

CORPORATE SOCIAL RESPONSIBILITY: ECOLOGICAL ASPECT



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The article is devoted to the one of the most important aspect of corporate social responsibility – ecological. That is especially important for Ukrainian companies because of its environmental condition. That is caused by a large number of industrial enterprises located in Ukraine. That is why the issue of social responsibility in the environmental aspect is a bullet point at this time.

Direction, in which social environmental responsibility can be implemented, may be follows: improving the conditions of production, reducing environmental pollution; reduction in use of exhaustible natural resources; the transition to new forms of energy that are more cost-effective; carrying out any other activities to improve the environment at the seat of production, etc. That is, the number of possible actions is large enough and their feasibility on the enterprises of Ukraine, which will increase the level of environmental protection and reduce adverse environmental background.

Keywords: *corporate social responsibility, ecology, management.*

Статья посвящена актуальным вопросам развития социальной ответственности предпринимательства в Украине, ее экологическому аспекту. Тема исследования является достаточно актуальной в нынешнее время, в особенности с учетом того, что Украина является производственным государством, с большим количеством заводов, фабрик и других производственных мощностей. Таким образом, социальная экологическая ответственность становится остро необходимой, как для общества в целом, так и для компаний ее проводящих, улучшая таким образом ее имидж и привлекая инвесторов или новых партнеров.

Направления, в которых может реализовываться социальная экологическая ответственность, могут быть следующими: улучшение условий производства, уменьшая загрязнение окружающей среды; уменьшение используемых исчерпаемых природных ресурсов; переход на новые виды энергии, которые являются более экономичными; проведение каких-либо иных мероприятий для улучшения окружающей среды в месте пребывания производства и т.д. То есть, количество возможных мероприятий достаточно велико и возможна их реализация на предприятиях Украины, что позволит повысить уровень защиты окружающей среды и снизить неблагоприятный экологический фон.

Ключевые слова: *социальная ответственность бизнеса, экология, менеджмент.*

Introduction. Corporate social responsibility (CSR) can be found in many areas, one of which is also ecological. That is especially important for Ukrainian companies because of its environmental condition. This is because a large number of industrial enterprises located in Ukraine. That is why the issue of social responsibility in the environmental aspect is necessary at this time.

Analyses of last researches. This subject is presented as in works of Ukrainian authors (Grishnova, Brinceva, Dumanska, Chaikin) so in international researches (Mohammed, Hassan etc).

The aim of the article is to analyse the main directions in which ecological CSR can be appeared and ways of its directions for Ukrainian nowadays.

The main part. A necessary condition for

the development and effective functioning of the social market economy, ensuring high quality of life, the civil society and the expansion conditions for human development is to develop and implement social responsibility of business of the state. In today's complex environment of economic, political, demographic and social development of Ukraine social responsibility can be a unifying national idea that will help find a way out of a protracted systemic crisis that engulfed all aspects of social life.

Sustainability is a realization of the welfare state actors unity of social space, conscious of their duties to their fellow citizens, society and the state. In the phenomenon of social responsibility dominates moral component that must be backed up by legal responsibility. Sustainability as a concept encourages everyone

to consider the interests of society by taking responsibility for the impact of their activities on other people, communities and the environment in all aspects. Social responsibility is a complex and multi-layered structure. In this paper we discuss the direction of environmental social responsibility, focusing primarily on the role of business in environmental and production of environmentally friendly products. However, to our deep conviction that it makes no sense to talk about the social responsibility of business only. Social responsibility (in fact including environmental) is, first of all, the state through its legislative and executive bodies at different levels [1].

The purpose of corporate social responsibility (CSR) is to make corporate business activity and corporate culture sustainable in three aspects: economic aspects; social aspects; environmental and ecological aspects.

Environmental concern and sustainable development is a key pillar of the corporate social responsibility. Environmental and ecological issues have been an important topic of discussion for the past thirty years in the business world – the longest time of the three dimensions corporate social responsibility. The knowledge and issues within the dimensions have progressed across a landscape of changing business realities.

Environmental aspects put in place in the 1970s with the first real understanding of the environmental impacts of business. Now, in the 21st century, we are faced with new challenges [2].

Scientists do not share these two concepts (environmental and ecological). They are used as synonyms in the sphere of social responsibility and their use is determined by a situation and every entrepreneurship, which provides SCR.

The environmental situation in Ukraine has negative impact not only on health but also the livelihoods of ecosystems. A complex environmental situation, as evidenced by the annual increase of expenses to pay environmental tax rate which is more than double the growth rate of capital and current expenditure on environmental protection. According to the data presented in the “Concept of National Environmental Policy of Ukraine till

2020”, the environment in Ukraine is polluted by enterprises mainly of mining, metallurgy, chemical industry and the energy sector [3].

Corporate activity may have many types of effects on the environment. Usually environmental impact refers to the negative effects occurring in the surrounding natural environment due to business operations. Such impacts may include: overuse of natural, non-renewable resources of energy, pollution wastage, degeneration of biodiversity, climate change, deforestation etc. Since many business – related environmental problem transcend national boundaries, most companies are thus actors in global environment.

To obey CSR in case of environmental aspects corporations can take the following steps:

Measuring Environmental Impact: Environmental impacts can be measured in several ways through environmentally extended input-output tables, material input per service unit calculations, ecological footprint and life cycle assessment, to name a few.

Environmental Management: To truly commit to its environmental responsibilities a company should change its traditional modes operation towards a more environmentally oriented one. The environmentally more responsible perspective could include such issues as an emphasis on increased resource productivity, cleaner production and active dialogue with the company’s stakeholders. Many businesses have found that establishing an environmental management system is the best basis for good environmental performance. Quality, health and safety issues can also be integrated into the same management system [2].

According to Ukrainian legislation (Law of Ukraine “On Environmental Protection” from 26/06/1991) this type of liability is classified as an ecological liability. Environmental liability is a relatively new type of legal liability established by the occurrence of environmental legislation for committing environmental crimes. Responsibility in environmental law is an important component of legal support environmental management, environmental restoration and environmental objects [3].

The majority of Ukrainian enterprises are limited only by legal ecological responsibility

which means organizing their work according to national ecological legal system. But to be considered socially responsible, the enterprise should promote internal and external environment of their business over the law requirements. Corporate responsibility envisages management of all social and environmental risks that may affect the interests of future generations. The environmental component of corporate responsibility is one of the key requirements of Ukrainian companies' entrance to the world market. Therefore, the ecological certificate existence may contribute to the product promotion produced by domestic agricultural enterprise both in the domestic and foreign ecologically friendly markets, demonstrating not only the quality and ecological safety of goods, but confirming the producer's corporate ecological responsibility. Providing ecological certification will give an opportunity to the domestic producers to get some economic and social preferences: pulling thru the trade barriers, harmonization of social life and nature and entrance to the new market of valued and higher price products. All this can let the enterprise to extra benefit from the ecological responsible certificated production.

Consequently, the environmental responsibility means understanding the unity of economical, ecological and social spaces by the state subjects, conscious performing their duties in front of consumers, society and the state. In the phenomenon of ecological responsibility dominates the moral and ethical component which must be confirmed by the legal responsibility. Corporate responsibility is a voluntary work of a private or public sector, aimed at maintaining high standards of social work, standards of personnel, minimizing the harmful effect on the environment, creating trusting relationships between partners and suppliers, society and the state, improving production efficiency and characteristics of profitability in a long-run period. The main elements of ecologically responsible enterprise are: implementation of corporate ecological policy, ecological audit, involving employees in ecological initiatives, ecological certification, production of high-quality ecologically friendly goods, constant ecological monitoring of its work, prefacing industrial innovations. From the perspective of eco-certificated agricultural

production, there are three determining criteria of the corporate ecological and social responsibility: ecological, energy and raw material and social [4].

There is also one concept that has a more global reach: it is called industrial ecology. Based on a more systemic approach, industrial ecology draws inspiration from the way in which natural ecosystems function. It recreates, on the scale of an industrial system, an organization that seeks optimal management of resources, as well as a high rate of recycling of both materials and energy. Industrial ecology is a new practice in environmental management. It tends to integrate the environment into corporate strategy thanks to performance data and life-cycle assessments, among other things.

Industrial ecology seeks optimization at the level of groupings of companies. The strategies employed include the valorisation and/or exchange of industrial residues (residues from one company may represent raw materials for another); shared services or perhaps collective management of waste; recycling or rainwater, shared equipment or resources and valorisation of by-products, among others.

This newly emerging approach applies mainly at the level of entire industrial parks. The proximity of the companies involved promotes synergy between all members of the community. These new partnerships are at the centre of a genuine and long-lasting strategy of territorial development.

With respect to corporate social responsibility, the principle remains the same [5].

The ecological responsibility is a reflection of the sustainable development considered by the specialty literature to be a basic value of the social responsibility. In this context, we can state that the ecological responsibility lays at the basis of the social responsibility.

The sustainable development is defined as economic development while complying with the requirements of the natural environment.

A socially responsible attitude from a commercial company implies ecological responsibility, namely the compliance of the ecological diversity in performing the commercial activity. The concept of biological diversity – biodiversity – is defined as the variety of life forms expressed through millions

of species of plants, animals and microorganisms, with their genetic patrimony and complex ecosystems, in the edification of which the living environment participates. The term biodiversity covers the ensemble of natural abundance of the biosphere: terrestrial and water species and their ecosystems.

The maintaining of the biodiversity is nowadays a global requirement for at least three reasons: as a principle reason stating that all species have the right to live under the conditions which are proper to them; multiple forms of life maintain the chemical and physical balance at the surface of the Earth, its existence being a requirement for survival; experience shows that maintaining a maximal genetic stock presents an economic interest for agriculture, medicine industry.

The ecological responsibility of the commercial companies implies the integration of the environment protection requirements into the commercial activity.

It is considered that a commercial company performing their activities in the light of the sustainable development must have a long-term approach and perspective, without neglecting the opportunities occurring at different times. Real value can be created today, which will sustainably support the development of the

business for tomorrow [6].

Conclusion. The article analyzes the basic views on the introduction of environmental responsibility in domestic enterprises and reasonable directions of its propagation. It is noted that the environmental social responsibility can be used not only in the frame of Ukrainian legislation, but also provided greater range of application areas. The importance of its use is justified by the state of Ukrainian enterprises. This is due to certain reasons: the rapid pollution and depletion of natural resources, distribution of openness and transparency of companies make available any, including environmental, information about the functioning of the company, while the value of a good company image ever increasing etc. This determines the relevance of research and dissemination of corporate social responsibility in the environmental area to more Ukrainian companies. Also indicated that environmental responsibility is next to the economic and social, and should be developed in that triad. Submitted material is the basis for further research, which will analyze specific actions that has been already applied on Ukrainian companies and the world leader in environmental responsibility.

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