

DOI:10.29013/ESR-25-3.4-57-60



BUSINESS SOCIAL RESPONSIBILITY AND ITS ENVIRONMENTAL ASPECTS

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Cite: Makatsaria N., Neli Sesadze N., Beridze L. (2025). *Business Social Responsibility and its Environmental Aspects*. *European Science Review* 2025, No 3–4. <https://doi.org/10.29013/ESR-25-3.4-57-60>

Abstract

At the current stage of development of socio-economic relations, the social responsibility of business is quite relevant not only for individual countries, but also at the global level. The ultimate goal of the activities of modern business entities is not only to make and maximize profit. Business entities are trying to actively engage in various social activities, increase their social responsibility to stakeholders and society, and raise their awareness among consumers and society. The article emphasizes that social responsibility of modern business covers various aspects, but among them environmental aspects are quite popular and widespread in international practice. Our research provides evidence of why the importance and popularity of active recreation is growing in connection with the concept of sustainable development as part of the global agenda.

Keywords: *Business social responsibility, environmental aspects, environmental responsibility*

Introduction

In addition, corporate social responsibility implies the participation of an economic entity in solving social, environmental and economic issues not related to its core business. The degree of participation largely depends on the size of the company itself, its mission and goals, as well as the social “history” of the company. Companies that are most successful in meeting their social responsibility select causes that are consistent with their core values and their employees’ interests and skill sets (Scarborough & Cornwall, 2018, p. 92).

In today’s global business world, companies (corporations) strive to gain competitive advantages, improve the quality of their activities in the field of social and cultural events, and increase the „social value“ of their products.

Research Methods

Firstly, the study assesses the social responsibility of business and its environmental aspects, identifies the concept of social responsibility of business and its features, which are widespread in foreign countries

and are widespread in developing countries, including Georgia.

The study used materials published in international and domestic scientific journals, including articles by Georgian and foreign scientists on issues of social responsibility of business and measures to protect the environment, the results of studies by international rating organizations, as well as Statistical data. The study is based on the processing of secondary analytical materials from open sources. The methods of deduction and induction, analysis and synthesis were used in the study.

Results Analysis

As is known, social responsibility of business includes:

1. **Economic responsibility** – Business leaders should make significant efforts to strengthen economic responsibility by making financial decisions, such as: full payment of taxes, full and fair payment of dividends and ensuring stable development of the company. In addition, economic responsibility implies the practice of making financial decisions based on the implementation of good deeds for the benefit of society.

2. **Social responsibility** – implies the development of corporate culture, respect for the freedom and equal rights of employees, the fight against discrimination against employees, the production of safe products in order to care for the health of consumers. In addition, business and society are correlated with each other.

3. **Environmental responsibility** – refers to a company's commitment to sustainable development and environmental protection.

Environmental responsibility implies the rational use of natural resources for the purpose of their protection and conservation, the use of advanced technologies to reduce harmful substances and waste, the restoration of damaged natural objects and compensation for damage already caused, as well as other measures to protect the environment.

Environmental aspect includes natural resource use, environmental management, and pollution prevention of air, water, land and waste (Bahaduran & Waqqas, 2013, pp. 92–97). Every year, more and more companies are adopting sustainable development practices and are committed to considering

the consequences of their environmental impact at every stage of their business.

4. **Moral and ethical responsibility** – implies compliance with generally accepted moral and ethical standards, the fight against corruption, the encouragement of fair competition, the rejection of dumping prices and false information advertising, etc. Establishing ethical standards is only the first step in an ethics-enhancing program; implementing and maintaining those standards is the real challenge facing management (Scarborough & Cornwall, 2018, p. 90). Business ethics includes standards of conduct and moral values that guide business people in making decisions and solving problems.

Responsibility to society and future generations – includes the obligation of companies to preserve and improve the natural and economic environment, as well as to protect spiritual and material culture for future generations.

From the above dimension, companies improve their image, social trust and customer loyalty when they build strong community relationships by contributing to sustainable environmental practices (Alam & Islam, 2021, pp. 1–16).

Today, the implementation of environmental protection measures, financing of green projects is one of the dominant issues for both developed and developing countries. In addition to the governments of various countries, international organizations such as the United Nations and its structural agencies, international financial and credit organizations, specialized organizations, etc. are actively involved in regulating environmental issues.

The European Union document on corporate social responsibility reflects a new approach, which no longer refers to corporate social responsibility as a voluntary action. However, there are different approaches to this depending on the countries. National policies and strategies for corporate social responsibility depend largely on the political and institutional context of the respective country. Depending on the country, individual instruments of corporate social responsibility policy vary across EU Member States, even in terms of application. At the current stage of development of socio-economic re-

lations, many states, including the countries of the European Union, play an important role in supporting and encouraging business entities to conduct business in a socially responsible manner. The European Union and the European Commission have prepared a number of documents on this issue.

The environmental aspects of corporate social responsibility involve gaining a company's competitive advantage and increasing business social responsibility, reducing harmful impacts on the environment, and continuously improving the company's operations. Companies not only manage the interest of employees and shareholders but are also responsible for the social and environmental dimensions in their operations (Marrewijk, 2003, pp. 95–105).

The concept of environmental management of a company is part of the overall management of the company and includes the organizational structure, responsibilities and duties, methods and procedures, direction and resources for the development and implementation of environmental policies. CSR and sustainable development – both include three areas – economic, social and environmental. However, sustainability is often used as a synonym for corporate responsibility in the context of companies. As CSR issues become increasingly integrated into modern business practices, there is a trend towards referring to it as “responsible competitiveness” or “corporate sustainability” (Hohnen & Potts, 2007, p. 4).

In addition, the implementation and management of environmental protection measures is an integral part of the global agenda – sustainable development. By implementing a social standard, a company publicly declares its commitment to environmental protection, minimizes harmful impacts on the environment, ensures the creation of a safe environment for future generations and promotes sustainable development (Nozadze, Giorgidze, & Kapanadze, 2025, p. 2).

It is important to note that the social responsibility of business and its environmental policy are related to new financing methods and the introduction of new, innovative financing and lending instruments. Accordingly, green and blue bonds, green credits and green insurance are actively used to finance these activities. Among them, one of the most

common innovative financial instruments for financing is green bonds. The capital raised through the issuance and sale of green bonds is used to finance environmental projects, and the use of this cash capital for other purposes is prohibited. “In effect, companies should set up their environmental values and behaviors in line with the green innovative expectations of society (Fosu, Fosu, Akyina, & Asiedu, 2023).

In the process of issuing and circulating green bonds, companies take into account the Green Bond Principles, developed by the International Capital Markets Association. The GBP recommend a clear process and disclosure for issuers, which investors, banks, underwriters, arrangers, placement agents and others may use to understand the characteristics of any given Green Bond (The International Capital Market Association (ICMA, 2021). The GBP emphasizes the transparency and accuracy of information that green bond issuers must provide to stakeholders.

At the present stage of socio-economic development, the concept of corporate social responsibility has become widely ingrained in the practice of both developed and developing countries. In 2007, the Georgian representative office of the UN Global Compact program “Global Compact – Georgia” was established in Georgia. Currently, more than 40 local organizations are members of the organization. Its goal is to popularize the topic of corporate social responsibility in Georgia and introduce the practice of drawing up international social reports. In addition to the above, Georgian business entities, with the assistance of international organizations, widely take into account aspects of sustainable development and environmental protection in their activities. In Georgia, with the help of international organizations and a number of leading countries, the concept of sustainable and green financing has been formed and is developing (Kutateladze, Nozadze, Chelidze, & Beridze, 2025, p. 60).

It is important to note that these documents are advisory in nature, however, if a green bond issuer wants to certify it, it is required to undergo an audit by the CBI–Climate Bond Initiative to ensure that the bonds it issues meet predetermined sustainability criteria (Nozadze & Samchkuashvili, 2025, p. 7).

We believe that social projects implemented through the joint efforts of the Georgian

government, international organizations and business entities will be an important factor in the socio-economic development of Georgia. Social responsibility practices not only increase a company's awareness and popularity, but also, most importantly, help organizations operate more sustainably.

Conclusions

– The concept of corporate social responsibility is inseparable from the concept of sustainable development. Corporate responsibility is usually understood as the contribution of business to achieving sustainable development goals.

– This has already become a common and widespread form of doing business. An active marketing tool that allows you to gain a market advantage in the face of increased competition, since the product acquires additional social value.

Environmental problems are a global problem. Modern environmental management considers the environmental elements of management at the strategic, operational and institutional levels. Its goal is to gain social legitimacy and competitive advantage, minimize negative environmental impacts and continuously improve company operations.

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submitted 17.04.2025;

accepted for publication 01.05.2025;

published 31.05.2025

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