmental front. The need of the hour, in which corporates must put all effort to achieve its environmental sustainability. There are very serious

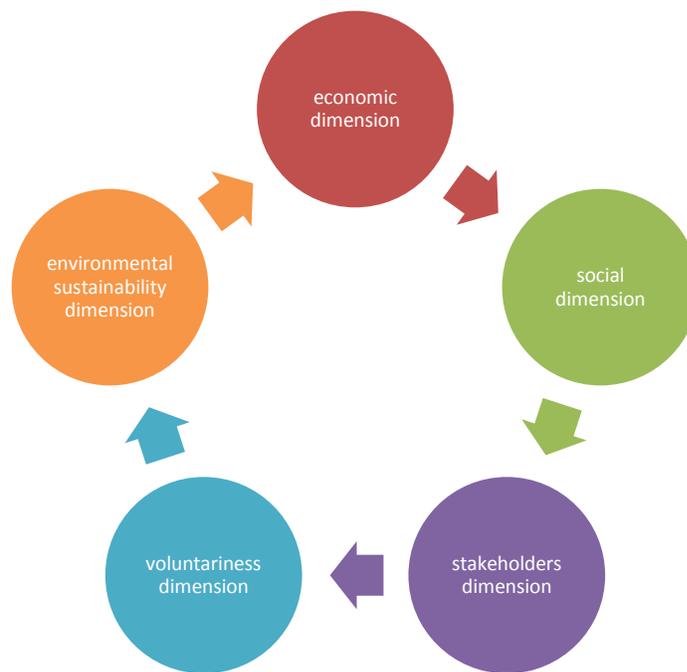
challenges before us as we all know and the largest contributor to make our environment imbalance is our industrial world. So this is the reason why environmental sustainability increasingly becomes an important agenda in corporate world. Decrease in energy and raw material usage combined with reduced emissions and waste generation can tackle the environmental challenges facing the world.

DEFINITION OF CORPORATE SOCIAL RESPONSIBILITY:

1. 'CSR is a company's commitment to operating in an economically, social and environmentally sustainable manner whilst balancing the interests of diverse stakeholders.'

2. 'Corporate Social Responsibility . . . is listening and responding to the needs of a company's stakeholders. This includes the requirements of sustainable development. We believe that building good relationships with employees, suppliers and wider society is the best guarantee of long-term success. This is the backbone of our approach to CSR.

CSR include many components but our major concern is on environmental aspect. Major aspects of CSR are:



The most important is environmental dimension because environment degradation is increasing continuously.

OBJECTIVE OF THE STUDY:

1. To understand the meaning of corporate social responsibility and environmental dimension of CSR.
2. To study the different aspect of environment in operation management and how environmental sustainability can be maintained.

RESEARCH METHODOLOGY:

The prepared paper is descriptive in nature. Secondary data is obtained from different journals, research papers and web sites .on the basis of collected information different aspect of environment studied.

REVIEW OF LITERATURE:

Mohammed Betal et.al (2008)” revealed that company should consider three dimension of CSR for running successfully in this competitive world. If companies will satisfy all these stakeholders like employees, customers, govt., owners, shareholders etc. then all will go for vote with their feet to company so top management and CSR officers should fulfill their responsibility sincerely.

Emeka Emmanuel et.al (2008) “reported about interdependence among environment, organization and sustainable development and advised the corporate firms to foresee potential environmental consequences of a given activity, proceeds or product from planning stage with a view to ensuring implementation of adequate and timely response strategies.

Julie et.al (2011)”Directors who seek a company’s long-term success, competitiveness and resilience will be those who, all other business considerations aside, pay careful attention to how management is integrating key environmental and social issues into strategy and risk and in building key stakeholder relationships. Ongoing board vigilance is essential to keeping abreast

of the fast evolving business impacts of key environmental and social issues. Informed boards asking the right questions make all the difference.”

Caroline Flammer (2012) “found that environmental aspect of corporate social responsibility is also related with stock price because company’s positive engagement with environment aspect generates new and competitive resource for the firm and positive reaction to announcement of eco-friendly initiatives has significantly decreased, while negative reaction to announcement of eco-harmful behavior has significantly increased.”

7. ENVIRONMENTAL DIMENSION:

Environmental sustainability (according to the World Bank) means ‘ensuring that the overall productivity of accumulated human and physical capital resulting from development actions more than compensates for the direct or indirect loss or degradation of the environment’, or (according to the Brundtland Report from the United Nations) it is ‘meeting the needs of the present without compromising the ability of future generations to meet their own needs’.

8. OPERATIONS AND ENVIRONMENTAL DIMENSION:

Operations managers cannot avoid responsibility for environmental protection generally, or their organization’s environmental performance more specifically. It is often operational failures which are at the root of pollution disasters and operations decisions (such as product design) which impact on longer-term environmental issues. The pollution-causing disasters which make the headlines seem to be the result of a whole variety of causes – oil tankers run aground, nuclear waste is misclassified, chemicals leak into a river, or gas clouds drift over industrial towns.

SOME ENVIRONMENTAL CONSIDERATION OF OPERATIONS

MANAGEMENT DECISIONS

Decision area	some environmental issues
Product/service design	Recyclability of materials
	Energy consumption
	Waste material generation
Network design	Environmental impact of location
	Development of suppliers in environmental practice
	Reducing transport-related energy
Layout of facilities	Energy efficiency
1Process technology	Waste and product disposal
	Noise pollution
	Fume and emission pollution
	Energy efficiency
Job design	Transportation of staff to/from work
	Development in environmental education
Planning and control (including MRP, JIT and project planning and control)	Material utilization and wastage
	Environmental impact of project Management
	Transport pollution of frequent JIT supply
Capacity planning and control	Over-production waste of poor planning
	Local impact of extended operating hours
Inventory planning and control	Energy management of replenishment
	Transportation Obsolescence and wastage
Supply chain planning and control	Minimizing energy consumption in Distribution
	Recyclability of transportation Consumables
	Scrap and wastage of materials
Quality planning and control and TQM	Waste in energy consumption
	Environmental impact of process failures
Failure prevention and recovery	Recovery to minimize impact of failures

MAJOR ASPECTS OF ENVIRONMENTAL SUSTAINABILITY ARE:

1) PACKING AND PACKAGING:

Packing of product should be ecofriendly .It means minimum packing should be used and it should be reusable.

2) CLEAN ENERGY:

Clean energy should be increased for which use of non-renewable energyresources are rapidly gaining popularity for ex.solar energy lights, power systems etc.

3) ECO-REPORTING:

Govt. must make strict rules for eco-reporting or we can say corporate must be asked to report regularly about environmental aspects.

4) GREEN REPORTING:

Until recently, relatively few companies around the world provided information on their environmental practices and performance. Now environmental reporting is increasingly common. One estimate is that around 35 per cent of the world's largest corporations publish reports on their environmental policies and performance. Partly, this may be motivated by an altruistic desire to cause less damage to the planet. However, what is also becoming accepted is that green reporting makes good business sense.

5) ISO 14000:

Another emerging issue in recent years has been the introduction of the ISO 14000 standard. It has a three-section environmental management system which covers initial planning, implementation and objective assessment.

FOR EXAMPLE IMPORTANT POINT TAKEN INTO CONSIDERATION IN CASE OF DIFFERENT DECISIONS TAKEN BY COMPANIES:

Property management and building

Chemicals Avoid building materials containing substances on the Authorities and priorities list of pollutants or relevant Substances on the Norwegian Pollution Control Authority's(SFT) list of hazardous substances requiring special attention. If eco-Labeling have been drawn up (Nordic Swan or EU Flower) for a product group, products fulfilling these criteria should be chosen.

Energy use and Greenhouse gases In building projects, set specific requirements for energy use, e.g. in the form of KWh per m2. Make it a requirement that heating is not based on electricity or fossil fuels. The requirements should be stricter than the minimum requirements in technical regulations.

Tropical timber Do not use tropical timber in any form, either in the building itself or in the materials used during the building period.

Waste/hazardous waste In building projects, set a target of 60-80 weight percentage segregation at source (including demolition, excluding construction pit). In the case of demolition, conversion and rehabilitation demand an environmental survey in order to prevent incorrect disposal of chemicals that are hazardous to health and to the environment.

Environmental Ask architects, consultants and contractors to document know-how training/courses in environmentally sound planning and building.

Leases Stipulate relevant environmental requirements when Signing Leases.

Transport AND VEHICLES

Vehicles Choose vehicles producing low emissions of greenhouse (greenhouse gases) gases, NOx and particulate matter. When purchasing Local air pollution or leasing passenger cars, with the exception of

And noise) emergency vehicles and other vehicles with special functional

requirements, the guideline limit is maximum 120-140 g/CO₂ in 2008. The limit may be tightened at a later date. the possibility of stipulating that all government vehicles operate on CO₂-free or CO₂-neutral fuel by 2020 is being investigated. Diesel-operated vehicles must have particulate traps. Choose low noise, easy-roll, stud-free tyres whenever possible.

Business travels Purchase UN-approved ‘CO₂ quotas’ to counterbalance emissions from government employees’ international air travel. Make greater use of e-meetings as a substitute for business travel whenever practical.

ICT equipment

Chemicals, energy, greenhouse gases Choose ICT equipment with low energy consumption, low content of pollutants (see the authorities’ priority , wastelist) and easily upgradeable. Attach importance to e-cooperation when choosing equipment.

Food

Chemicals, energy, biodiversity, animal institutions shall be organic. By 2015, 15% of food consumed in government

Welfare

Textiles

Chemicals Avoid textiles containing substances on the authorities’ priority list or substances on SFT’s list of hazardous substances requiring special attention. If eco-labelling criteria have been drawn up for a product group (Nordic Swan or EU Flower), chose products fulfilling these criteria. When purchasing textiles, give consideration to How these can be cleaned with the least possible chemical use. For example, textiles that cannot be washed but require cleaning with environmentally hazardous chemical Should be avoided.

Health and hygiene consumer material

Chemicals, use of Whenever possible choose products that satisfy the

resources, etc.criteria for Nordic Swan or EU Flower eco-labels.

Printed matter and paper

Chemicals, use of Whenever possible choose copy paper, envelopes and resources, etc.printed matter that satisfy the criteria for Nordic Swan or EU Flower eco-labels and which are made of recycled paper.

Office furniture and supplies, cleaning, hotels

Whenever possible choose products that satisfy the criteria for Nordic Swan or EU Flower eco-labels, if such criteria exist. In other cases, give preference to products and services which are energy-efficient, have a low content of pollutants (priority list), produce low pollutant emissions and use few resources. Priority should be given to goods made of recycled material and approved for recycling.

(Environmental and social; responsibility in public procurement)

CONCLUSION:

It is the outcome of environmental awareness campaigns of many govt. and non-govt. agencies, media and these type of seminars, workshops etc. that our corporates are now providing a lot of preferences to environment saving practices. Most of the companies are now having separate CSR units to evaluate and process the environment preservation programs leading IT companies like Microsoft, Adobe, Apple and Google are investing in renewable sources of energy that can generate power directly on site.UK's carbon reduction commitment energy efficiency scheme and India'sperform, achieve and trade scheme are worth mentioning here to help in environmental sustainability.

Lastly, I must say that efforts have been going on but a lot has to be done to save our environment. Our country is still very much from international standards of environment. This is not the responsibility of corporates only but everyone should contribute in saving environment. Today almost every company needs such type of employees who can work in this field.so let us do what we can and hope for a better and safe environment.

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