

## **Bonding corporate sustainability strategies with strategy planning for an exemplar business performance**

Sendil Mourougan<sup>1</sup>

<sup>1</sup>(Business Administration, Annamalai University, India)

---

**Abstract:** *Although many companies investigate sustainability management and publish sustainability reports, it seems that sustainability issues are pursued more coincidentally than with a clear strategy. On one hand, research is done for the identification and determination of distinct aspects concerning economic, ecological and social dimensions of sustainability. On the other hand, scientific effort is recognizable regarding the establishment of specific sustainability strategies, e.g. strategies that focus on internal/external orientation of sustainability commitment. This paper aims to cover the benefits of corporate sustainability and corporate sustainable strategies. It also discuss about the implementing corporate sustainability and sustainability management system required for an organisation to run a sustainable business.*

**Keywords:** *corporate sustainability; ecological dimension; economic dimension; social dimension; sustainability strategy; sustainability management system.*

---

### **I. Introduction**

Management strategies driven by stakeholder value objectives have been highly successful for businesses of all sizes over the last fifty years. Focusing on stakeholder return has fostered the creation of a fast-moving, responsive business culture in which the priorities were clear and the measure of success was apparent. As a result, such objectives have been a powerful engine in creating value. Today, that approach is no longer viable in the long term due to an increasing awareness and focus on sustainability by all stakeholders. Business practices that result in products with huge amounts of waste embedded in them; that involve the consumption of large amounts of energy; that undermine local communities or contaminate the environment can no longer be justified on the basis of shareholder return. Besides many efforts and activities by NGOs, authorities and governments, corporations also seem to show an increasing commitment to a more sustainable behaviour.

### **II. Corporate Sustainability**

Corporate Sustainability is a business approach that creates long-term stakeholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments. Corporate sustainability leaders achieve long-term stakeholder value by gearing their strategies and management to harness the market's potential for sustainability products and services while at the same time successfully reducing and avoiding sustainability costs and risks.

Sustainable Development is the process to reach the goal of sustainability, which can be characterized by four sustainability conditions. Sustainable development when incorporated by the organization is called corporate sustainability and it contains, like sustainable development, all three pillars: economic, ecological and social. These three dimensions interact. For a comprehensive corporate sustainability strategy, it is necessary to consider all dimensions, their impacts and their interrelations. External influences also affect the corporate orientation on sustainability. Moreover, corporate sustainability also has positive effects on society in the long term.

#### **2.1 Economic dimension of corporate sustainability**

Economic sustainability embraces general aspects of an organization that have to be respected – next to environmental and social aspects – in order to remain in the market for long time. The use of such generic aspects lead to good financial and sustainability results of the company. The aspects of the economic dimension of corporate sustainability are ‘innovation and technology’, ‘collaboration’, ‘knowledge management’, ‘processes’, ‘purchase’ and ‘sustainability reporting’.

#### **2.2 Ecological dimension of corporate sustainability**

This dimension deals with environmental impacts due to corporate activities. These environmental impacts are caused by resource use, and emissions into air, into water or into ground, as well as waste and hazardous waste. Additionally, the impact on biodiversity and environmental issues of the product over the life cycle are of importance. This dimension is mainly measured by impacts, but within corporate sustainability

strategies the focus has to be laid on the effects causing these impacts, e.g., the higher the maturity levels are the more it has to be concentrated on causes rather than on effects.

### **2.3 Social dimension of corporate sustainability**

Social sustainability of an organization ‘... is the consciousness of responsibility for its own actions as well as an authentic and credible commitment (mostly long term) in all business activities and more, aiming to stay successfully in the market for a long time. Social sustainability is aimed to positively influence all present and future relationships with stakeholders. Furthermore, the fulfillment of their needs is focused on for assuring stakeholders’ loyalty for the company’. The aspects are grouped into two aspects:

- internal (corporate governance, motivation and incentives, health and safety, human capital development)
- external (ethical behaviour and human rights, no controversial activities, no corruption, corporate citizenship)

### **III. Benefits of corporate sustainability**

Corporate sustainability strategies and initiatives offer a wide range of commercial and operational benefits to company stakeholders, employees, customers and the communities in which they operate. Many of the realized benefits include: (1) Good PR adds value to organizations, products and services, (2) Opening up new opportunities to collaborate, develop products and keep stakeholders happy and confident, (3) Excellent marketing strategy for companies, regardless of the type of businesses because it has a potential to attract positive government attention, differentiate the organization’s service offerings and serve as a competitive advantage; become the first in something green, and increase public image, (4) Increased competitiveness through lean operations and reduced operating and lifecycle costs, (5) Reduced environmental footprint, (6) Optimization of new and better technologies, (7) Improved benefits to and greater support from the community, (8) Improved work environment for employees leading to higher productivity, (9) Reduced environmental, health and safety risks, (10) Improved organization or brand image, (11) Competitive advantage, (12) Improved employee satisfaction, morale, retention & recruitment, (13) Product, service or market innovation, (14) New sources of revenue / New client markets, (15) Effective risk management, (16) Enhanced stakeholder relations.

### **IV. Corporate sustainability strategies**

There are different types of sustainability strategy.

- **Introverted – risk mitigation strategy:** focus on legal and other external standards concerning environmental and social aspects in order to avoid risks for the company
- **Extroverted – legitimating strategy:** focus on external relationships, license to operate
- **Conservative – efficiency strategy:** focus on eco-efficiency and cleaner production
- **Visionary – holistic sustainability strategy:** focus on sustainability issues within all business activities; competitive advantages are derived from differentiation and innovation, offering customers and stakeholders’ unique advantages.

#### **4.1 Introverted strategy (risk mitigation)**

A company following the introverted strategy concentrates on the essentials such as conformity and compliance with sustainability-related rules and guidelines; it does not go deeper into the sustainability issue. No specific sustainability aspect can be determined to be proportionately important for this strategy, whereas the profile of the sustainability strategy is mostly based on the poor maturity level of sustainability aspects.

#### **4.2 Extroverted strategy (legitimization)**

Within the extroverted strategy we can differentiate between the conventional and the transformative approach. Due to their different focuses it seems meaningful to discuss them separately.

##### **4.2.1 Conventional extroverted strategy**

A company focusing on the conventional extroverted strategy aims at communicating its sustainability commitment to society in order to differentiate itself from the competitors and to increase its credibility. As this strategy is focused on external presentation of sustainability, these aspects which supports the increase of credibility in society such as corporate citizenship, no corruption or cartel, health and safety and also collaboration are especially important to improve the relationship and working together with stakeholders on related sustainability issues.

##### **4.2.2 Transformative extroverted strategy**

It aims at positively influencing the basic conditions of corporate sustainability. A company following this strategy is a driver for corporate sustainability in society and gains higher credibility. On the other hand, it is

also necessary to assure through the implementation of sustainability a high maturity in internal sustainability aspects. The maturity level over all aspects is generally one level higher than in the conventional extroverted strategy.

#### **4.3 Conservative strategy (efficiency)**

Conservative strategy focuses on cost efficiency and very well defined processes. Therefore, the sustainability aspect 'processes' is the most important within this strategy and should represent an outstanding maturity. Within this strategy, commitment is especially crucial in the investment in appropriate technology, sophisticated health and safety for employees and above all ecological sustainability. Also, the measures have to be derived in order to analyze and to increase the processes and to assess, based on appropriate measures, corporate sustainability.

#### **4.4 Visionary strategy (holistic)**

Visionary strategies can be divided into conventional and systemic strategies. Visionary strategies show a highly developed sustainability commitment in order to become a market leader in sustainability issues. The two strategies are similar; they differ from each other in the question of motivation and orientation. The conventional visionary strategy is very much oriented towards its impact on the market, whereas the systemic visionary strategy combines outside-in and inside-out perspectives in order to achieve a unique competitive position, but based on an internalization and continuous improvement of sustainability issues inside the company.

##### **4.4.1 Conventional visionary strategy**

The level of sustainability maturity of visionary strategies is very high, mostly on a high sophisticated level. Only for some aspects does a lower level seem to be sufficient, too, as in processes and purchase, in no controversial activities or in corporate citizenship, as these have not enough direct impact to affect the situation in the market as sustainability leader.

##### **4.4.2 Systemic visionary strategy**

In contrast to the conventional strategy, for companies following the systemic visionary strategy it is important to show in all sustainability aspects very good results, as the company has to show stakeholders and market its sustainability commitment, and moreover to be active in changing positively basic conditions towards sustainability (effort). It may occur that, depending on the industry, on the size of the company or on other basic conditions, some sustainability aspects are more important than others so that the sustainability profile changes towards these aspects

### **V. Implementing corporate sustainability**

Corporate sustainability comes in many forms, and produces many different outcomes. The following are the seven key steps to implement and the benefits that can be gained from corporate sustainability initiative.

- **Use scenario planning to identify potential risks to your business—and new opportunities to exploit.** Scenario planning can help establish a range of potential legislative and economic environments in which your firm might end up operating, putting particular challenges into focus and also sparking new ideas about emerging opportunities.
- **Set ambitious targets—and lead by example.** Firms should set themselves ambitious goals for creating more sustainable businesses and focus on achieving initial deadlines and targets. Decisive action here can often put firms ahead of the regulatory agenda, or industry peers.
- **Start measuring environmental inputs and productivity across your business.** As the management maxim holds, what gets measured gets managed. Firms need to start measuring resource usage and productivity across all parts of their business, from water used per unit of output to energy consumed per delivery mile driven. At the outset, this can be a challenge for newcomers, especially in areas where data is difficult to obtain or proper guidelines and standards are not yet established. Global guidelines and standards can be helpful and are widely used.
- **Tap into employee engagement—both internally, and across business partners.** Companies should tap into this enthusiasm, to increase engagement levels among staff, and also to gain access to new ideas and approaches at every level of the business. This can be extended to business and supply chain partners too.
- **Develop internal lessons into external products and services.** Firms with experience of optimizing their own businesses have found this to be a rich source of expertise that can in turn help develop new products, services or innovations for clients.
- **Explore other benefits that can be derived from action on sustainability.** Consider what other opportunities may result from actions on sustainability in your industry or market. Survey respondents have

discovered a wide array of benefits emerging from their efforts. Aside from the improved resource efficiency, cost reductions and risk mitigation discussed in the report, other internal gains have included better relations with suppliers and partners, new products and services and more motivated employees. Externally, investor awareness may be improved, and new markets may open up as a result.

- **Benchmark and report progress.** One of the key objectives for many firms engaging with sustainability is the desire to enhance their brand. Accordingly, it is important to develop accurate and transparent reporting to be shared with a range of stakeholders, from potential investors and shareholders to clients and business partners. In order to provide a relative measure of how the business is performing, firms need to benchmark themselves against their industry peers. They can do so by reviewing industry metrics published through relevant organizations such as the World Business Council for Sustainable Development, or by sharing relevant data and best practices through industry bodies. This also helps to develop appropriate standards and benchmarks for particular industries.

## **VI. Sustainability Management Systems**

A Sustainability Management System (SMS) is the part of an organization's overall management system that integrates corporate sustainability concerns and issues in the organization's management processes. A SMS addresses organizational structure, planning activities, responsibilities, practices, procedures, processes, and resources for developing, implementing, achieving, reviewing, and maintaining sustainability policy. The most used sustainability management systems include ISO 26000, the UN Global Compact, and the Global Reporting Initiative's Sustainability Reporting Guidelines.

### **6.1 Communications**

An organization that is planning to be progressively committed to their corporate responsibility sustainability programs needs to develop and execute a comprehensive and cohesive communications strategy for both internal and external stakeholders. The communications effort needs to connect the organization's business agenda with broader reputation and social issues, while understanding and incorporating the commercial drivers for the business into a communications strategy.

The main goal of effective communications is to ensure that all internal groups (such as PR, HR, Government Affairs, Investor Relations, and Environmental Health and Safety) as well as external stakeholders (such as SRIs, NGOs, customers, etc.) work closely together so that they are in alignment with the company's sustainability goals. Bringing these groups together, the communications personnel need to help develop and lead the execution of a global corporate responsibility communications plan to help achieve and promote the organization's sustainability efforts and successes. The following are considered as successful and areas of improvement for corporate sustainability communications:

- **Holistic Definition:** A holistic definition of sustainability addresses a company's people, products/services, community and environmental practices. Communicating a holistic approach brings authenticity to a wider range of stakeholders.
- **Integration:** Marketing communications are aligned with company practices. Communicate about sustainability with consistency and persistency.
- **Engagement:** Build stakeholder engagement into the report process and engage with them online.
- **Transparency:** Publish a sustainability report and actively share progress during the year.

### **6.2 Sustainability reporting**

It is becoming increasingly apparent that full disclosure and transparent reporting around environmental, social and governance issues is a key differentiating factor between those institutions that are leading corporate sustainability and those which are only reactive in this complex area. Well-tailored sustainability reporting also makes sense from the standpoint of "good business." Best practice factors to be considered when crafting corporate sustainability reports are (1) The company should study the industry sector to understand which of the competitors and clients are doing sustainability reporting, (2) Understand the viewpoint of the major shareholders or institutional investors, (3) Reporting framework: Probably the most widely used framework for sustainability reporting is the Global Reporting Initiative (GRI) Reporting Framework. The GRI structure is mature and suggests information that should be included and how it should be presented, (4) make the collection of information you need for corporate sustainability reporting a part of your organization's core business processes and job mandates.

### **6.3 Sustainability goals and measurement processes**

Sustainability goals, targets, and KPIs (metrics) need to reflect the full scope of objectives set forth in an organization's sustainability plan. These targets and goals need to be established with continuous improvement in mind and the ability to measure all aspects.

#### **6.4 Stakeholder engagement & materiality definition**

While Customers, Employees and Shareholders are obvious stakeholders, the supply-chain of our people-centric business consists of various academic institutions, engineering colleges, staffing agencies and other vendors. Staying at the cutting edge of technological developments requires us to partner with leading technology firms to develop and market industry-specific solutions.

#### **6.5 Sustainability strategy and corporate governance**

##### **6.5.1 Sustainability strategy and approach**

Organisations can embody the philosophy of building sustainable businesses that are firmly rooted in the community and demonstrate care for the environment. Towards this, Organisation can adopt a 'triple bottom-line' approach which recognizes People, Planet and Profit as the central pillars of corporate sustainability.

- **People:** Sustainable Internal and External Communities – Internally, employees are the backbone of the organisation, who are actively engaged with to drive sustainability initiatives. Externally, organisation can conduct a diverse range of CSR initiatives in the areas of education & skill building, health environment and affirmative action using volunteering, sponsorships and pro bono leveraging of capabilities as the modes of engagement. In addition initiatives can be focused at promoting supply chain and procurement sustainability ensure the alignment of vendors and suppliers to the sustainability objectives.
- **Planet:** Environmental Sustainability – From designing sustainable infrastructure, running efficient operations, to engaging with supply chain partners in green procurement and disposal activities; organisation can take a holistic approach towards reducing its energy, water, material, waste and carbon footprint. Infrastructure can be designed and built for maximum resource efficiency.
- **Profit:** Sustainable Marketplace – In addition to ensuring sustainability of the Company's business performance, a dedicated eco-sustainability team works across industry verticals with an aim to provide next-generation sustainability services to customers. Integrating sustainability into business strategies and unlocking environmental efficiencies in the entire value chain is a significant value adds.

##### **6.5.2 Corporate governance**

Strong corporate governance that oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders creates all the conditions necessary to foster sustainability. Organisation can inherit a strong legacy of fair, transparent and ethical governance in the form of Code of Conduct.

##### **6.5.3 Board oversight of the sustainability agenda**

To ensure that business sustainability gets adequate governance focus, the Board of Directors can meet 7 to 8 times a year instead of the statutory 4 times. While four of these meetings can be for review and approval of financial results, the remainder can be for more detailed oversight of business, strategy and sustainability matters. This ensures that the Board's focus goes beyond financial performance and covers various operational and strategic issues including sustainability aspects, budgets, industry performance, peer review and competition analysis, overall risk assessment, performance of subsidiaries, opportunities for organic and inorganic growth etc.

##### **6.5.4 The sustainability council**

In order to drive sustainability initiatives effectively, a sustainability council with representation from key departments can be convened. Processes for quarterly review on performance against targets for each stakeholder have to be implemented. The Executive Vice President and Global Head of HR can preside over all matters related to sustainability within the organization and the overall corporate sustainability of the organization falls within the purview of the CEO & MD.

##### **6.5.5 Fiscal oversight**

An audit committee, consisting entirely of independent, non-executive Directors, can oversee disclosure process to ensure that sufficient and credible information is disclosed, and that the published financial statements reflect a true and fair position of the company's finances. The committee can meet four times a year to approve the quarterly accounts and another three to four times for an in-depth consideration of internal audit reports. The audit committee can also ensure that the internal audit processes provide adequate support in improving the company's business processes, i.e., making the company more efficient and cost-effective.

As an additional governance control on access to the company's cash, organisation can have a Bank Account Committee of Directors which approves the opening and closing of bank accounts of the company and authorize persons to operate the bank accounts of the company.

### **6.5.6 Independent and effective validation**

Organisation can have an independent third party, to oversee and carry out internal audits of the Company's operations as per an internal audit plan which is reviewed annually by the audit committee in consultation with the statutory auditors. In line with international practice, the planning and conduct of internal audit can be oriented towards the review of controls in the management of risks and opportunities in the company's activities. The external auditors of the company should not have any undue dependence on the organisation.

### **6.5.7 Disclosure and transparency**

Organisation should disclose significant operational and financial metrics on a quarterly basis. The quarterly, half-yearly and annual results can be published in leading newspapers, emailed out to analysts and investors who subscribes to that service. The same results can be posted on the organisation website too.

The earnings release every quarter can be accompanied by a press-conference which can be video webcast live through the website. There can be also a conference call where management briefs investors and analysts on the quarter gone by, and takes questions. In addition, there can be a robust investor outreach program as part of which the management meets investors at organisation premises or at investor conferences and addresses their queries and concerns.

### **6.5.8 Ethics and compliance**

The Code of Conduct (CoC), which every employee signs at the time of joining the company, contains clauses that make up a governing framework for responsible corporate citizenship and ethical behaviour. Organisation can have established procedures to deploy the code of conduct and to enable employees, customers, suppliers and partners to understand the code and follow it in letter and spirit. The leadership team can personally convey the organisation values and the importance of the CoC at employee events. Local ethics counselors can be deployed at every company location to advise and guide employees on ethical matters.

Customers and suppliers can be made aware of the CoC through specific clauses in proposals, contracts, contract discussions, and through the website. The organisation can also have a global policy to address sexual harassment at the work place. This policy can be aligned with current legal mandates, in particular the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" enacted in India. At the board level, the Ethics and Compliance Committee can oversee organisation compliance to the Codes of Conduct to be followed by the Directors, Officers and other employees. Monthly reports can be sent to the committee on matters relating to the CoC.

### **6.5.9 Board composition and selection of board members**

The Nominations Committee can consist of two independent directors and the chairman, who can make recommendations regarding the composition of the board, identifies suitable individuals who can be inducted as independent directors and takes steps to refresh the composition of the board from time to time. The supervisory capability of the current board has been significantly boosted by the inclusion of highly capable individuals with global management perspectives, broad corporate experience and specific expertise in corporate governance and compliance as independent, non-executive directors.

### **6.5.10 Protecting minority shareholders' interests**

The corporate governance philosophy at the organisation based on the Code of Conduct can emphasize fairness and transparency to all stakeholders. The company can also have a variety of channels through which minority shareholders can interact with the Management / Board to express their concerns. There can be a year-round, global investor outreach program where investors can interact with management. Minority shareholders can move their private resolutions for discussion by the Board of Directors, or even requisition a General Body Meeting.

Small shareholders can interact with the Board of Directors in person at the Annual General Meeting and have their queries/grievances resolved. They can also communicate any grievance to the company secretary's office where complaints can be tracked to closure. At the Board level, a Shareholders/Investors Grievance Committee of Directors can consist of two independent directors and one non-independent director can oversee the Redressal of the complaints.

### **6.5.11 Employee access to the board**

Employees can be highly empowered and the organisation culture can encourage open communications and offers various channels for communicating concerns and grievances. Larger concerns are represented to the Board by the Executive Directors. In addition, individual senior-level employees can also be invited to present to the Board on specific topics under discussion, from time to time. A Whistle Blower Policy can also be

framed, with the necessary mechanism for employees to directly report concerns about unethical behavior to the chairperson of the audit committee, without fear of reprisal or victimization about unethical behavior to the chairperson of the audit committee.

#### **6.5.12 Sustainability and risk management**

Organisation can have an Enterprise-wide Risk Management (ERM) process administered by a risk office that continually identifies the various risks threatening the Company's continued sustainability, which can be grouped under: (1) Strategic, (2) Operational, (3) Financial and (4) Compliance related risks. The risk office can maintain a risk register and can draw up suitable risk mitigation plans for each of the risks identified. These risks can be reviewed by the board periodically.

#### **6.5.13 Succession planning**

Business sustainability requires consistency in management vision and minimization of impact when there is a leadership change. Therefore, succession planning is an important element in ensuring smooth transitions. Succession planning occurs at every level – at the corporate level, at the business unit level, at the account level and even at the project level. At the highest level, succession planning of senior management can be directly reviewed by the executive committee of the board. Business/Unit Heads can be invited to board meetings from time to time to give presentations to the board for updation. This can provide an opportunity for the board to interact with senior executives periodically and assess values, competencies and capabilities to help them identify suitable internal successors and provide feedback.

#### **6.5.14 Remuneration policy**

The Company can follow a compensation mix of fixed pay, benefits and Economic Value Added Analysis based variable pay. Individual performance pay can be determined by business performance and the performance of the individuals measured through the annual appraisal process. Compensation for Non-Executive Directors on the board can consist of sitting fees for attending board meetings and meetings of Committees of the Board. Remuneration of the Managing Director and Executive Directors can consist of a fixed component (salary, benefits, perquisites and allowances) and a performance-linked variable component (commission). The Remuneration Committee can decide the annual increments within the salary scale approved by the members, and the commission payable to the Managing Director and the Executive Directors out of the profits for the financial year and within the ceilings prescribed under law. The commission amount can be based on the company's performance.

#### **6.5.15 Serving as an ethical exemplar**

Integrity can be regarded as a core value that underpins all business activities. The company should earn its reputation of trustworthiness through consistent, value-driven conduct. Organisation can adopt the Code of Conduct (CoC) which is signed by every employee on joining and this should serve as a guide on values, ethics and business principles. Training on CoC is a mandatory part of the induction process for all associates. Awareness towards the CoC can be promoted by organizing road-shows, compliance workshops and an annual ethics week featuring quizzes, essay-writing contests etc. A Whistleblower Policy can also be incorporated through which instances of malfeasance can be reported directly to the Board without fear of reprisal.

### **6.6 Marketplace**

#### **6.6.1 Sustainability of business performance**

Key stakeholder concerns around the sustainability of business performance are centered around five major areas: (a) whether there is sufficient headroom for continued growth, (b) whether the Company's size could impede agility, (c) whether supply side constraints could hamper growth or impact margins, (d) whether macroeconomic uncertainties or new technologies might impair business and (e) whether the company is investing sufficiently in innovation.

#### **6.6.2 Strategy for long-term growth**

Revenue growth comes from following a multi-pronged strategy built around (a) Expanding our addressable market by geography, by industry and by service-line and (b) Deepening on the relationships with existing clients.

#### **6.6.3 Enablers for growth**

The pre-requisites for sustaining our growth are: (a) maintaining the same high quality of service expected by the customer, (b) continuing to invest in innovation to remain at the cutting edge of technological

and business evolution, (c) ensuring to remain agile despite the size and (d) creating a strong brand that creates customer loyalty.

**6.6.4 Best-in-class quality**

The Quality Management System can be a complete set of documents, tools, methods and practices built on and around the business model, with a focus on service & solution delivery, customer management, security management and people processes. The system can focus on ensuring that customers experience a level of certainty that no other organization can match. Every project executed can go through a three-tier quality check to ensure that the customer receives a deliverable of the highest quality.

Product Quality	Internal Quality Assurance	All work items, products or deliverables should undergo self review
	External Quality Assurance	Competent associates external to the project verify each work item or deliverable
Product Quality & Process Compliance	Final Inspection	An external reviewer does the final quality check to ensure completeness and usability of the product before delivering the final product to the client. In addition, the external reviewer periodically verifies that the team is complying with all quality process. The project leader also does a final inspection before delivery.

In addition, Project Management Reviews (PMR) can be conducted every quarter by senior managers and project audits can be performed to verify compliance with customer-specific processes and QMS.

**6.6.5 Information security and data privacy**

Information security and data privacy are critical to business in pursuit of the company's security.

**6.6.6 Security policy**

The Security Policy reiterates the commitment to protect all the information assets that are owned or responsible for; thus, ensuring an efficient, safe and secure working environment for the organisation and its customers. Organisation can deploy a convergent security model to ensure the following:

- Protection to information assets against unauthorized access by deploying adequate security controls covering physical, logical and personnel security
- Compliance to legal and statutory / regulatory requirements across the global operations
- Continuity of operations in line with business requirements and obligations to its stakeholders
- Inclusion of security responsibilities of various departments / individuals to adhere to this policy
- Adequate security awareness and competence among associates at all levels to fulfill these responsibilities
- Avenues for associates and other stakeholders to report security weaknesses or violations
- A robust response framework to handle security weaknesses or violations
- Governance of security performance against appropriate targets and objectives, enabling continuous improvements

This policy would be supported by Security Standards, Procedures and Guidelines and made available to all associates as Information Security Management System (ISMS). Every employee is expected to contribute towards the effective implementation and deployment of these security norms. This ISMS can be periodically reviewed to ensure its continuing applicability and relevance to the operations and evolving stakeholder expectations. This policy can extend to organisation wholly owned subsidiaries, and can be applicable to all its associates, business associates and external parties having access and usage rights to its infrastructure, IT systems and/or information resources. Consequences arising out of violations or contravention to any of the objectives of the ISMS can be equally applicable to all associates globally and external parties.

A comprehensive Information Security Management System (ISMS) framework can be implemented based on the globally recognized ISO 27001:2005 ISMS standard, covering network controls, network privacy, internet security, patch management system and controls against malicious software. Information Security is usually managed by a team of security professionals having industry-recognized credentials such as the CISA, CISM, CISSP, CEH, CBCP etc, and hailing from varied backgrounds and experience, such as application development, Infrastructure services, Networking, Forensics, Legal and Compliance.

**6.6.7 Investing in innovation**

Constant innovation is important for business sustainability, ensuring as it does, the continued relevancy of the company to its customer's needs. Innovation is an important part of the organization and a key enabler of the 'Experience Certainty' proposition. The company should have a well defined processes and a frame work to drive innovation across its diverse businesses.



Organisation can establish a strong organizational focus for innovation which governs innovation processes, sets benchmarks, guides creation of Intellectual Property and facilitates Innovation diffusion. Innovation is delivered through (1) Structured Innovation Engine: Innovation Labs, (2) Innovation Ecosystem and (3) Culture of Innovation: Knowledge Portals, Awards and People Practices. Apart from bringing big benefits to customers, organisation can create over a hundred product patents and its innovative products can win several awards from industry.

#### **6.6.8 Structured for agility**

A key concern that sustained growth engenders is the potential loss of agility in an organization that has outgrown its structure. Another concern is around whether and how the organization will be able to focus on the right sectors for future growth. Both these concerns can be addressed by organization structure which is designed to enhance customer focus, accountability and agility. Organisation can be organized into many small operational units, aligned to the different industry verticals. Each market-facing business unit can own its resources and pursues growth in its respective domain at the best possible pace that the domain can support, with all the agility and focus of a smaller company.

#### **6.6.9 Brand building**

The company can continue to implement global marketing initiatives to promote the organisation brand. All the marketing communications – including advertising, promotions and sponsorships can be understated, designed to strengthen the trust. Organisation can evaluate the health of the corporate brand at regular intervals in select markets. The evaluation is benchmarked against a pre-defined competitive set, and along specific image and personality parameters that include attributes such as 'ethical' and 'trustworthy'. The Company's marketing and communications strategy can be fine-tuned based on findings from this brand survey.

#### **6.6.10 Financial sustainability**

Successful execution of the strategy for sustainable growth requires investments in building capacity, in people and in new business initiatives. Business model should have a financial profile characterized by strong cash generation, low capital needs, low working capital requirements, negligible debt and very attractive return on equity. Equally important, the organisation should have a robust risk management framework using which it scan the environment for potential risks to its sustainability and take mitigative steps.

#### **6.6.11 Strong cash flows**

The company should have sufficient cash from operations to meet its working capital requirements. In addition it should have short term working capital facilities with various commercial banks.

### **6.7 Workforce**

Human capital is the largest factor in any business and the sustainability of revenue growth is directly dependent on the organization's ability to attract and retain the right talent in the right quantity. Organisation should have a highly educated workforce. Organisation should have in place mature processes devoted to attracting, retaining and developing this human capital.

#### **6.7.1 Diversifying the talent pool**

With custom-tailored training programs and greater gender as well as cross-cultural sensitization, organisation should be able to expand the talent pool from which to recruit, in terms of gender, geography and academic discipline. It should be an Equal Opportunity Employer and subscribes to the Code of Conduct in embracing diversity in race, nationality, religion, ancestry, marital status, gender, age, ethnic origin, physical ability and sexual orientation.

Compensation levels should be merit-based, determined by qualification, experience levels, special-skills if any and performance. Gender and any of the other diversity parameters should not play any part in determining compensation levels. The company should have a well-defined Diversity & Inclusion Policy. The Company can offer job opportunities to women returning to the workplace after a break in their careers. There can be a support group for women and minorities, that fosters inclusivity through collaborative dialog and organizes leadership-connects, mentoring, discussion forums, sensitization workshops, wellness sessions and reorientation programs for associates returning to the workplace after long-leave.

#### **6.7.2 Talent acquisition**

The company can attract high quality talent and can successfully scale up the talent acquisition process. The global workforce plan can be structured in alignment with the short, medium and long term business plans. The consolidated requirements can be part-fulfilled by re-skilling / up-skilling existing unallocated associates

and the balance fulfilled through focused drives by the Talent Acquisition Group. Experienced professionals can be recruited through online jobsites, head-hunters, recruitment agencies and through employee reference schemes.

### **6.7.3 Campus commune**

The company can create a professional networking platform for campus recruits to connect, share, explore and collaborate with their peers and associates prior to joining the Company. Campus Commune can aim to engage the campus community and sustain an interest in a career at the company. The platform can provide users with timely information and updates about the Company, Initial Learning Program (ILP), applicable processes and other pertinent topics of interest.

### **6.7.4 Learning & development**

Integrated Competency and Management System enables systematic tracking of the training roadmap of the Company's large workforce, while integrating skill assessment and individual development and providing employees an end-to-end view of their learning and competency development needs, as well as their progress against the plan.

At the start of the year, every employee in consultation with her/his supervisor, can work out a learning and development plan for the year, based on their interests and aspirations as well as the needs of the specific project / Business Unit. Thereafter, the employee can go through various training sessions and workshops as outlined in the plan. These could be through e-learning sessions through in-house Learning Management System, external certifications; classroom sessions conducted by various technical centers of excellence within the company or Management Development Programs (MDPs). Each associate can be assessed biannually on the progress made against this plan.

The company can place significant emphasis on training and grooming employees at all levels with a long term perspective that develops the right competencies which help individuals drive growth in their careers and realize their potential in different ways to support their continued employment and post retirement phase. In addition, HR can also organize multiple programs on financial management, health and other areas that assist them in managing career endings.

### **6.7.5 Talent retention**

The organisation should view talent retention as another critical success factor – as important as talent acquisition – and can invest heavily in building an employee-friendly culture and developing mature people-processes towards improving it. Employee retention can be enhanced through a wide range of competency enhancement and career growth options, role mobility, challenging assignments, competitive and differential compensation, flexible working hours, a collaborative work environment, rewards, recognition and benefits.

### **6.7.6 Career development**

Career management process should operate with the philosophy of facilitating employee's career growth in the organisation. Career Hub can provide a framework to help employees learn and grow. It can operate in a dynamic manner to provide timely updates to fuel and fast pace employees' career in the organization.

### **6.7.7 Competitive compensation model**

The organisation should attract and retain talent in a highly competitive labor market. To ensure competitiveness in the pursuit of talent, the company should regularly benchmark its compensation plans and benefits with those offered by peers to ensure that competitiveness. There can also be a skill-based allowance for employees possessing niche skills, designed to motivate employees to acquire marketable skills thereby benefiting themselves as well as the company.

### **6.7.8 Reward and recognition**

Subscribing to a performance based culture; the company can have several schemes for recognizing and rewarding employees. Some of the popular awards can be Star of the Month and Quarter Awards, On the Spot Award, Best Program and Project Manager Awards, Star Team Award, Beyond Performance Award, Service Awards, appreciation certificates. Associates can choose their reward from a variety of redemption options ranging from electronic items, utility products, gift vouchers, travel accessories, charity and more.

Other forms of rewarding outstanding performance include fast-track promotions, sponsorship of external training and certification programs, assignment to key positions, membership to professional bodies, sponsorship to international conferences, public announcements of individual/team achievements on the intranet, internal magazines, town hall meetings and so on.

### **6.7.9 Challenging assignments**

The importance of work content and an individual's quest for self-actualization can never be overstated. By virtue of its broad footprint across geographies, across industries and appetite for executing large complex projects, the organisation can offer plenty of opportunities for ambitious individuals who seek challenging assignments and exposure to different kinds of roles, technologies and geographies. This can be an important aspect of best-in-class ability to retain high performers.

### **6.7.10 Employee engagement and motivation**

Communication within the organisation can be through internal social networking portal. From the traditional one-dimensional mode of communicating to multi-dimensional engagement, the organization can cater to its large audience through this social network. Employees across the globe can now post their views, suggestions and questions at one place, and also expect to get feedback through comments and answers from other associates. Senior leadership can engage regularly with associates through blogs and live chat sessions, which can ensure that the voice of a regular associate is not just heard, but 'actioned' upon by the top management. Besides, the simplification journey within the organisation, employees will get their work done faster, in a more efficient way through effective and easier processes. Employee retention and motivation are greatly facilitated through closer engagement with employees and by fostering a spirit of community, through shared activities outside of work. Organisation can sponsor picnics and social gatherings at every location so employees and their families get together under informal settings.

### **6.7.11 Commitment to Human Rights**

A strong commitment to human rights is an integral part of the Code of Conduct. The policy is applicable to organisation, its subsidiaries and vendors. The Company's commitment to follow the basic principles of human rights is reflected in the checks and balances and grievance redressal systems within the HR processes. The Company does not carry out formal human rights reviews or impact assessments. The commitment to human rights is embedded in the 'Tata Code of Conduct', adopted by the Company. All employees, including security personnel, are sensitized to human rights as part of their orientation program. With respect to vendors, company follows a rigorous screening process before entering into a business relationship. All the contracts that are entered with vendors require the vendor to comply with the relevant laws safeguarding labor rights and human rights in their respective jurisdiction.

## **6.8 Employee wellness and safety**

### **6.8.1 Health and wellness**

The company should take an active interest in the wellbeing of employees and support athletic and sporting events at the national, regional and local level. The company should encourage employees to participate in these activities on a regular basis and stay fit. The focus on a culture of fitness translates into a myriad of activities, from yoga to aerobics; from tennis and badminton coaching to cricket and football tournaments.

### **6.8.2 Occupational Health & Safety**

The company should have an integrated management system including an occupations health and safety management system as per OHSAS 18001:2007 standard. This forms the bedrock towards driving OHS as an integral part of the roles and responsibilities of each stakeholder across the organization. All facilities located in various geographies should track and comply with all local legal and statutory requirements related to occupational health and safety and strive for 'beyond compliance' leadership.

The cross-functional Corporate Sustainability Council can be responsible for outlining strategies and deploying OHS improvement initiatives across the organization and the Board-level Health, Safety and Sustainability committee reviews to ensure governance. To ensure centre-level focus, each certified location should have a HSE committee, appointed and chaired by the Centre Head. This cross-functional team can oversee the deployment of HSE processes and initiatives, monitors the performance and spearheads the continual improvement plans for that center.

The key generic H&S risks which have been identified as typical to organisation nature of operations include ergonomic risks arising due to computer usage, indoor air quality & fire risk typical to an office building and general office risks including slips, trips, falls, electrical shock, etc. Hazard identification and risk assessment can help to identify each such risk and ensure that proper mitigation measures are put in place to create a healthy and safe work environment.

## **6.9 Community**

Various CSR initiatives can be initiated through volunteering, sponsorships in the areas of education & skill building, health, environment and affirmative action. A trust can be formed which provides aid and

assistance to various non-government organizations working in the areas of education, healthcare and livelihoods.

#### **6.9.1 Direct and indirect economic impact**

The most significant, direct economic impact the company have is the productivity benefits that clients gain from the automation of their various business processes. Greater cost-efficiency and productivity at a firm-level translates into higher productivity for the larger economy. Therefore, the company can have a significant role in the transformational phase of the global economy, marked by significant productivity gains.

#### **6.9.2 Direct and indirect employment**

The company strategy of tapping into the local talent in each delivery location can result in a largely balanced, positive economic impact through employment generation both direct and indirect. Direct employment results in the creation of tens of thousands of white-collar jobs, broadening the tax collections at the local, state and central levels.

#### **6.9.3 Infrastructure development**

The setting up of delivery centers at various prime locations promotes infrastructure development to accommodate the resultant growth within the communities. Local municipalities respond to the growing needs of the community. An improvement in transport infrastructure and connectivity as well as an improvement in electricity and water supply can be expected outcomes of the growth. Private and public sector partners respond to these developments by offering their services in areas including telecom, healthcare, education etc.

#### **6.9.4 Intangible benefits**

The company associates are well educated, well groomed young professionals. Almost a one third of the Company's workforce can comprise of women. The experience of working within a global company and among highly qualified individuals allows employees to redefine preconceived notions and broaden their horizons. The evidence of social progress and individual prosperity influences parents to invest in their children's education. Girls in traditional communities find inspiration to seek higher education and pursue corporate careers. As a result there is a positive impact on community outlook and behavior.

### **6.10 Environment**

The company can view sustainable growth as an imperative for a sustainable future. The key pillars of successful environment sustainability can be a senior management commitment and an integrated management systems approach guided by the Environmental Policy and certified for Environment Management System (EMS) under ISO 14001:2004. With a strong focus on energy efficiency, LEED certified green infrastructure and green IT, the company can strive towards reducing its specific energy and carbon footprint. The company can continue to maintain its focus on water efficiency and reducing the demand on fresh water through wastewater treatment and closed loop recycling. Through building effective waste management capabilities aligned to the 3R principle, it can aspire to become zero waste discharge. Focus on the supply chain in extending the influence continues through communication and engagement.

#### **6.10.1 Carbon & energy management**

Office buildings offer significant energy efficiency opportunities in new as well as existing buildings. New buildings can be designed for higher energy efficiency; existing buildings can be upgraded to improved building and energy management systems. Energy in the form of electricity is a key resource which is essential for business operations. It is also the single largest contributor towards carbon footprint. Energy management has been identified as a key focus area and the company can take up the objective is to reduce the energy footprint through various measures like green building infrastructure, green IT, operational energy efficiency, etc.

#### **6.10.2 Green buildings**

Organisation can view green infrastructure as a key tool for sustainable growth by reducing the ecological footprint of office spaces. New offices can be designed as per LEED Green Building standards for high energy and resource efficiency. Energy efficiency is a key criterion for new leases of office spaces. Some key features of the green buildings include energy efficient design of building envelope, energy efficient electrical and mechanical equipment, onsite renewable energy (rooftop solar photovoltaic panels), solar thermal installations (hot water generators), chiller waste heat recovery units, solar PV based peripheral lighting.

## **6.11 Energy efficiency**

### **6.11.1 Efficient operations**

Effective operational controls are as important as efficient design to maximize the performance and derive eco benefits. In order to optimize performance, the company can follow a multi-pronged approach. The campuses can be equipped with remote energy monitoring and management system which is closely controlled and analysed to ensure maximum energy efficiency. A remote energy monitoring system can be deployed which are identified as power guzzlers along with energy audits to identify opportunities towards energy efficiency. Apart from this, control measures can be implemented across all locations include optimization of HVAC operating hours to ensure energy saving without compromising on thermal comfort as per building standards, optimization of illumination levels to meet work environment guidelines as well as energy efficiency codes, installation of Variable Frequency Drives (VFD) in air handling units, power factor management, energy efficient lighting fixtures, remote desktop power management, and employee engagement

### **6.11.2 Renewable energy**

The energy efficiency measures help us reduce the carbon footprint, but use of energy is inevitable for the operations and hence to further mitigate the climate impact, renewable energy can be considered as a substitute for high carbon energy. Believing in making a difference wherever possible, small renewable energy installations can be installed across different offices including solar peripheral lights, solar electrical fencing system, solar hot water generators, etc. At the campuses, roof-top solar power plants can also be installed to cater partly to the energy demand.

### **6.11.3 Water Performance**

The pillars of organisation water target are water efficiency by design in new offices/campuses, 100% treatment and recycling of sewage and rainwater harvesting. Fresh water comes through various sources like municipality or the industrial development authority, water tankers, bore-wells, and packaged drinking water.

Some of the steps that can be taken to reduce fresh water consumption include: (1) Dual plumbing in toilets so that recycled water can be used for flushing, (2) Low flow water taps with variable output and sensors, (3) Drip irrigation system for landscape watering, (4) Regular maintenance of water pumps to maintain high efficiency, (5) Providing sewage treatment plants where feasible and use of treated sewage for non-consumptive uses like cooling tower make-up, toilet flushing and gardening, (6) Employee involvement in water conservation measures through engagement and awareness.

## **6.12 Waste management**

The types of wastes in office-based operations can be municipal solid waste (MSW), electronic and electrical waste (E-waste) and a small proportion of potentially hazardous wastes like lead-acid batteries, waste lube oil, etc. Municipal solid waste today is a growing concern with limited landfill space available. It is one of the contributing factors for global warming and climate change. Organisation sustainable waste roadmap can emphasize on the 3R principle to mitigate emissions and to achieve the goal of “zero waste to landfill”. The first step to any waste management practice is waste segregation at source. The technology selected depends upon the space availability and the estimated food waste generation.

### **6.12.1 Paper management initiative**

Focus can also be on reducing paper consumption primarily since paper manufacturing involves cutting trees, generates high levels of pollution. This would also help us to reduce cost. Paper management is based on the waste management hierarchy with waste reduction at the pinnacle. Much of this reduction can be attributed to migration of many paper-based processes to automated ones, reduced demand by clients to provide multiple hard copies of documents and migration to soft copy formats rather than hard copies. However, a key reduction has been achieved through creating awareness among associates and also enforcing printing discipline through automated as well as manual means. The paper waste which is generated is carefully segregated, shredded and sent for recycling. In some cases, they are sent to NGOs which also supply stationery items (notepads, files, etc.) made from recycled paper back to the organisations.

### **6.12.2 E-waste management**

Management of E-waste is as per organisation E-waste Management policy which complies with the WEEE directive / local regulations, various country regulations, including the Government of India's E-waste (Management and Handling) Rules, 2011. E-waste dismantlers and recyclers undergo a due-diligence audit process to verify their HSE legal compliances through a desktop review and a site audit, thereby extending 'duty of care' to the supply chain. HSE process deployment and effectiveness is also evaluated over and above

compliance. Those found to be lacking at basic deployment rigor and effectiveness are excluded from the disposal contract process.

### **6.12.3 Hazardous waste management**

For India operations hazardous wastes (as defined by regulations) are handled and disposed of as per the Hazardous Waste Handling and Management Rules, 2008, only through government authorized vendors. Organisation can conduct compliance and site audits before registering hazardous waste vendors as a part of its supply chain sustainability drive. Similarly, appropriate local regulations can be followed in other geographies where applicable.

## **7. Supply chain sustainability**

As part of the business sustainability approach, organisation can embark on a journey of extending its sustainability responsibility to its supply chain with an expectation that its vendors and contractors conduct their business in socially and environmentally responsible manner. Organisation values the contributions from its existing and potential supply chain partners in its current and future business growth. The supply chain sustainability program is directed towards engagement and capacity building where supply chain partners are required to attain the expected level of performance. This can be done in a phase wise manner through engagement and capacity building where required.

Organisation should communicate its expectations on sustainability to all of its vendors and help them to build their sustainability performance to align with organisation expectations. The sustainability requirements in the form of the supplier Code of Conduct, Contractor HSE requirements can be an integral part of vendor contracts and all vendors must sign-off and agree to abide by these requirements as a part of the engagement with the organisation. Desktop assessment can be conducted for some vendors where the impact on organisation is indirect and site/process audits/reviews can be conducted for high risk vendors with direct impact on organisation like hazardous and e-waste recyclers, canteen, facility management and transport service providers.

## **VII. Recommendation**

In the 21st century, business sustainability needs to be understood in terms of the environment, economic development, human rights, women's empowerment, and rule of law. Smart businesses are incorporating these broader principles of sustainability into their business decisions, and developing practical standards and metrics to help apply these principles in practice. These measures work to maximize opportunity and minimize the negative impact their core businesses have on the environment, the community and the economy in places where they operate.

## **VIII. Conclusion**

In this paper we discuss the relation between corporate sustainability strategies, corporate competitive strategies and sustainability aspects. In doing so, we think we can support a company in becoming a sustainable corporation. Profiles and maturity levels for corporate sustainability strategies are developed. They are based on maturity levels and divided into introverted, conservative, extroverted and visionary sustainability strategies. The relationship of these strategies to competitive strategies of cost leadership, of product differentiation or of hybrid strategies is analysed. The maturity levels of corporate sustainability strategies and their relation to competitive strategies are both helpful in the process of strategy planning and strategy deployment in the case of developing a sustainable corporation. Taking them simultaneously into account, it can be assured that a sustainability strategy fits in an appropriate way to the general strategic orientation of the firm.

## **References**

- [1]. Baumgartner RJ. 2009. Organizational culture and leadership: preconditions for the development of a sustainable corporation. *Sustainable Development* 17: 102–113.
- [2]. Ebner D, Baumgartner RJ. 2006. The Relationship Between Sustainable Development and Corporate Social Responsibility. [www.crrconference.org](http://www.crrconference.org)
- [3]. Labuschagne C, Brent AC, van Erck R. 2005. Assessing the sustainability performance of industries. *Journal of Cleaner Production* 13(4): 373–385.
- [4]. Laufer WS. 2003. Social accountability and corporate greenwashing. *Journal of Business Ethics* 43(3): 253–261.
- [5]. Porter ME. 1985. *Competitive Advantage: Creating and Sustaining Superior Performance*. Free Press: New York.