

SUSTAINABILITY AND CORPORATE RESPONSIBILITY: BALANCING PROFIT AND ENVIRONMENTAL IMPACT

A famous Native American proverb says, “we do not inherit the earth from our ancestors, we borrow it from our children.” For every tree that we chop down without replacement, we take away from the morrow investment for our future generations. Our actions determine if they have an earth to inherit tomorrow. The actions we take to ensure this is called sustainability; meeting our needs as humans without compromising the ability of future generations to meet their own needs. All humans have a duty to achieve this, but to whom much is given much is expected, and so the heavy lifting falls on the corporations of the world, the initiative to spin an organisation’s impact on the society and the environment for the better, hence my thesis statement: In the pursuit of sustainable development, businesses can achieve long-term profitability by integrating robust corporate responsibility practices that prioritise environmental stewardship alongside economic growth, thereby demonstrating that balancing profit with environmental impact is not only feasible but essential for future prosperity.

Prominent environmentalist David Brower expresses his business motive in a profound statement; “There is no business to be done on a dead planet.” It is already evident that global climate change is affecting not only the natural world but human systems in every continent, such as military bases affected by rising sea levels. According to the Food and Agricultural Organization of the United Nations(FAO), it is estimated that between 2003 and 2015, climate related events have caused 1.5 trillion dollars in economic damage(FAO,2) and the losses only increase, hence the bigger need for corporations to take up the charge of sustainability! The increasing significance of CSR as a measure of corporate reputation and performance underscores the need for businesses to periodically interrogate their assumptions

and practices and, where necessary, modify their approach to optimise their value (Rose Oguechie et al, 224).

As is with most real-life projects, implementing environmentally sustainable policies is easier said than done and the task at hand is a daunting odyssey faced with pressing challenges that corporations would rather back out of. For instance, many organisations prioritise short-term financial gains over long-term profitable sustainability, which leads to the overuse of many non-renewable resources and causes environmental depletion. This is just one problem to mention a few:

1. The issue of regulatory compliance over voluntary initiatives, where balancing obedience to environmental regulations and engaging in voluntary sustainability policies can not only be complex but costly, so many organisations fear taking up the mantle of environmental preservation, when they stand to lose much in profit.
2. Many fortune 500 companies run supply chains across the globe, and managing the environmental impacts of such companies is intricate, especially when environmental standards all around the world vary and not all countries are willing to comply.

The problems involved in environmental sustainability are many and remain victims of today's market forces as well as socio-political expectations which raise issues of scarcity, stakeholder engagement and public perception. "In fact it has been argued that a too profitable business is likely to be socially irresponsible as it would have ignored many of its social responsibilities to its stakeholders and not addressed them properly" (Idowu et al, 16)

Although the challenges of implementing environmentally sustainable policies are unsettling, they are not without their solutions and there are many innovative endeavours that

world companies can pursue to alleviate the issues that hinder sustainability in corporate environments while maintaining and even boosting profit. To counter the issues of short-term profit orientation, organisations can advocate for the adoption of a triple bottom line approach, where companies measure their success not just financially but by their social and environmental impact by integrating sustainability metrics into their key performance indicators and do annual evaluations based on this.

Companies can collaborate with regulatory bodies (government) in their respective countries to tackle the issue of compliance by incentivizing voluntary sustainability through fiscal policies such as tax breaks, grants and recognition awards like the Global sustainability awards which will prompt other organisations to take on sustainability initiatives. With this partnership they can implement transparency systems and codes of conduct to ensure the standards remain the same throughout the supply chains and streamline environmental practices in their organisations. The solutions are many and it's up to innovative minds to think up answers to resource scarcity using technologies such as smart-metering, closed loop systems and even the good old recycling or engage with Non-governmental organisations to embark on sustainability projects. These are the actions we can take to cement an earth for our future generations.

In any business, there is risk and the worry of a return-on-investment, but the solutions provided to manage environmental sustainability although ingenious are not new, in fact they've been implemented by several 1% companies and are testament to the feasibility of profit and sustainability balance. Projects such as Energiewende (Germany) through the renewable energy sources act which provided feed-in tariffs as incentive, promoted renewable energy like wind and solar power significantly reducing carbon emissions. Take Elon Musk who has championed sustainable transportation through the electric Tesla or SpaceX, maintaining sustainability while being one of the highest performing companies in

the US stock market. Many success stories prove that it is possible to balance profit and environmental sustainability such as IKEA, Patagonia and Nestle. Sustainability is achievable!

To close this case, it has been shown that businesses can achieve long-term profitability while prioritising environmental stewardship, proving that sustainability and corporate responsibility are integral to addressing global challenges such as resource depletion, and social inequality. Implementing these policies not only ensures the future of our environment for next generations, but ensures social security and environmental prosperity, contributing positively to society while also ensuring its future in a rapidly changing world.

Works Cited Page

1. Sustainable and Responsible Business in Africa : Studies in Ethical Leadership, edited by Rose Ogbemie, and Marvel Ogah, Springer International Publishing AG, 2024. ProQuest Ebook Central, p224.

<http://ebookcentral.proquest.com/lib/bayloru/detail.action?docID=31046470>

Created from bayloru on 2024-07-20 15:06:25.

2. Okpara, John O., and Samuel O. Idowu. Corporate social responsibility : challenges, opportunities and strategies for 21st century leaders, p16. Jan. 2013.

<ci.nii.ac.jp/ncid/BB14749226>

3. Bianco, G.B. Climate change adaptation, coffee, and corporate social responsibility: challenges and opportunities. Int J Corporate Soc Responsibility p2, 5, 3, (2020).

<https://doi.org/10.1186/s40991-020-00048-0>

ANNOTATED BIBLIOGRAPHY

1. Sustainable and Responsible Business in Africa : Studies in Ethical Leadership, edited by Rose Ogbechie, and Marvel Ogah, Springer International Publishing AG, 2024.

Sustainable and responsible business in Africa, published out of the Lagos business school of Pan Atlantic University is a scholarly source that details the challenges involved in upholding corporate social responsibility in Nigeria and other African countries, especially among emerging companies which may be more focused on creating turnovers to outweigh the loss incurred through initial capital and setting up of a business. It highlights the need for stronger regulatory policies in Africa regarding sustainability measures and compares it to the efforts of foreign companies in other countries.

The text is informative while also demanding, highlighting the actions one must take to measure up to the solutions proposed in the text. It uses many local and foreign companies such as UBA, Disney, MTN, Dangote and many others as case studies to highlight the urgency as well as give insight into some success stories.

This text, especially chapter 12 of the source, contributes to this essay in its backing up of a proposed solution to the challenges faced in corporate responsibility. The cited text describes the urgency for organisations to begin to show interest in Corporate responsibility and therefore sheds light on the matter at hand, one which many may be taking for granted.

2. Okpara, John O., and Samuel O. Idowu. Corporate social responsibility : challenges, opportunities and strategies for 21st century leaders, Jan. 2013.

This book is yet another scholarly source, it takes a holistic approach to the topic of corporate social responsibility by focusing not only on the challenges faced in upholding corporate responsibility but revealing strategies and undermined opportunities corporations can take to achieve it cost-effectively.

The text is descriptive, educational and expository. It breaks down the challenges imposed on organisations and the government to meet up with the environment's demands while staying on top of the market forces, then proceeds to highlight endeavours which mitigate the burden that these challenges propose.

The relevance of the source to this essay is seen in it's backing up of one of the fears faced when taking on initiatives to build sustainability projects, especially with the shareholders. An organisation has a duty to the market, not just to them but the shareholders that make up the company and the environment that sustained their growth.

3. Bianco, G.B. Climate change adaptation, coffee, and corporate social responsibility: challenges and opportunities. Int J Corporate Soc Responsibility p2, 5, 3, (2020).

This article sheds light on opportunities that organisations can take to mitigate climate change around the world, using examples such as coffee

beans as a controlled observation and statistical insight into the damage of climate change to world economies. It is a call to action!

A credible source that reports the world statistics on the damage of climate change to not just the environment but to economic, societal and financial systems as well.

The relevance of this source to the paper is to show statistics, this gives the essay a factual backing and promotes the importance of corporate responsibility towards sustainability initiatives. Too much profit eventually is a loss, profit and sustainability must know balance.