How Emerging Companies Have Adapted to Sustainability Models: The UN SDGs Fuelling Corporate Social Responsibility

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ABSTRACT

Businesses may use the Sustainable Development Goals (SDGs) as a strong foundation to engage in corporate social responsibility. Essentially, the SDGs were created about the same time as India's CSR policy was introduced under Section 135 of the Companies Act (2013). To meet the different development issues, the CSR policy was formed. Together, CSR and SDGs have immense potential to create a linked paradigm for sustainable growth. There is tremendous potential for corporate involvement in the SDGs. More so, thematic areas of development for the SDGs and CSR have a lot in common. Through the investigation of synergies between many stakeholders for cumulative synchronized growth, this research paper aims to bring private participants from all sectors together to realize the shared goal of sustainable development. For instance, when a company decides that improving livelihoods through skill development training for women and youth is its CSR focus area, it is helping to achieve a number of SDGs, such as finding a way to end poverty, end hunger, provide high-quality education, promote gender equality, and promote economic growth. The smooth achievement of the sustainable development goals depends on the integration of corporate resources with the knowledge and experience of civil society organizations. Corporates are already aware of the benefits that may come from advancing the SDGs, and many of them have already begun to move cautiously in this direction. Some corporations however, are involved in a phenomenon known as 'Greenwashing' (making insincere CSR efforts that serve only to mask underlying ethical issues) which goes against the long-term benefits of SDGs. SDGs serve as a mechanism to handle rising scrutiny from many stakeholder groups over diverse social, environmental, and labor concerns in addition to providing strategic commercial advantages. Even though corporations are making great strides, much needs to be done to meet the SDGs in a way that aids in creating strategies to control the social and environmental performance of businesses. This will lead to the creation of smart businesses that seize opportunities and develop cutting-edge goods and services in order to meet the highest sustainability standards.

Keywords: Sustainable Development Goals, Corporate Social Responsibility, Stakeholders, Environment, Development, Synchronization; Greenwashing.

INTRODUCTION

CSR stands for Corporate Social Responsibility. In essence, it is a company's/organization's responsibility to overlook the following effects of its conduct:

1. Social
2. Economic
3. Environmental

Based on the above parameters given by the UN SDGs, the main objective of CSRs is to hold and attend to the above-mentioned objectives, in addition to maximizing profits. It gives rise to moral accountability towards companies itself, its stakeholders, and its community.

CSRs are mostly voluntary. These cover all aspects affecting, or being affected by, the above 3 factors. CSRs are completely a public matter. Thus, it has effects ranging from establishing a stable and well-rounded reputation to media and community criticism involving the same.

ESTABLISHED RELATION

For some, CSR is only a chance for PR, as a company attempts to look good through different socially or ecologically responsible efforts without adopting structural changes that would have long-term beneficial impacts (Reckmann, 2022). Greenwashing is the practice of making insincere CSR efforts that serve only to mask underlying ethical issues (particularly when it comes to the environment) and acting solely for the sake of public relations (Seele&Gatti, 2017; Wilson et al., 2010). It is important to go beyond the words on a company's website or in its advertising to comprehend a company's approach to the environment in its entirety.

Most customers would stop doing business with a brand if they knew about careless or dishonest business practices. Therefore, it should not be surprising that businesses are turning their attention to socioeconomic and environmental challenges. In addition to the advantages for society, CSR activities give them a chance to increase profits while also enhancing their favorable reputation in the market (Reckmann, 2022). The difficulty, however, is in explaining such CSR activities. This paper thus attempts to explore and articulate the intricate link between corporate social responsibility and public relations.

It can be deduced that the relation between a company's visibility or presence is found to be directly proportionate with its Corporate Social Responsibility. The higher its online presence and transparency is, the more questions its own community has. Thus, it holds higher responsibility and a duty towards its audience.

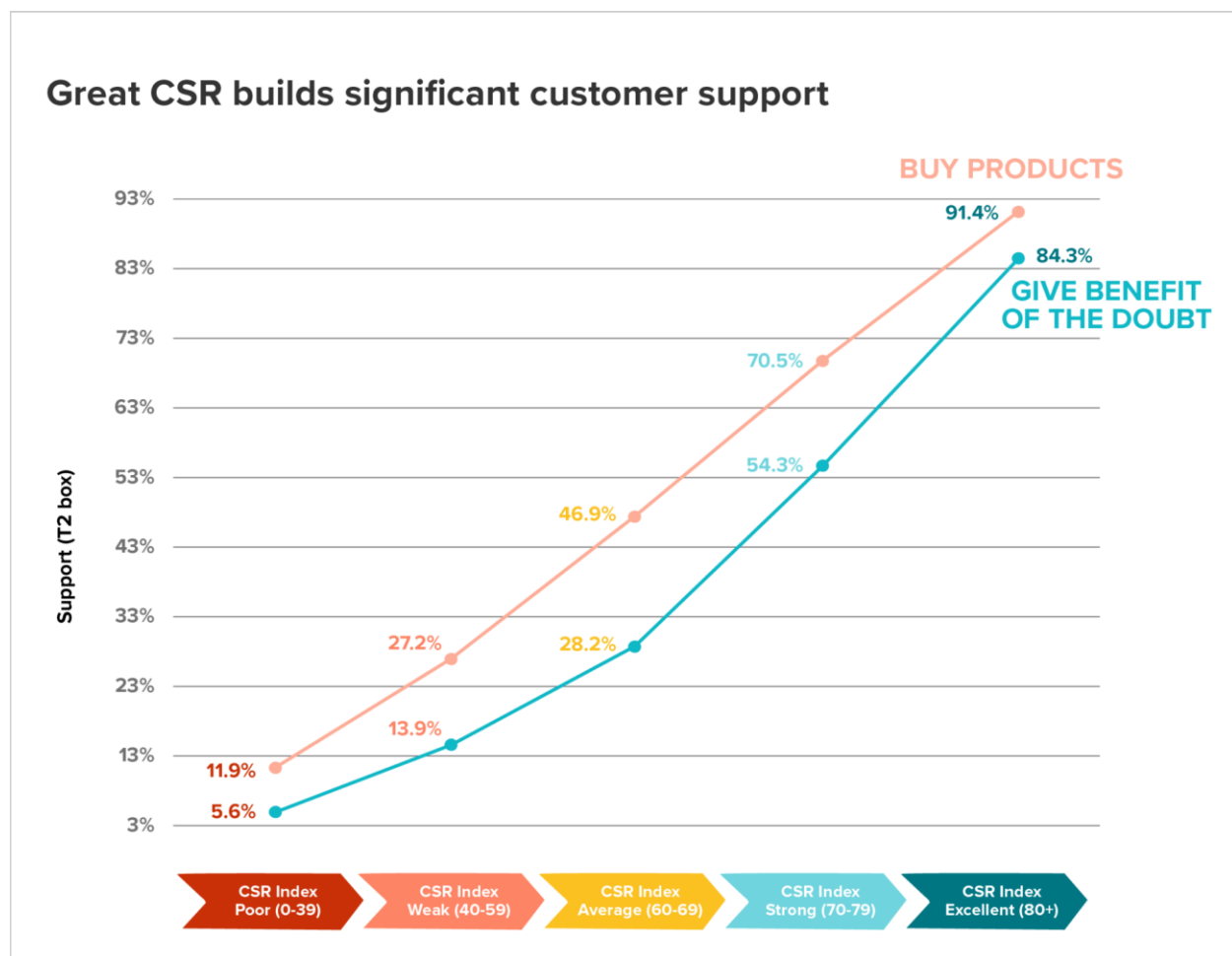*Company/Organization Visibility (PR) ∝ Corporate Social Responsibility*

Figure 1: Relationship between CSRs and Customer Support
Source: Submittable (2022)

CASE STUDY 1: STARBUCKS

Starbucks Corporation is an American multinational chain of coffeehouses and roastery reserves headquartered in Seattle, Washington. Starbucks has a very indigenous method of practicing sustainability. It is a leading global chain, and is a prime example of how there is a network of value-based objectives that the company needs to adhere to besides being profitable:

1. the coffee is ethically sourced
2. aim at creating a global network of farmers
3. developing green stores
4. generating a lot of community service hours
5. launching collegiate programs for their employees
6. prioritizing health amidst the COVID pandemic (UN Global Compact, 2017; Britannica, 2022)

The above shows that a company can go beyond the restrictive and conventional social responsibilities and benefit the society in innumerable ways. This is where the SDGs (Sustainable Development Goals) come in.

The 17 SDGs set by the United Nations aim to lay a very clear, helpful, and all-encompassing route for companies to decide and implement their CSRs.

CASE STUDY 2: THE EDUCATION AND SPORTS FOR ALL INITIATIVE

The Education and Sports for All initiative was launched in 2010. Its objectives were to:

1. provide access to quality education
2. support various initiatives working towards underprivileged children
3. promote girl-child education
4. teach life skills to the differently abled (Reliance Industries, 2010)

It would be fair to assume that the aforementioned initiatives significantly contributed to achieving the SDG goals mentioned in Figure 2, owing to the following statistical figures. Reliance Foundation has positively impacted the lives of 2 lakh+ underprivileged children (CSR Box & CSR Journal India, 2021). This initiative also cooperated with, and helped 15+ NGOs like Aarambh, One Billion Literates Foundation, Saakhi for Girls Education, etc. This initiative also provides a life-time experience to around 18 thousand children who get to watch a match in the Wankhede Stadium every year (Indian Express, 2014). Reliance Industries recognized the fact that improving the quality of life of these children goes beyond education and opportunities, and provides these children with food, goodies, and merchandise every year.
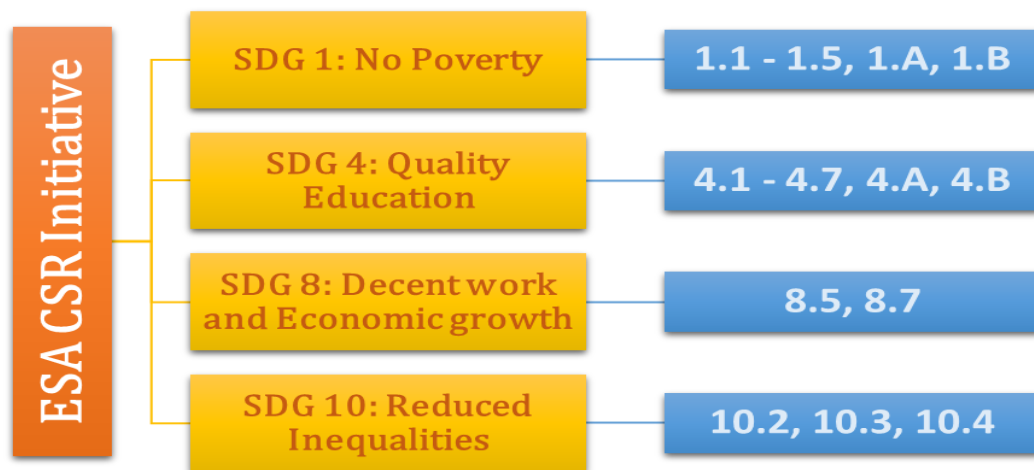

Figure 2: Deduced CSRs associated with the ESA initiative

CASE STUDY 3: EARTHIAN

Earthian is an initiative of the WIPRO conglomerate (one of the world's largest IT companies), designed to bridge the gap between sustainable action & academic education in India (Wipro Foundation, 2019). It was launched in 2011 at the pan-India level, which successfully completed 10 years in 2021. Under this initiative, WIPRO Earthian members and contributing organizations engage with students at school and higher education levels in chosen institutes to foster sustainable thinking and actions (Indian Express, 2019).

As part of its corporate social responsibility (CSR), WIPRO had spent around $1 billion in the education sector in the financial year 2020-21 (Wipro Foundation, 2021). Like many other programs, WIPRO's 'Earthian' initiative is playing a crucial and pathbreaking role in achieving sustainable thinking & actions which are important in the current predicament of the climate crisis. These are a focus of SDG 4: Quality Education and SDG 13: Climate Action.

Climate change is the single biggest problem of our times (Amnesty International, 2019). A sustainable way of living is the only option that can save us from imminent disaster. However, the Indian education system lacks imparting values along with academic rigor in students. WIPRO recognized this problem, and aimed to solve it.

The Earthian Initiative aims to fill this lacuna in the Indian education system by fostering sustainable thinking and actions amongst youths. It is helping India in achieving SDG goal 4 i.e Quality education, more particularly, its target 4.7 that mentions ensuring all learners acquire skills, knowledge, values, and spirit to promote sustainable development in various aspects by 2030 (Wipro Foundation, 2019).

The Earthian initiative has overarching features which can be divided into two parts: at school level and at higher education level. It organizes a continuous engagement program with different schools across India, providing multiple perspectives to students, teachers, and the community around them. Moreover, every year a national level competition is organized for school students to take part in sustainable thinking for water, biodiversity, and waste (Wipro Foundation, 2019). These are activity-based programs that help students to identify and analyze the problems and to find sustainable solutions.

Similarly, Earthian initiative at higher education level targets college students by inculcating sustainable thinking in various aspects (Economic Times, 2019). There are continuous engagement programs where experts interact, ideate, and contemplate with students and teachers in chosen colleges across India about sustainable approaches. An all-India national level competition is organized where college students compete for the best sustainable ideas in the spectrum of waste, agriculture, and water (Wipro Foundation, 2019). Moreover, as part of the initiative, a sustainability quiz has been organized since 2015 providing an opportunity to college students to participate and win prizes up to 2 lakhs.

But why is it important for WIPRO? Why is it spending almost $1 billion with the help of various agencies to promote vocational, sustainable, and equal education? There are two mutual interests behind it. WIPRO pledged to be a Net-Zero producer company by 2040 and to reduce almost 55% of its carbon emission by 2030 (Economic Times, 2021). The company has the principle of sustainability at its core and it is trying to create and promote its products that are sustainable (Indian Express, 2019). Projecting itself as an innovative and eco-friendly conglomerate, WIPRO's different divisions such as FMCG (Fast-moving consumer goods), AI-related division, Cloud computing, and so on want to have a team that provides sustainable and innovative ideas that balance ecology with its economy. Hence, it looks like the company needs those employees that have a sustainable and ecologically sensitive mindset who can carry on the company's fundamental values and spirit.

Therefore, Earthian initiative not only helps WIPRO to complete its CSR yearly targets but also to create and develop sustainable thinking and spirit in students that may become WIPRO employees in the future and carry on the company's values and goals. Referring to the numbers and the feedback for the program, it can be ascertained that Earthian has been a successful initiative that has engaged with over 55,000 schools and colleges, 130,000 students, and 13,000 teachers from across India since 2011.

CONCLUSION

Good business leaders are aware that a firm foundation is necessary for a company to grow and expand its commitment to sustainability and corporate social responsibility (CSR) across the board. Companies that genuinely want to integrate CSR into their long-term strategy begin by asking for feedback from a broad range of stakeholders, which is followed by a clear implementation, commitment, and enforcement process. Corporate social responsibility is a mindset that

captures the idea of setting down deep roots, not simply another policy. In addition, CSR shows that a business is ready to invest the money and people needed to make it more than simply a talking point. The difficulty, though, is in complying to these CSR activities in a way not to attract customers and increase brand value, but rather to instill a sense of long-term sustainability and social ethics for the globe.

The problem with CSRs is that they are very subjective in nature. A few laws and policies need to be established in order to ensure moral compliance of companies with their CSRs.

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