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## **Environmental issues of the corporate social responsibility**

### **1. Introduction**

The International Standard ISO 26000, Guidance on social responsibility, provides harmonized, globally relevant guidance for private and public sector organizations of all types based on international consensus among expert representatives of the main stakeholder groups, and so encourages the implementation of best practice in social responsibility worldwide.

More than 80 countries in the world recommend the use of requirements of corporate social responsibility.

The concept of CSR (Corporate Social Responsibility) connects a commitment to social and environmental issues by way of business and in the relations with stakeholders. Stakeholders may be divided into internal and external. Company's internal stakeholders are the owners, shareholders and employees, while the external stakeholders - customers, suppliers, competitors, creditors, local and central authorities, foreign governments, non-governmental organizations (NGOs), local community, called silent stakeholder - the natural environment (Jastrzębska 2011).

The requirements and expectations of the various stakeholders of companies designate

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an area in which socially responsible actions are expected. These requirements are equally applicable to respect workers' rights, ethical relationships with customers and suppliers, as well as care for natural resources, and thus to analyze and limit the impact of business on the environment.

In creating a socially responsible strategy, organizations are supported by international norms and standards, codes of good industry practices and the requirements formally addressed by the customers. Compliance with them is a necessary condition to continue further cooperation.

The model of corporate social responsibility consists of six main areas: human rights, labour practices, the environment, fair operating practices, consumer issues and community involvement and development. The purpose of this article is to present practical examples that were used in Polish enterprises with respect to the environmental aspects of corporate social responsibility.

## **2. Corporate social responsibility towards the environment in the literature**

Corporate Social Responsibility – CSR (polish Społeczna odpowiedzialność biznesu) is a management strategy, whereby companies in their activities voluntarily take into account the social interests, environmental aspects, and relationships with various groups of stakeholders, in particular with employees (Dahlsrud 2008). The European Commission defines the corporate social responsibility as a voluntary guidance standard on social responsibility designed for use by any organization. It includes consideration of social and environmental aspects in their business activities and relationships with stakeholders.

Currently, most often cited definition of CSR is that contained in the international standard ISO 26000:2010: Corporate Social Responsibility is the responsibility of an organization for the impacts of its decisions and activities on society, the environment and its own prosperity. This is achieved by ethical and transparent behaviors that as below:

- contribute to sustainable development, health and well-being of society,
- take into account the expectations of stakeholders,
- are in accordance with applicable laws and consistent with international standards of behavior,
- are introduced throughout the organization and practiced in its activities within its sphere of influence.

ISO 26000 is a non-certified standard, that was published in November 2010. This gives organizations (not only enterprises) guidance on how to become

a responsible organization. Key aspects of activities of the organization and also areas of responsibility, in ISO 26000 indicated as below:

- management of the organization,
- human rights,
- human resource management,
- protection of the environment,
- fair market practices,
- relationships with consumers,
- engagement and community development.

Looking at the individual areas, the most talked about strategic approach to environmental protection. The practical aspects in particular industries been pointed more often. The problem of supplier relationship management and raise awareness of employees was undertaken in this regard.

Certified ISO 14001:2004 is a standard that supports in enterprises application of the principles of CSR. It is one of the standards included in the ISO 14000 series that define the environmental management system. Its main objective is to improve the relationship between the business effects of human activities and the natural environment.

Environmental Management System (polish System zarządzania środowiskowego) as a working document ISO / DIS 14000 series developed in 1995, the Commission for Standardization ISO (International Organization for Standardization).

Standards ISO 14001 and ISO 14004 are the basis for the design of environmental management system. According to the ISO 14001 environmental management system is an integral part of the enterprise management system. It is implemented voluntarily and provides a systematic approach to environmental issues. Its aim is to achieve a sustainable improvement and reduction of adverse environmental impacts. The pace of change is determined by the company. In Poland, the environmental management system in compliance with ISO 14001 is widely used by enterprises of different industries, such as energy, automotive, food, etc.

Environmental protection is one of the pillars of CSR. The significance of this area is also associated with the fact that the balance of the environment and the sustainability of basic natural processes creates a unique socio-economic value. Environmental protection provides access to scarce natural resources and the exploitation of natural capital in a way that would preserve the ecosystem in the long term. It means the ability to meet basic social needs of both present and future generations.

### 3. Imperatives of environmental enterprises operations

The approach of companies for action to rational management of natural resources and reduce the negative impact on the environment has changed over the years. Assess the impact of the company's activities on the environment becomes one of the business priorities again. MacLean (2009) observed changes in the approach to creating the business priorities and their progress. He identified four waves of these movements, such as: the first, that he called "protection" and that didn't have a major impact on business (this period related mainly to secure the availability of resources that are necessary to implement the process, irrespective of the manner and the consequences resulting from their harnessing and using), the second "rules", the third "sustainable development", and finally the fourth "resources". The fourth wave is rising (table 1).

**Table 1. Basic features of the next generations of environmental business approach**

Dimension	Second Wave	Third Wave	Fourth Wave
<b>Name</b>	Regulations	Sustainable Development	Resources
<b>Objective</b>	Reacting to problems; short term issues	Identifying solutions; preventing long-term problems	Securing lowest-cost raw materials
<b>Major themes</b>	Regulatory compliance and cost containment	Social responsibility, image management, and green markets	Strategic resource positioning
<b>Operative business questions</b>	Are we in compliance? How do we cut environmental, health, and safety (EHS) costs?	Are we doing the right thing? How do we gain competitive advantage?	How do we ensure a reliable supply chain? What alternative resources and technologies can be utilized?
<b>Power drivers</b>	Regulations	Market mechanisms	Innovation and control over scarce resources

Source: MacLean 2009

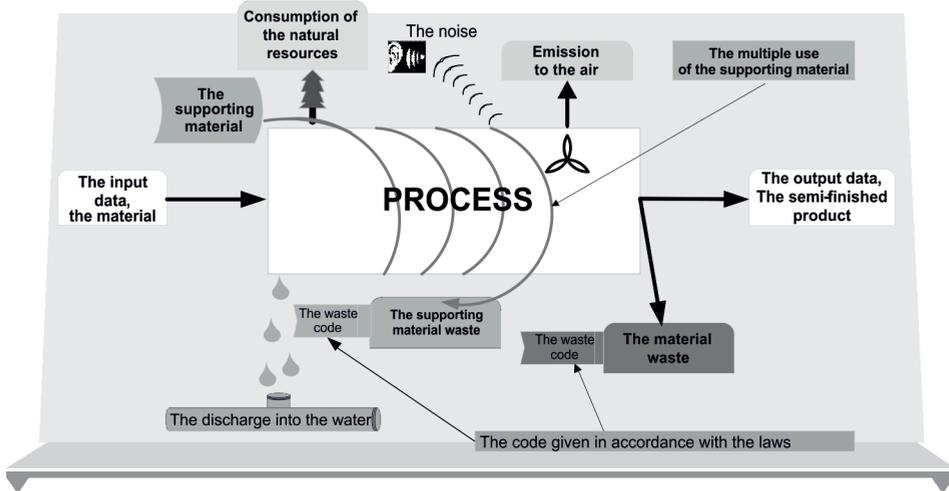
Customers, investors and legislators increasingly expect from entrepreneurs limiting the impact of harmful factors and collecting data about the impact

of their activities on the environment. Motivators of environmental activities undertaken by the enterprises can be found in both the market requirements (customers, investors) and legal (legislative) (Zaiț, Onea, Tătărușanu, Ciulu 2013).

Market requirements launched by the customers and investors are mostly conditioned by two factors. The first is a care of his own reputation. Customers prefer to buy and invest in enterprises taking care of ethical and fulfilling all requirements connected with environmental protection. Cooperation with organizations not complying with the legal environmental requirements or perceived by local communities as “environmentally burdensome and irresponsible” tarnishing the image of the company. It may also result in a decline of its profits from the sale of products or services. The second factor are mostly obligations assumed in the performance of their strategies for sustainable development. These commitments generally translate to requirements for all participants in the supply chain. Therefore cooperation with large partners (e.g. automotive, power machines, furniture, food and other industries) is more and more dependent on the possibility of proving that the criteria of sustainable development have been met (Drożyner, Jasiulewicz-Kaczmarek 2009). Such criteria, industry-specific, are often set by organizations that dominate the market and groups thereof. Organizations are also more likely to undergo audits, independent verification and certification in individual areas of sustainable development e.g. SA 8000, SMETA audit -Sedex Members Ethical Trade Audit, ISO 14001 etc. (Jasiulewicz-Kaczmarek, Drożyner 2013).

The next factor affecting the take action for the environment are the legal requirements. According to the European Union requirements legal acts pertaining to environmental protection impose onto organizations an obligation of preventing environmental hazards or limiting thereof to minimum. Reasonable use of natural environment by organizations is regulated using legal instruments such as ecological permits to use individual environmental elements and resources. Based on the applicable acts and regulations and depending on the type and scale of their activities, organizations are obliged to hold among others permits regarding water-sewage management, protection of air against pollution, and noise protection. As regards waste management, an organization generating waste is obliged to keep a record of waste on specialty prepared waste sheets. Identification and definition of the range of a manufacturing organization’s impact on natural environment elements is possible through permanent and comprehensive analysis of individual stages of a production process, technological operations and available infrastructure (figure 1). The

analysis should take into account the use of the main materials from which the product is created, but also supporting materials which are used in circulation and are a waste after a certain number of production cycles (eg, washes, lotions, powders, fluids).



**Figure 1. The model the process of identifying environmental aspects**

Source: own study

This allows to identify problems and needs of organizations with regard to environmental impact, to indicate possibility of elimination or reduction of the impact, and to evaluate the effects of pro-environmental actions that have been taken (Herva, Franco, Eugenio, Carrasco, Roca 2011). Each entrant in the interaction with the environment after identifying its environmental aspects should consciously manage them. It means that all operations affecting the environment should be planned and carried out in supervised conditions. Operational control means among other maintaining the individual parameters within certain limits. It allows to control the environmental impact (Nierzwicki 2006; Poskrobko 2007). Supervised conditions are also associated with possible dangerous situations or accidents that should be identified. The procedures in relation to their risks should be developed and tested.

### 3. Results of researches of ways of compliance environmental requirements

During several years of experience in the development of environmental management, human resources of companies have developed schemes and solutions for the effective fulfilment of environmental requirements. In reference to these experiences were conducted researches of forms compliance environmental requirements in Polish enterprises.

The research was conducted in the years 2006-2013. They included 10 Polish manufacturing companies maintaining an environmental management system according to ISO 14001 or applying the principles of corporate social responsibility model. The authors participated in the implementation, certification and operation of management systems in studied companies. The research consisted in the facts as below:

- access to documentation and records system,
- participation and recording the process of external audits in the environmental area,
- assessment of the status quo based on observation and interview with the staff,
- filling in a checklist with environmental requirements of standards ISO 14001 and CSR.

Environmental requirements are divided into three sections, namely:

- on the strategic level,
- relating to environmental aspects,
- operational activities.

As a result of research all recorded activity of enterprises and their clear evidence of applicability of the respective requirements are compiled. As regards the requirements on a strategic level were included three essential requirements. The first is compliance with legal requirements. It is a fundamental condition to allow for further environmental assessment of enterprise. The second is environmental policy, that is evidence of enterprise focus on care of the environment and minimizing the negative effects of activities. The third requirement applies to the objectives, targets and environmental programs that measurably relate to established environmental policy. They also allow to summarize the effects of the planned objectives. Reported a result of research evidence of compliance with environmental requirements on a strategic level are summarized in table 2.

**Table 2. Statement of environmental requirements on a strategic level and evidence of their fulfillment**

Requirement	Evidences of fulfilment
Compliance with legal requirements	<ul style="list-style-type: none"> <li>• decisions / permission or notification related to waste management, water, air emission, noise</li> <li>• agreements with recipients of solid and liquid waste</li> <li>• reports from control by the inspection of environmental protection, or local government structures</li> <li>• - documentation and correspondence relating to the calculation of charges for the use of the environment; evidence of payment of such fees</li> </ul>
Environmental policy	<ul style="list-style-type: none"> <li>• established and widespread environmental policy</li> </ul>
Objectives, targets and environmental programs	<ul style="list-style-type: none"> <li>• prepared environmental objectives with defined predicted results and reference to environmental policy</li> </ul>

Source: own study based on the research results

With respect to environmental aspects were defined four types of requirements. The main requirement in this area is the identification of environmental aspects. The result is a confirmation of knowledge the areas and the size of the impact on the environment. This is evidence that the knowledge about the impact on the environment is based on the proven facts, as well as the confirmation of current pro-environmental status of enterprise. The second requirement is to monitor the significant aspects. Its fulfilment proves continuous knowledge about the impact on the environment and the ability to respond to any unplanned deviation from the assumptions with respect to emissions. A further requirement towards enterprises is mitigation and adaptation to climate change. The activity of enterprise in this area confirms that according to their capabilities and scope of the enterprise, actions are taken that collectively with the activity of surroundings will affect the slowing climate change. The last requirement in a block of environmental aspects is protection of the environment, biodiversity and restoration of natural habitats. Compliance with this requirement is evidence of concern for minimizing the impact on the biological environment.

Reported a result of research evidence of compliance with environmental requirements towards environmental aspects are summarized in table 3.

**Table 3. Statement of environmental requirements towards environmental aspects and evidence of their fulfillment**

Requirement	Evidences of fulfilment
The identification of environmental aspects	<ul style="list-style-type: none"> <li>• collecting the data needed to determine the environmental aspects</li> <li>• analyzing the collected data</li> <li>• documenting the results of the environmental aspects identification</li> <li>• environmental impact assessment</li> <li>• periodically update the identified aspects</li> </ul>
Monitoring the significant Aspects	<ul style="list-style-type: none"> <li>• list of significant environmental aspects elaborated and updated on a calendar year</li> <li>• cards the waste transfer</li> <li>• cards the records of waste electrical and electronic</li> <li>• cards the records of waste</li> <li>• records of the current readings of electricity and the water</li> <li>• the results of measurements such as emissions to air, the composition of the wastewater placed on the sewage system, etc.</li> <li>• the results of calculations to determine the amount of emissions (e.g., calculation of charges for use of the environment)</li> </ul>
Climate change mitigation and adaptation	<ul style="list-style-type: none"> <li>• identifying direct and indirect sources of greenhouse gas emissions</li> <li>• minimizing and controlling the emissions (reports from measurements or calculations)</li> <li>• searching for the use of renewable energy sources</li> <li>• the supervised use of heating, ventilation and air conditioning systems</li> <li>• confirmation of exclusion from the use of controlled substances</li> </ul>
Protection of the environment, biodiversity and restoration of natural habitats	<ul style="list-style-type: none"> <li>• informing business partners, customers and the public about issues related to environmental protection</li> </ul>

**Source:** own study based on the research results

The third thematic block of environmental requirements relates to operational activities. Four types of requirements were defined. The first is the widely understood implementation and functioning pro-environmental actions. Their implementation is evidence that each employee knows the essence of the impact the implemented tasks on the environment, knows how it can affect the reduction of the impact and effectively implement proven solutions. An

important element of the pro-environmental activity is the readiness to respond to failures. Compliance with this requirement is evidence that the risk of a failure is identified. In addition, measures have been taken to ensure that in case of failure, the reaction will be taken that will minimize its impact on the environment. The third requirement is to prevent the pollution. In this way, the company confirms that cares about minimizing its impact on the environment and there are measurable evidence. An equally important requirement is the sustainable use of resources. This allows to translate statements about saving resources on visible actions. In this situation, the current consumption is positively perceived relative to previous periods.

Reported a result of research evidence of compliance with environmental requirements towards operational activities are summarized in table 4.

**Table 4. Statement of environmental requirements towards operational activities and evidence of their fulfillment**

Requirement	Evidences of fulfilment
Implementation and functioning	<ul style="list-style-type: none"> <li>• documented tasks, responsibilities and powers,</li> <li>• training of employees having an impact on the environment,</li> <li>• procedures for dealing with the identified environmental aspects,</li> <li>• evidences of minimizing material consumption during production as well as other resources for future reference.</li> </ul>
The readiness to respond to failures	<ul style="list-style-type: none"> <li>• documented procedure defining the types of provided failure, the action in the event of each failure modes,</li> <li>• providing the necessary emergency equipment resulting from the procedure,</li> <li>• staff access to the content of the procedure,</li> <li>• reports of the emergency procedures test,</li> <li>• the current plan for the protection or rescue operations (including fire safety manual),</li> <li>• available material safety data sheets.</li> </ul>
Prevent the pollution	<ul style="list-style-type: none"> <li>• design environmentally friendly products,</li> <li>• developing environmentally friendly production processes.</li> </ul>
Sustainable using of resources	<ul style="list-style-type: none"> <li>• efficient use of resources,</li> <li>• reducing quantity of waste generated and pollution (statement on a scale of recent years)</li> </ul>

Source: own study based on the research results

The above examples do not exhaust all possibilities of compliance current environmental requirements. Some of them have a strictly formalized form of subordination due to certain legal requirements. The second part is less closely related to the regulations. The form of these solutions depends on the complexity of activities, the size and scope. This is what differentiates between themselves functioning systems in enterprises.

#### 4. Conclusions

The growing interest of entrepreneurs in corporate social responsibility brought to undertake research on the possibilities of compliance environmental requirements. Literature studies and conclusions from the research of companies experience in this area have shown that attention must be focused on three key groups of activity: on a strategic level, with regard to the environmental aspects and operational activities. With respect to each of these areas it is possible to define a set of rules, principles, examples and forms of their compliance. Many of them are legal solutions. Others are patterns of proceedings, which the adequacy of the environmental objectives and the effectiveness was confirmed in the current operations and during the external audits.

Corporate social responsibility is becoming more and more common differentiator compared to other companies. In the way to excellence is worth benefit from the best practices.

#### Summary

##### **The environmental aspects of the corporate social responsibility**

The article is dealing with the environmental corporate responsibility. Taking this research topic stems from a growing awareness of entrepreneurs in this area and is associated with the popularity of proving the social responsibility before a group of stakeholders. The article discussed past literature achievements relating to environmental management as one of the areas of corporate social responsibility. There were also presented current imperatives of this aspect, which became the subject of practical research to find effective ways of their compliance. Practical examples of solutions to grouped environmental requirements were described in the second part of the article.

**Keywords:** *corporate social responsibility, CSR, environmental management system.*

## Streszczenie

### Środowiskowe aspekty w społecznej odpowiedzialności przedsiębiorstwa

Artykuł podejmuje temat środowiskowej odpowiedzialności przedsiębiorstw. Podjęcie tego tematu badawczego wynika z coraz większej świadomości przedsiębiorców w tym obszarze i wiąże się z popularnością udowadniania odpowiedzialności społecznej przed grupą interesariuszy. W artykule omówiono dotychczasowe dokonania literaturowe odnoszące się do zarządzania środowiskowego jako jednego z obszarów społecznej odpowiedzialności przedsiębiorstw. Zaprezentowano również aktualne imperatywy tego aspektu, które stały się przedmiotem badań praktycznych w poszukiwaniu skutecznych form ich spełniania. W drugiej części artykułu przedstawiono przykłady praktyczne rozwiązań odnoszących się do pogrupowanych wymagań środowiskowych.

## Słowa

**kluczowe:** *społeczna odpowiedzialność przedsiębiorstw, CSR, system zarządzania środowiskowego.*

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