

Committee: ECOSOC

Issue: Addressing the environmental impact of corporate social responsibility

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INTRODUCTION

Corporate Social Responsibility (CSR) is the introduction of policies in a company which are aimed at making the company more socially responsible. Today's businesses face multiple challenges in terms of corporate responsibility and this ECOSOC committee will specifically look at the environmental aspect of corporate social responsibility. Through CSR, companies and countries are able to assess their environmental impact. After this assessment, each company is able to introduce new policies in order to further improve its environmental impact. CSR is a great tool for companies in order to change their environmental impact for the better. International organizations like the UN and governments play a major role in promoting better governance, and better economic processes; hence, they play a critical role in promoting CSR.

DEFINITION OF KEY TERMS

Corporate Social Responsibility

A concept for the businesses interested in society by taking responsibility for the impact of their decisions on their customers.

Pollution

The presence of pollutive chemicals in the environment

Environmental Impact

Undesirable effects from the launch of harmful chemicals in the environment

Sustainable Development

Economic development that is conducted without the depletion of natural resources.

BACKGROUND INFORMATION

How CSR was created

CSR has been around for a long time although it did not have an official name. For a long time, companies have tried to have an idea of their impact on society and they were constantly finding new ways of doing this. At first, they would take yearly statistics and measure their local effect. Through this, they were able to understand whether they were actually harming their local area or not. After finishing their report, every company implemented new environmental and ethical policies in order to improve themselves. The entire concept of CSR was created in order for companies to fully realize what they were doing right and what they needed to improve on. Therefore, these audits clearly showed what a company needed to improve on and how it proposed that it do this. As a result, CSR has become more and more popular around the world with all major corporations conducting such audits. Therefore, CSR was created in order to have a formal way of having these reports done and also expand on all the different other sources that could be checked through a CSR report.

The impact CSR has had in the past

Over the years, CSR has played a huge role in the development of countless companies, especially in the last decade. With people being more aware of the impact that companies have in the world, CSR is able to assist a company in sending good messages to its consumers. In addition, through CSR, companies are establishing policies which will be able to improve the future by looking back at the past and all the mistakes each company has made; the business is able to reflect and improve on their past behavior. Moreover, CSR has been able to create better situations for employees, while also keeping them motivated and not wanting them to leave the company. Lastly, CSR has helped companies be more environmentally aware and help them set realistic yearly goals to better themselves in that spectrum.

What does CSR have to do with the environment

One of the most important parts of the CSR audits is the environmental factor. Every company aspires to be as environmentally friendly as they can be, as that is very important to the modern-day consumer. Furthermore, the environmental factor is very important for their progress as all companies wish to have long-term success and if they were able to be environmentally responsible, it could help with their progress in the long term. Lastly, one of

the positives of CSR is that it identifies exactly what a company needs to improve on when it comes to the environmental impact that it has. This helps it be able to clearly set new goals to achieve in the coming years.

Examples

Many companies have used CSR to help the environment. Examples include the Johnson & Johnson company which is well known for using CSR in order to decrease its negative impact on the environment. It has done this by purchasing an energy company which has allowed it to reduce its pollution, as well as exploring new sources of renewable energy. Another example would be Coca Cola. It has invested in lorries with alternative fueling options to petrol in order to decrease the amount of exhaust fumes emitted by their lorries. Bosch invests 50 % of its yearly research and development budget in university programmes which aim to find solutions to the environmental issue. General Electric has launched the Ecomagination programme, which aims to create new clean technology and generate 20 billion dollars from green products.

MAJOR COUNTRIES AND ORGANISATIONS INVOLVED

U.S.A

The U.S.A is one country which is at the helm of the environmental problem. With a third of all factories in the world, there is an incredible amount of harmful chemicals entering the atmosphere and, as a result, worsening the environment. However, there has been an upward trend in the past few years as more and more people have been pressuring companies to change their policies and they have taken note. This is obvious as most companies in the country are said to have a CSR audit once every two years in order to help them become aware of what they need to improve on.

U.K

Similar to the U.S.A, and especially in the north of the United Kingdom there are many factories which release gasses which harm the environment. Pressure groups have tried to promote the idea of being environmentally friendly and these firms have taken heed and are currently pursuing different ways of helping improve the current

situation in the U.K as well as in the surrounding areas. Companies have started investing time and money in the development of their environmental policies and CSR has had a lot to do with this as it can help identify all that needs to be improved.

France

France is one of the countries that is extremely environmentally friendly despite its multitude of factories present in the country. The policies which have been set by the government are able to help regulate the environmental impact that factories have on the environment. The use of CSR is very common among French companies as they view it as an opportunity to attract customers as they are able to show that they are interested in the impact of their actions and care for the good of the customer.

Russia

Despite not having a lot of factories due to the immense size of unpopulated parts, Siberia's environmental policies have been adopted by most of its corporations. The use of CSR, on the other hand, is not that popular as companies seem to have a good idea of what they need to do in order to sustain development in the country. These corporations are very typically not international, so they can focus on improving their policies in a smaller geographical range.

China

China possesses the most factories in the world. It is also the most harmful country globally when it comes to the environment as all these factories release a lot of unwanted gasses in the atmosphere. However, with the recent environmental crisis in China, more and more companies with factories in China have started to introduce policies in order to improve the environment. Also, with China being the largest country in terms of population, there is constant use of cars which also emit harmful gasses into the atmosphere.

Japan

Japan is the country with the best environmental policies in the entirety of eastern Asia. Most corporations there have figured out ways to be environmentally friendly. Furthermore, they conduct CSR audits regularly and there has been no need for

pressure groups to intervene. This has helped Japan become a very lucrative market to the rest of the world as products from the country are exported internationally. It has also helped with the opening of many factories as well as the relocation of factories to Japan. This is because these actions show that these companies actually care about the better good by going into a country with a proven track record.

Germany

Similar to France, Germany is a country with many factories, but with a very good environmental record. This has helped it establish themselves as the most powerful country in Europe with one of the best car industries in the entire world. However, there have been scandals with the most infamous one being the Volkswagen scandal in which it was caught modifying its emissions figures for its diesel cars in order to show that they are better for the environment than petrol cars. After this, Volkswagen immediately conducted a CSR audit which helped it turn around the situation in a brief two years.

United Arab Emirates

The U.A.E is notorious for extracting most of the oil in the world. The main industry in the U.A.E is the extraction oil business, which is the most environmentally unfriendly action. This is not only because the extraction of oil is bad for the environment, but also because it promotes the usage of cars, which is also detrimental to the environment. Therefore, the U.A.E needs to figure out a plan after the oil runs out or loses its value due to the realization of all the negatives that come with the usage of oil.

Qatar

With the biggest source of income for the country being the extraction of oil, the Qatari government has imposed certain measures in order to ensure that the extraction is done in a most environmentally friendly manner. Such policies include the introduction of taxes on oil extraction as well as quotas which have to be met regarding the amount of oil extracted. Also, it has started advertising the country more and more so that tourism increases, which, they hope, will make them more dependent on it and eventually stop extracting as much oil.

TIMELINE OF EVENTS

Date	Description of Event
1932	First CSR texts appear
1965	The term CSR is first used
1970-1980	Shift from responsibility of leaders to responsibility of companies
1975-1990	Corporate responsibility as management practice
1990-2000	Environmental CSR is introduced
2000	UN Global Compact
2007	World Summit on Sustainable Development

UN INVOLVEMENT: RELEVANT RESOLUTIONS, TREATIES AND EVENTS

- A/RES/44/228: This resolution focused on environmental improvement as well as economic factors necessary for this sustainability.
- The United Nations and the United Nations Development Programme have set 20 Sustainable Development goals which have to be met by 2030 by every country. These goals are aimed to successfully be able to preserve and improve the global environment.
- The World Summit on Sustainable Development in 2007 work programme refers to corporate responsibility in the following four places:¹
 - “Sustainable patterns of consumption and production that enhance corporate environmental and social responsibility and accountability through actions such as voluntary initiatives, standards, reporting, dialogue, financial institutions engagement, cleaner production initiatives”
 - “Sustainable development in a globalizing world that actively promotes full development and effective implementation of intergovernmental agreements, initiatives, partnerships, regulations, and continuous improvement in corporate practices in all countries”
 - “Health and sustainable development, a linkage between health and environmental protection, reduction of environmental health threats, access to health care services, safer technologies for drinking water and waste management, reduction of occupational injuries and illnesses, a link between

¹(Global Environmental Health in the 21st Century: From Governmental, 2007)

- public health promotion and reduction and elimination of HIV/AIDS, tuberculosis, and malaria, phasing-out of lead in gasoline and paint”
- “Strengthening of institutional frameworks that promote corporate responsibility and accountability and exchanging of best practices”
- UN Global Compact was launched in 2000 and includes 10 principles for Corporate Social Responsibility, among which three refer to the environment:
 - Principle 7: Businesses should support a precautionary approach to environmental challenges;
 - Principle 8: undertake initiatives to promote greater environmental responsibility; and
 - Principle 9: encourage the development and diffusion of environmentally friendly technologies.

PREVIOUS ATTEMPTS TO SOLVE THE ISSUE

All major companies and corporations conduct CSR audits annually in order to discover what they need to improve on. For this reason, most large companies are trying to solve the environmental issue we are currently facing. A company which is well known for its environmental impact is Tesla, whose mission statement is to make every car electric. Honda and Toyota have also helped as they have been making more and more hybrid automobiles. Ikea is also a company which has invested a lot of money in making their products sustainable. This initiative has been one of IKEA’S goals ever since the company began as they wanted to make affordable furniture out of sustainable materials.

Furthermore, technological companies such as Apple and Samsung are trying to set up fundraisers and other events in order to urge people to act in a more environmentally friendly manner as they seem to realize that there is a problem which needs to be dealt with. Another organization which is trying to keep the world intact is WWF - an organization which aims to protect all animal species. And there are many more organizations which specialize in specific areas which need improvements like organizations which look to sustain forests or rivers, as well as endangered animals.

In most countries, there are certain quotas that need to be met every year by each company regarding its emissions. This is why companies with factories that produce huge quantities of emissions in the environment tend to set up their factories in countries with either no quotas or really low quotas regarding their emissions. Hence, every country has

started to introduce new regulations which are stricter than they used to be in order to force companies to decrease their emissions to a level which is sustainable for the future.

POSSIBLE SOLUTIONS

There are many ways in which organizations and countries can tackle the environmental issues that we are currently facing. These range from endorsing the use of CSR policies to having governments forcing specific environmental quotas for all companies. More specifically, for the development of the world to continue and in order to stop ourselves from destroying what we have built, it is necessary for all companies to endorse policies which help the environment by limiting pollutive elements from entering the atmosphere and enlarging the ozone hole. Furthermore, these policies can also affect the earth's sustainable development as they are policies which help the present while also not harming the future.

Furthermore, countries could introduce subsidies in order to decrease the costs of carrying out an audit as they are very expensive, therefore discouraging companies from conducting them. Also, as they take a lot of time to implement, a way has to be found to decrease the time needed not only to conduct the audit, but to implement the policies, as well. This can be done through investment in automation which will be efficient and be able to decrease the necessary time.

Lastly, the UN and other organizations have to set certain quotas each company should reach by the end of each year that classifies them in certain ranks and helps them realize what they need to improve on currently as well as in the future. However, there are many other ways that a country can solve the pending environmental issue.

Firstly, they can 'name and shame' all the actions that people are doing which harm the environment. Furthermore, they can introduce taxes on specific goods, such as gas, which is charged a specific amount per litre purchased. Furthermore, governments could subsidize products like electric cars in order to speed up their process as well as increase production. This way, car companies would be able to develop better engines for cars which help the environment. This step has already happened in Japan where they have subsidized the production of electric cars and companies have responded by creating cars which have been able to help the environment both on a local scale as well as a global one.

To sum up, countries could enforce minimum processes on certain products in order to make them more expensive and reduce their consumption in their country. Although some

of these measures might upset some people, they would be beneficial for the long term environmental impact in the world.

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