



CORPORATE SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY- DIFFERENT PAST BUT A “COMMON FUTURE”

.....

Corporate Sustainability is related to the broader concept of sustainable development originating with the Brundland Commission Report ‘Our Common Future’ by the World Commission on Environment and Development in 1987.

Generally Corporate sustainability means ethical corporate practice. Broadly it can be referred as business approach that creates long-term consumer and employee value by not only creating a "green" strategy aimed towards the natural environment, but taking into consideration every dimension of how a

business operates in the social, cultural and environment.

Ideally as per the **The Ecology of Commerce**-
“Corporate sustainability means that your service or product does not compete in the marketplace only in terms of its superior image, power, speed, packaging, etc. Additionally, your business must deliver products or services to the customer in a way that reduces consumption, energy use, distribution costs, economic concentration, soil erosion, atmospheric pollution, and other forms of environmental damage.”

Overall corporate sustainability describes business practices built around by considering social, environmental and economical factors.

Corporate social responsibility (CSR) also known by a number of other names: corporate responsibility, corporate accountability, corporate ethics, corporate citizenship, sustainability, stewardship and responsible business etc. which implies that if business depends for its survival on society than it needs to return some share of its output` to society.

Generally, CSR is understood to be the way a corporate combines social, environmental and

economic concerns into their values, culture, decision making, strategy and operations in a transparent and accountable manner and establish better practices within which it improve society.

CSR typically include “beyond law” commitments and different activities like:

- ✓ Environment awareness
- ✓ Community development
- ✓ Customer satisfaction
- ✓ Adherence to the principle of fair competition
- ✓ Health and safety of community
- ✓ Anti bribery and anti corruption measures
- ✓ Corporate governance and ethics
- ✓ Good supplier relation for both domestic and international supplier chain
- ✓ Accountability and transparency in working.....

How Corporate Social Responsibility differs from Corporate Sustainability?

There is a linear difference between two which can be illustrated by the example given below....

As per the point Michael E. Porter and Forrest L. Reinhart stated in their article *A Strategic Approach to Climate*. (October 2007 Harvard Business Review.) - Corporate Social Responsibility concentrates more on the non-financial societal activities that a company contributes to whereas corporate sustainability concentrates on both the impact of environmental factors on a company and the company's impact on

the environment. *They* believe that businesses need to look both "inside out," which they define as a company's impact on climate and "outside in" on how climate regulatory change may affect the business environment in which the company competes .

For example If we take a look at the perspective of mining companies under corporate sustainability, company would have to take a look at their own mining operations like impact on mining the land, the fuel they use in running the mining equipment, and how they restore the land once the mines resources are exhausted. Under the perspective of Corporate Social Responsibility it includes efforts of company towards fighting with AIDS and other terminal diseases in an area they currently mine in.

Both efforts are important but each one impacts the businesses economic and strategic position differently.

Hence CSR is specifically associated with ethical issues - doing what's right and fair, and avoiding harm. More specifically it represents commitments and activities of corporates towards society. While Corporate Sustainability is specifically associated with support for sustainable development (eco-efficiency and fair globalisation) and the long term performance stability and survival of the corporation.

As rightly said by Richard Edelman (CEO of Edelman)-“ I think we have moved from a

shareholder society to a stakeholder society,
and that has massive implications.”.....



This page was created using **BCL ALLPDF Converter** trial software.

To purchase, go to <http://store.bcstechnologies.com/productcart/pc/instPrd.asp?idproduct=1>