

CORPORATE SOCIAL RESPONSIBILITY AND ITS ENVIRONMENTAL IMPACT

COMPILED BY : DEBASISH ROY [M.COM, FCA, MBA (FINANCE)]

CONCEPTS AND DEFINITION

Corporate Social Responsibility (CSR) signifies the measure which denotes the awareness of the corporates towards mitigating the obligations to the society and is expected to ensure towards initiating a better and enshrined future not only for their shareholders but also for their customers, workers, business partners, community, nation and the whole world.

Corporate Social Responsibility initiates an organisation's un-interrupted commitment towards behaving economically and environmentally in a sustainable manner while accepting the vested interest of the various stakeholders.

While practicing CSR, a corporate needs to regulate –

- The method employed to achieve the desired profit,
- The utilization effect of the profit earned as determined,
- How public commitments are effectively disposed of as pre-planned with targeted profit.

LEGAL IMPLICATIONS

In adopting CSR, the Corporate World witnessed an extensive increase in the specified requirements of the environmental parameters in the trade practices during recent years which if situation necessitates would be strengthened in the immediate future years. This would warrant the corporates to be more socially responsible for the environmental damage if any done by them they would create for which specified environmental policies needs to be framed and set out to operationalise for the social well-being at large.

During recent years, some organizations for framing international policies and instruments, namely, WTO, GATT, UNCTAD, NAFTA etc. on trade and environmental related aspects have been specifically framed to protect the environmental aspects from permanent degradation affecting mankind and to ensure that corporates need to be socially responsible while achieving simultaneously their relevant corporate objectives and long term sustenance.

A study on CSR would incorporate environmental management awareness superscribing the overall corporate strategy to inculcate an arena of environmental friendly trade practice which would accordingly install, reshape and modify the existing corporate strategic planning so as to gain a fruitful competitive advantage in identifying the conflicts suffered by mankind through specified gains coupled with increased revenues for individual sustenance.

CSR also ensures substantially a strategic shift from the previous determining forces namely production pressures, personnel pressures and more lately by information pressures to a more sustainable environmental pressure, which would determine a dominating pre-requisite for conducting effectively the business operations in an environmentally friendly manner for the general well-being according to specified existing environmental laws and laid down regulations.

ENVIRONMENTAL IMPACT AND RELEVANT LEGISLATIONS

Although the existing environmental policies and legislations have been initiated to conduct the business operations in a controlled environment, the overall corporate goals, objectives and strategies thus implemented would appear to be in conflict amongst themselves. Keeping this specific view in an operational aspect, an Integrated Corporate Environmental Management System needs to be specifically reviewed for a comparative study so as to ensure that the purpose of its implementation has been effective as desired. If appears any diversity, necessary actions would be implemented for identification of the existing vacuum for the continual improvement of the situation towards achievement of the corporate goals.

The environmental impact resulting from inadequate responsibilities of the corporate houses have set forth numerous forms of environmental pollution causing extensive damage to human health in various gradations. The causes of such degradation can be associated with immediate causes and others as the root causes.

CSR would emphasize an attempt towards making a broad linkage with relevant sources of pollution and its added impact on human welfare through climatic change and ozone layer depletion resulting in health hazards like increases risk of cancer due to emission of hazardous gases in the environment without complying with the emission norms and standards as determined by the relevant government.

Environmental pollution involves certain specified issues like social costs and the relevant externalities due to which a matching interplay in the markets may not be possible in arriving at an optimal solution for which the government needs to intervene through framing of specified laws and regulations while achieving the overall corporate objectives. The various laws which have been enacted by the Government of India for protection of mankind towards achieving human sustainability are namely Air (Prevention and Control of Pollution) Act of 1981, Water (Prevention and Control of Pollution) Act of 1974, Environmental Protection Act of 1986 etc.