

## **ENSURING SUSTAINABILITY THROUGH CORPORATE SOCIAL RESPONSIBILITY**

**Ms.Shweta Ghag, Ms,Reema Dsouza, Ms.Chitra Mhatre.**

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**Abstract:** Corporate Social Responsibility (CSR) is gaining increasing importance day after day. More and more organizations are showing their commitments towards CSR either for enhancing their corporate image or to stay ahead in the competition. Moreover, the emergence of different marketing innovations demands direct linkage of Corporate Social Responsibility practices with corporate business strategies. The neo-liberal development model essentially refers to liberalisation, privatisation and globalisation of the earth's resources, for greater benefit of the people. The emergence of big corporate houses and their ambition for the optimisation of individual profits has not only divided the world between the rich and poor, but has also led to an imbalance between development and environmental sustainability.

Recent studies and surveys have shown that the earth is gradually becoming a dangerous place to live, due to unsustainable human induced activities. Given that, the governments of many countries have stood up firmly, to ensure that the ongoing developmental practices remain in optimal harmony with environmental sustainability as well as human security. Hence, it can be argued that environmental and social security are not only the responsibility of the government, but demand effective participation from the corporate and business world.

The paper is an attempt to highlight the importance and benefits of Corporate Social Responsibility, as a tool to ensure greater participation of business entrepreneurs towards protecting the natural eco-system and enhancing the quality of life, while undertaking a developmental activity, rather than being a merely token engagement that it often currently is. The study will also elucidate the theoretical and practical contribution of CSR towards achieving the goal of sustainable development in India. And while CSR has taken on many forms in the Indian business world, this paper is looking at ones that can be easily replicated at both the business and individual level for sustainable development.

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### **Introduction**

Corporate Social Responsibility is a form of self-regulation that is integrated into a business model. CSR is a process, which aims at embracing responsibility for the company's actions and encourages positive impact, through its activities, on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere, who may also be considered as stakeholders. The term CSR came into common use, in the late 1960s and early 1970s, after many multinational corporations gave rise to the term stakeholder, meaning those on whom an organisation's activities have an impact.

Nowadays, the business sector is becoming more and more influential and authoritative and plays one of the key roles, in the development of society. Because the impact of the business is so large and has the potential to be either positive or negative, governments or the society at large should pay special attention to the fact that business can contribute a lot to the society's sustainable development. And, it is necessary to mention that business laws and regulations worldwide are becoming more uniform, in response to economic globalisation. The same is true of Corporate Social Responsibility (CSR).

### **Corporate Social Responsibility towards Society**

Business houses and corporate houses have been taking up social welfare activities, from time to time. Short-term, charity based welfare interventions are being replaced by long-term, empowerment-based Corporate Social Responsibility.

Based on the realisation of responsibility towards the society and nation and the fact that business cannot succeed, in a society that fails, CSR is being considered as imperative, for carrying on business, in the society, rather than being looked upon as charity. While CSR is relevant in business, for all societies, it is particularly significant for developing countries, like India, where limited resources for meeting the ever growing aspirations and diversity of a pluralistic society make the process of sustainable development more challenging. CSR interventions - based on commitment, mobilisation of employees/voluntarism, innovative

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approaches, appropriate technology and continuing partnership - have been making lasting differences in the life of the disadvantaged. Further, synergy of corporate action, with the government and the civil society, is making CSR interventions more effective and is facilitating the corporate houses in carrying on business in the society. Leading companies across the world are actively involved in various corporate social responsibility activities, such as eradicating hunger and poverty; promotion of education; promoting gender equality and empowering women; adopting a village or a school in a village; getting affiliated with NGOs; donation to orphanages; ensuring environmental sustainability, etc.

Scarce resources and unsustainable human induced activities have made environmental sustainability a very important subject. The major ingredients of environmental CSR are elimination of waste and emissions, maximising energy efficiency and productivity and minimising practices that may adversely affect the availability and use of natural resources, for the coming generations. Decrease in energy and raw material usage, combined with reduced emissions and waste generation can tackle the environmental challenges facing the world.

### **Environmental Sustainability**

Environmental sustainability is about making responsible decisions that will reduce your business' negative impact on the environment. It is not simply about reducing the amount of waste you produce or using less energy, but is concerned with developing processes that will lead to businesses becoming completely sustainable, in the future.

Currently, environmental sustainability is a topical issue that receives plenty of attention from the media and from different governmental departments. This is a result of the amount of research going into assessing the impact that human activity can have on the environment. Although the long term implications of this serious issue are not yet fully understood, it is generally agreed that the risk is high enough to merit an immediate response. Businesses are expected to lead in the area of environmental sustainability, as they are considered to be the biggest contributors and are also in a position, where they can make a significant difference.

Businesses can potentially cause damage to all areas of the environment. Some of the common environmental concerns include: damaging rainforests and woodlands, through logging and agricultural clearing; polluting and over-fishing of oceans, rivers and lakes; polluting the atmosphere, through the burning of fossil fuels etc. ISO 14000 is a family of standards related to environmental management that exists to help organisations minimise how their operations (processes, etc.) negatively affect the environment; comply with applicable laws, regulations and other environmentally oriented requirements and continually improve as regards their contribution to environmental sustainability.

Companies are planning and implementing short term and long term initiatives, in order to have a positive influence on environmental sustainability and are easily replicable. For example:

#### **Recycling:**

Companies can first start their employees on an easy recycling plan by having various forms of disposal for each type of waste product. Aluminium, paper, plastics and regular trash should be separated, to ensure that they do not get mixed together and that recyclable products are not sent to landfills, where they cannot properly decompose. Employees should also not be able to have trashcans, under or around their desks, because that would make the separation process a bit more difficult, to keep track of.

#### **Reduce printing:**

Another easy way to reduce waste is by emailing documents, rather than printing them. Unless something absolutely must be on paper, offices should implement a no printing rule or allow limited prints.

#### **Turn off the lights:**

Buildings that can let in a lot of sunlight should try to open their blinds and let the natural light in, rather than building up unnecessary bulbs. This will not only reduce their expenditure, but also conserve energy. It would also be wise to buy energy saving bulbs, such as a compact fluorescent one, which uses about 75% less electricity than an incandescent one.

#### **Reduction of fossil fuels:**

Given that fossil fuels create about 90% of greenhouse gas emissions, it is important for businesses to find means of reducing the amount they put out. Creating a carpool programme can definitely reduce the use of fossil fuels, but there are many other steps that businesses can take to decrease their carbon footprint. During winter months, companies can keep their buildings at comfortable temperatures, rather than keeping the thermometer high and making the employees feel, as if they are in a different season. Companies can also trim down the sizes of their shipping boxes, to fit more products into one truck route and minimise emissions.

#### Renewable energy:

Another thing that companies can do to reduce fossil fuels is to find ways to obtain renewable energy products for their building. Because many companies cannot afford inserting solar panels on their building, they may just have to use other ideas to reduce their emissions. Solar energy is a great way to almost completely diminish fossil fuel releases and it will even help the companies economically.

#### Eco-friendly products:

Many distributors are making their products more “eco-friendly” and some even help the environment. There are products, such as green furniture, that are made fully from recycled materials. These products not only do not harm the environment, but they are made from products that have not gone to waste and can even be recycled into something else.

### **CSR Initiatives of Companies**

#### **Environmental sustainability:**

- **TCS'** commitment to the environment and sustainable growth - 39% reduction in specific electricity consumption, 34% reduction in specific carbon footprint, 550% increase in solar thermal installation, 2.3% of total power from renewable sources, green buildings etc. The Environment Week was celebrated with a theme for the week - “Think-Eat-Save”, as an anti-food waste campaign. The week-long celebrations were implemented with a day specific theme on environment and sharing of information on the TCS environment strategy and performance. Several environmental conservation programmes were implemented, including inauguration of various green initiatives, resource conservation, informative lectures by experts, exhibitions and competitions.
- Around 35% of the available open land at **Larsen & Toubro** manufacturing locations has a green cover. Over 257,000 saplings have been planted across campuses and project sites; L&T campuses have more than 150,000 fully grown trees. They have reused tunnel muck (waste) to produce aggregates and sand for concrete making, at the Uttarakhand project site, thus avoiding the use of river bed material. Solar energy is used at L&T's units in Chennai, Hazira, Talegaon, Mahape, Vadodara, Ahmednagar, Mysore, Coimbatore, Powai and Sohar - Oman.
- The largest privately managed belt of mangroves in Mumbai is supported by the Soonabai Pirojsha **Godrej** Foundation. This is the first such mangrove area in India, to formally adopt the ISO 14001 standards for Environment Management Systems.
- Corporate initiatives at **Siemens** include social forestry – a plantation to improve livelihood opportunities, increase the green cover and reduce carbon emission.
- **Cisco** in Alviso, California, owns a 20.4 acre parcel of land to protect habitat for the burrowing owl and a rare plant species called Congdon's Tarplant. Cisco achieved a 30 percent absolute reduction in Green House Gas emissions worldwide, from a FY07 baseline.

#### **Other aspects of sustainability:**

- **ITC** has made farmer development a vital part of its business strategy and has taken major efforts to improve the livelihood standards of rural communities.
- IT companies like TCS and Wipro have developed software to help teachers and children in schools across India, to further the cause of education.
- **Aptech** Limited, a leading education player, with a global presence, has played an extensive and sustained role in encouraging and fostering education, throughout the country, since its inception. As a global player, with complete solutions-providing capability, Aptech has a long history of participating in community activities. It has, in association with leading NGOs, provided computers at schools, education to the underprivileged and conducted training and awareness-camps. Aptech students donate a part of the proceeds, from the sale of their art work, to NGOs. To propagate education among all sections of the society, throughout the country, especially the underprivileged, Aptech fosters tie-ups with leading NGOs, including the Barrackpur-based NGO - Udayan, a residential school for children of

leprosy patients in Barrackpur, established in 1970. The company strongly believes that education is an integral part of the country's social fabric and works towards supporting basic education and basic computer literacy amongst the underprivileged children, in India.

- In a study undertaken by an automotive research company - TNS Automotive, India has been ranked second globally in Corporate Social Responsibility
- The effort is significant because it brings together a wide range of Indian companies, to share ideas on innovating sustainable programmes. Among them are the Multi Commodity Exchange of India Ltd, the Anil Dhirubhai Ambani Group and the media company Bennett, Coleman and Co. Ltd
- Audit firm KPMG will partner with them, to offer guidance on evaluating Corporate Social Responsibility or CSR programmes - a trend companies are slowly embracing, as India's expanding economy contrasts sharply with growing local protests over land, for future industrial projects.

### **Conclusion**

Corporate Social Responsibility and volunteerism have no boundaries and are not constrained by race, colour, or religion. Sadly, the concern for the community is often mistaken for socialism. On the contrary, capitalism thrives only when every citizen is an asset in the economic activity and has opportunities to succeed. Corporate Social Responsibility is a culture and unwritten contract with the community. This invisible culture can shape brighter futures for nations. If employees don't see the point of CSR initiatives or understand the message, initiatives are unlikely to be effective. The concept of Corporate Social Responsibility has gained prominence in all avenues. Organisations must realise that the government alone will not be able to get success in its endeavour, to uplift the downtrodden of society. Many of the leading corporations across the world have now realised the importance of being associated with socially relevant causes. It stems from the desire to do well and get self-satisfaction in return as well as fulfil the societal obligation of business. The Indian corporate sector plans to introduce CSR in the small and medium enterprises (SME) sector, to increase its reach in remote areas. Most of the companies, throughout the world, have accepted that business is not just for making money and this is evident through their involvement in various community developmental activities. Many business firms have realised the importance of using business ethics, as a tool for retaining customers and increasing its market share, by highlighting the initiatives it has taken for providing a clean environment for the society. Also some companies have started using CSR as a strategy, which aims at mutual development of company and the community simultaneously. These and many such initiatives are the only way we have of ensuring a future that is not only bright but sustainable.

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