

Corporate Sustainability

By

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While Corporate Social Responsibility (CSR) is no doubt the buzzword amongst the corporate academia and researchers today, a term of wider connotation that is gaining ground is Corporate Sustainability. Infact one might notice a paradigm shift in favour of the latter. Like the former, Corporate Sustainability also has the concept of 'ethical business practice' underlying it. The basic idea behind coining this concept was that corporate objectives are quite in line with social and environmental objectives. So while concentrating on short term economic gain only, business organizations stand the chance of overlooking social and environmental impacts, but in the long run, doing so would render the business practices unsustainable. The idea is to create long-term value for consumer and employee by not merely focusing on economic benefits but laying equal stress on social, cultural and environmental factors and the interlink between these and business practices. In doing so the sustainability and longevity of the company can be ensured.

Let us have a quick look at how the concept of Corporate Sustainability came to be popular. Back in 1972, the Club of Rome, an Italy based international think-tank, through its book 'The Limits to Growth' raised public attention to the fast depleting natural resources of the Earth and predicted that if things continued at the same pace, it would eventually lead to serious economic crisis. One and a half decade down the line, the Brundtland Commission to the UN came out with the most comprehensive and widely accepted definition of sustainable development in its report 'Our Common Future'. It defined the term as "Meeting the needs of the present without compromising the ability of future generations to meet their own needs". Since then, business houses have increasingly been seen to be embracing the desire to grow without harming the future generations. They are increasingly trying to look beyond shareholder value and take into account social and environmental effects of their activities.