

Environmental protection as a form of corporate social responsibility

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Abstract. Against the background of the global crises of humanity, the environmental problem remains at the forefront, which is why environmental responsibility is a necessity for businesses. In order to solve the problem, every possible effort must be made: at the level of each individual, at the family level, at the firm level and of course at the state level. In the article it has been discussed that companies often do the most damage to the environment and therefore must be held accountable. Each company needs to develop an environmental control program, a set of rules, and an analysis to understand what costs can be reduced. The results of the analysis showed that there is a great need to promote environmental responsibility of Russian companies. There are many problems related to the environment and only a combination of factors can help to solve them, as well as uniting the global community to achieve sustainable development goals

1 Introduction

Environmental problems can probably be ranked among the top 10 pressing problems of mankind. The environmental problem has long been a global issue, so there is a lot of controversy surrounding it and many different views on the situation. Back in 2019, Google polls on the topic of ecology and environmental protection even surpassed the interest of American internet users in the famous "Game of Thrones" series for the first time ever. In Russia, the situation is different. In 2021, scientists from the National Research University Higher School of Economics, the South Federal University and the Chelyabinsk State University conducted a study in which they scrutinized the activity of the largest Russian companies in the field of ecology. The study looked at 100 domestic companies - national business leaders. It was found that 80% of the top 100 Russian companies do not care about ecology and environmental protection. According to a public opinion poll in 2022 - two thirds of Russians think that they cannot influence the ecological situation in the country in any way. Most respondents believe that responsibility for the environment lies with the authorities, 15% believe that responsibility lies first and foremost with the people themselves and only 6% believe that responsibility for the environment lies with businesses. At the same time, according to the research on the main polluters of the environment, it is production facilities and large enterprises that do the most harm to the environment.

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2 Materials and methods

The aim of the article is to analyse the status of environmental responsibility and to make recommendations for businesses to take care of the environment.

Methodology. The methodological basis for the article was the research in the field of environmental responsibility. The methods of induction, deduction, generalisation, analogy, and comparative analysis have been used in the work.

In this regard, a wide range of information sources and research tools were used in the preparation of the scientific article: monographs, scientific articles, statistical compilations, websites of analytical agencies, electronic resource of Russian legal reference system, company websites, reports of speeches, interviews of Russian and foreign business leaders.

Based on the research, it can be concluded that the problem with ecology remains global. There is a large number of well-known researchers in the field of environmental and economic problems. The most interesting authors are: Donella Meadows, Jorgen Randers, Dennis Meadows [1]; Alan Atkisson [2]; Robin Murray [3]; Al Gore [4]; Jared Diamond [5]; James E. Hansen [6, 7], Rachel Carloson [8].

3 Results and discussion

3.1 Foundations for the study of social responsibility

The main goal of social responsibility is to minimise the negative impacts of companies' operations in dealing with global and local development issues, to achieve an atmosphere of predictability, and to achieve shared values in the society. In fact, the topic of social responsibility is closely linked to the concept of sustainable development, as the underlying concept in sustainable development is closely intertwined with social responsibility itself.

The concept of sustainable development is quite controversial, especially in Russia. A literal translation of the phrase "sustainable development" is incredibly difficult to make, and this literal translation does not fully disclose the meaning of the original concept in English. The concept of "sustainable development" became widely known after the report "Our Common Future" of the International Commission on Environment and Development (ICED) in 1987. The Brundtland Commission (a more common name for ICED) originally proposed a definition: "Sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Sustainable development involves the interaction of the three domains: "environmental", "economic", "social". The definition given during the presentation is rather one-sided, reflecting only the environmental aspect of the term. In reality, sustainable development has to take into account all three fields, because only through their interaction can sustainable development be achieved: economic growth, social responsibility, and environmental responsibility.

The concept of sustainable development has become the foundation for a big UN project. In 2015, the UN General Assembly presented 17 goals for "a plan to achieve a better and more sustainable future for all". The Sustainable Development Goals (SDGs) are now known to many. These goals were finalized in the resolution "Transforming our world: the 2030 Agenda for Sustainable Development" and presented as 17 global goals and 169 targets to achieve them.

However, solving all problems by 2030 is an almost impossible task with many variables. Research by the United Nations Economic Commission for Europe shows that on 64 indicators the rate of progress is too slow to achieve the 2030 results, and on 15 targets society is moving in the wrong direction, only 26 indicators are on the right track to achieve the goals

(<https://unece.org/ru/sustainable-development/press/na-polputi-k-2030-godu-doklad-eek-oon-pokazyvaet-cto-my-dolzhn>).

Russia is ranked 45th in the global ranking of countries on the SDGs, according to 2022 data from the official website on sustainable development (www.sdgindex.org). It is very interesting to compare the GDP of the Russian Federation with that of the countries that are closest in the ranking. According to the World Bank, GDP per capita in Russia in 2021 was 12,172.79 USD. While Bulgaria, which is 42nd in the ranking, had a lower GDP per capita of 11,634.97 USD (2021). Very interestingly, Thailand had a GDP per capita of 7,233.39 USD (2021), although the country ranks 44th. At the same time the air quality factor in 2021 in Russia is 12.3 (exceeds WHO recommendations by 2-3 times) while in Thailand it is 20.2 (exceeds WHO recommendations by 3-5 times).

In the "Concept of Transition of Russian Federation to Sustainable Development" (approved by Presidential Decree № 440 on 01.04.1996), Russian researchers gave the following definition: Sustainable development is a stable socio-economic development, which does not destroy its natural base. The document further states that, in order not to destroy the natural base, the carrying capacity of the biosphere must not be exceeded. But what exactly is the carrying capacity of the biosphere? The problem is that carrying capacity cannot be given by numbers. And there are many more uncertainties in the direction of sustainable development. The concept of sustainable development is paying off, encouraging large companies to think beyond profits. And not just thinking but acting. Corporate social responsibility is simply necessary. The UN's global goals, the states' plans (the government's regulatory function) are a good support and motivation, but it must be understood that it is the business that is the driving force behind the economy and social development, which means that economic, social, and environmental well-being depends on it most of all. According to data, 57 million tonnes of solid municipal waste is generated in Russia every year, but this is only 1% of total waste, as 99% is industrial waste. The Japanese samurai have a saying: "If you don't know what to do, just take a step forward", I think this saying perfectly describes what to do in the current situation.

In fact, a company's social responsibility is a matter of ethics as well. As we know, ethical issues are always controversial and cannot be judged unequivocally. Business ethics issues have recently attracted the attention of many executives, researchers, managers, and public figures. Ethical assessment and reputation, with the rapid spread of information, plays a major role. Remember how quickly videos and photos from Kamchatka in 2020 flooded the internet, when an oil spill caused the death of marine life in the Pacific Ocean, and people suffered corneal burns and other dire health consequences after contact with the water. Thanks to social media, within two weeks Greenpeace was able to launch an investigation into what had happened, and the perpetrators received a ton of condemnation.

The social responsibility of companies to their employees was first legislated in Europe in the 1950s and 1970s. Now social responsibility is divided into voluntary (when an organisation independently decides to participate in improving society and protecting the environment) and mandatory (an organisation is obliged to do certain things in order to develop society). Russian legislation actively regulates the management of industrial waste. Article 51 of the "Federal Environment Protection Act" contains clauses that prohibit improper dumping of waste (see the second clause of Article 51 for more details on this issue).

Social responsibility of business is related to employees, the environment, society as a whole and local residents. The areas related to the social responsibility of business include: charity; launch and support of social programmes (educational, recreational, etc.); voluntary withdrawal of its products in case of possible danger to the consumer, etc. The third point is rather controversial, as it depends not only on the company's ethics, but also on the legislation (if someone gets hurt, the company can be held legally accountable).

Scholars have divergent views on the social responsibility of business. Proponents of the socio-ethical approach argue that social responsibility helps companies themselves. First, it provides a higher status for the business and businessmen; second, it justifies the existence of the organisation as an element of the society; third, it prevents workers' protests; fourth, it weakens the negative effect of the state or municipality's impact on the firm. However, there are other arguments "against" social responsibility of firms. Proponents of the second concept argue that social responsibility as a tool initially contradicts the basis of business, i.e., profit maximisation, because the funds allocated for social needs are primarily high costs and expenses for firms. Also, the proponents of the second concept highlight among the disadvantages to the social responsibility of business the fact that companies often lack the experience to effectively address social issues. All of these opposing arguments prove that there is no one-size-fits-all attitude to the topic of social responsibility.

Peter Drucker, the "father" of modern management, paid a lot of attention to corporate social responsibility. He believed that finances invested in social projects should not be seen as inefficient and profit-destroying expenses, but as a promising investment in the reputation of the business. Drucker believed that such investments create a favourable social environment in the long run, a positive "publicity effect" and an increase in prosperity. Thus, he formulated a third concept, "rational egoism", which has become something in between "corporate altruism" and "corporate egoism", combining and rethinking the points of both concepts. Peter Drucker argued that spending on social projects could help a company become much more successful, that it was corporate social responsibility that could be the key to business wellbeing. According to Peter Drucker, "managers in every single institution and in every single sector ... have two responsibilities. They are responsible and accountable for the performance of their institutions, and this requires them and their institutions to be focused, concentrated, and constrained. But they are also responsible for society as a whole". Drucker wanted business leaders to see society as a corporate responsibility. He urged the leaders to demonstrate 'the Spirit of Performance' and believed that management is a moral science and that in order to achieve high levels of performance leaders must not forget about ethics and integrity. The need for profit must be balanced with fair trade, sustainability, corporate social responsibility, and other ethical principles. This proves once again that in today's reality, an organisation that is disinterested in corporate social responsibility loses ground in the eyes of consumers and becomes less attractive, raising questions from the media and the public.

If you consider the economic costs rather than the accounting costs, social responsibility can bring more benefits than expenses over time. Because a company's image, goodwill, conscientious consumption of resources with care for nature - in years to come - will have a positive impact on increasing profits. In her article "To the question of social and environmental responsibility of business" Kopytova Ekaterina Dmitrievna notes that the environmental policy of companies in developed countries is not a burden that increases the cost of production, but rather an important factor that increases the efficiency of production, its competitiveness and capitalization, contributing to the expansion of partner and customer base, building reputational capital. Thus, environmental responsibility is one of the main factors for the development of business competitiveness.

3.2 Analysis of the impact of industry on the environment

The environmental problem is a very painful, topical, and multifaceted one. As António Guterres, secretary-general of the United Nations, notes: "The only way forward is to cooperate with nature, not fight against it. At the same time, we are now witnessing great degradation of ecosystems. Temperatures continue to rise; pollution causes some nine million premature deaths annually and millions of animal and plant species are on the brink of

extinction. The conclusion is that unless people learn to respect the Earth and its resources, the problems will not go away. It is important to learn to cooperate with nature for the benefit of all.

According to an article in the internet resource "Ecology of Russia", the biggest environmental issues in 2022 are: global warming due to fossil fuels, greenhouse gas emissions from firms in low-economic sectors, food waste, lost biodiversity, plastic pollution, deforestation, air pollution, glaciers melting and sea level rise, ocean acidification, greenhouse gas emissions from agriculture, food and water scarcity, textile and fashion waste, overfishing. A look at the data shows that in all of these areas, there are industries, firms, market leaders - and it turns out that firms can influence the level of emissions.

Studies were carried out in 2019 and based on these, it is possible to speak about the main polluters of the environment.

- Lead smelting. Lead smelting is among the most polluting industries in the world. It is a hazardous industry that emits toxins into the air, leading to increased health risks for people.
- Tanneries. Many chemicals are used in leather processing and if the factories are not careful about waste management, production can be very hazardous due to the use of chromium, aluminium and other elements.
- Conventional gold mining. This type of mining accounts for 20% of global gold production, but has a strong negative impact on the environment due to a lack of modern technology.
- Industrial landfills. The lack of funding in this area leads to poorly regulated landfills and this leads to high risks to human life and health: improper storage of solid waste and industrial waste leads to higher levels of environmental pollution, while with proper waste management the pollution levels can be made much lower.
- Industrial zones. According to studies, most industrial zones do not control the environment, and this leads to pollution and environmental degradation around the industrial zones and harms the workers in the plants themselves. Most industrial zones in India and Pakistan do not dispose of chemicals correctly - this leads to more than 5.8 million people living in an environmentally hazardous zone, in Russia the situation is better, but the domestic industrial zones are also insufficiently controlled in terms of pollution.
- Chemical production. The chemical industry is associated with the production of various plastics, paints, explosives, medicines, petrochemicals, these substances take a long time to decompose, which initially harms the environment in the long run, also these industries are very toxic, especially if the plants use obsolete equipment.
- Industrial production of goods. Economic growth has increased in recent decades, which has contributed to increased consumption among the population and increased production of manufactured goods. Not all factories are equipped with pollution monitoring and not all dispose of waste correctly, which is obviously dangerous to the environment.
- The dye industry. The manufacture of dyes involves complex chemical processes using various chemicals in factories. Industrial waste in this case is saturated with chemicals, many of which are harmful to human health.

3.3 Study of foreign and Russian environmental protection practices

It's no secret that environmental protection has become somewhat of a trend; progressive people value nature and don't want to harm it. Some companies take advantage of this and use it as a marketing tool for their brand. For example, many cosmetic companies like Biotherm. This brand focuses not only on using recycled materials for packaging, but it is

also trying to protect the oceans. As part of the Water Lovers Biotherm programme, the company has been reducing the negative impact of washed-up cosmetic products on the aquatic environment for 10 years, drawing people's attention to the issue of pollution of the oceans. The company has developed sunscreens that are not harmful to coral reefs with the help of cooperation with laboratories that investigate the effect of cosmetics' components on fresh and salt water. IKEA is another well-known brand that is trying to attract people's attention to environmental issues. Numerous commercials from the Scandinavian company focus on renewable resources. Therefore, the connoisseurs of comfort, simplicity, honesty, and nature always choose IKEA.

Let's move on to the activities of Russian companies. Forbes has ranked Russia's 30 greenest companies in 2021 (the 30 most environmentally friendly companies in Russia. Forbes ranking <https://www.forbes.ru/biznes-photogallery/422011-30-samyh-ekologichnyh-kompaniy-rossii-reyting-forbes>). This ranking includes Mars branch in Russia, Sberbank, X5 Retail Group, Splat, Rosatom, Alrosa and others. Forbes studied the ratio of harm to benefits that companies bring to the environment and thus compiled a rating of environmental responsibility. It was topped by the Mars division, which sends about 90% of its production waste for recycling. Since 2015, the corporation has almost never taken waste to landfills, sorting waste, and recycling it, or using suitable waste as fodder for productive animals. The company has big goals to switch completely to renewable energy sources by 2040. As for X5 and Sberbank, these companies sponsor many green projects. For example, Sber has sponsored a solar power plant in Stavropol. X5, on the other hand, has plans to reduce its greenhouse gas emissions by 10% by 2023, increase the share of recyclable food products to 40%, and increase the production of its own products in environmentally friendly packaging to 50%.

The energy company Gazprom also cares about the environment (Gazprom recycling <https://pererabotka.gazprom.ru/ecology/>). The company has introduced an environmental management system at LLC "Gazprom recycling" that complies with international standards (ISO 14001 and ISO 50001). LLC "Gazprom recycling" deals with a wide range of tasks and has established mechanisms for fulfilling environmental policy obligations:

- audit of environmental aspects;
- participation in environmental projects aimed at achieving sustainable development of the SDGs;
- insuring environmental risks;
- study of legislative and other requirements;
- implementation of environmental protection measures;
- involvement of all employees in activities related to the environmental management system.

"Gazprom recycling" also protects water resources, protects atmospheric air, and implements environmental initiatives. In 2020, the company was announced the winner of the "Vernadsky V.I. National Environmental Prize" in the "Social and Environmental Initiatives" category for its implementation of the "Save a Tree" Resource-saving campaign". Examples of such large companies can motivate smaller companies and industries, unfortunately not all manufacturers can afford to invest financially in sponsorship, so other methods will suit them.

4 Conclusions

Each company will need to adopt specific environmental responsibility practices, some may follow the example of IKEA, others may follow the example of the cosmetics brands, and still others will need the guidance outlined above. Corporate executives and senior and

middle managers should be aware of the pollution problem and spend resources reasonably and sustainably, using the best tools to do so.

- 1) Waste sorting (cooperation with recycling plants is simply essential in the 21st century. Managers should investigate and select the best one from the price/quality/remoteness ratio).
- 2) Turning off water and lights when nobody is using them. Waste of resources is not only an unnecessary cost, but it is also harmful to the environment. It can be solved by improving the work culture and retraining the management and staff of Russian companies.
- 3) Office workers waste a large amount of paper every day. According to figures, the Splat headquarters, which employs 125 people, uses 50 reams of A4 paper a month. Huge numbers. On average there are about 9 sheets of paper per person per day. Splat cares about the environment, so what is happening in other offices remains a mystery. Environmentalists advise to use paper wisely, i.e., using both sides of the paper sheets.
- 4) Each company should develop an environmental control programme and specific environmental documentation to make it easier to monitor the company's environmental impact.
- 5) New technologies need to be introduced in the primary and secondary sectors of the economy. More often than not, innovations are aimed at achieving sustainable development, so if they are used in the enterprise, it is possible to significantly reduce emissions into the atmosphere.
- 6) There are many products that, by replacing the technology used to produce them, can reduce the environmental impact as well as the costs. It is necessary to develop the product and make it more environmentally friendly. Companies should always consider the environmental factor when developing formulations.
- 7) A non-trivial way is to allow remote working. Daily carbon dioxide emissions from a car alone are as high as 9 kg (on average, a typical passenger car burns about 15 litres of fuel every day = 9 kg of carbon dioxide). If people were to work from home, emissions could be reduced because employees would not have to travel to and from work every day, wasting petrol and other forms of energy.

It should be kept in mind that the state can also influence the environmental situation, not globally, but by using state enforcement methods to regulate the actions of producers. There are different methods of influence. The government can organise information campaigns, popularising the environmental agenda, and also regulate the situation through sanctions: adjusting legislation, imposing taxes or fines.

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