CORPORATE ENVIRONMENTAL RESPONSIBILITY A COMPARATIVE STUDY BETWEEN UNILEVER PAKISTAN AND PROCTOR AND GAMBLE PAKISTAN

A thesis submitted to Bahria University, Islamabad in partial fulfillment of the requirement for the degree of MS in Environmental Policy and Management

Bushra Sarwar

Department of Earth and Environmental Sciences
Bahria University, Islamabad
2012

ABSTRACT

Today the world is facing challenges of increasing environmental issues which are not only impacting our health but also our business and trade. But the environmental management provides solutions for the organizations to develop such tools and strategies that help them out in solving those problems. Corporate Environmental Responsibility (CER) is an emerging tool that helps organizations to adapt environment friendly activities in their routine. This study has analyzed that how the organizations are doing with CER and what is the practical implication of this tool also this study will definitely help the organization in performing their tasks more efficiently and effectively? The theoretical framework is composed of the stakeholder's theory, shareholders theory and the theory of common good and their relationship with research topic.

The current study has chosen Unilever Pakistan and Proctor and Gamble Pakistan to observe their practices to control environmental degradation. Conceptual framework consists of definition of environmental responsibility and the environmental factors that influence the performance of any organization.

Content analysis was used to identify the ongoing practice and processes and their impact on the environment and Semantic differential scale is used to analyze data. The results were not satisfactory in terms of budget allocation for corporate social and environmental responsibility. Hence, it was concluded that these organizations have to meet the international standards to be called environmentally responsible organizations. However recommendations are made to help organizations and open new horizon of research in this area.

ACKNOWLEDGEMENTS

All praises to Allah for the strengths and His blessing in completing this thesis. Special appreciation goes to my supervisor, Ms. Fiza Sarwar, Lecturer, Department of Earth and Environmental Sciences (E&ES), Bahria University, Islamabad for her supervision and constant support. Her invaluable help of constructive comments and suggestions throughout the research works have contributed to the success of this research. Not forgotten, my appreciation to my co-supervisor, Prof. Dr. Zafar Iqbal, Department of Socialogy, International Islamamic University, Islamabad for his patient guidance, enthusiastic encouragement and useful critiques and knowledge regarding this topic.

Sincere thanks to all my friends and others for their kindness and moral support during my study. Thanks for the friendship and memories.

Last but not least, my deepest gratitude goes to my beloved father; Mr. Ghulam Sarwar Khan and also to my sisters for their endless love, prayers and encouragement.

To those who indirectly contributed in this research, your kindness means a lot to me. Thank you very much.

ABBREVIATIONS

CER	Corporate Environmental Responsibility
CSER	Corporate Social and Environmental Responsibility
COD	Chemical Oxygen Demand
EMS	Environmental Management System
FMCGs	Fast Moving Consumer Goods
GHG	Green House Gas
MNCs	Multinational Corporations
NGO	Non-Governmental Organization
PET	Polyethylene Terephthalate
P&G	Proctor and Gamble
PVC	Polyvinylchloride
RTC	Regional Technology Centre
SER	Social and Environmental Responsibility
SER	Social and Environmental Reporting
SHE	Safety Health and Environment
TNCs	Transnational Corporations
TPM	Total Productive Maintenance
UPL	Unilever Pakistan Limited

CONTENTS

ABSTRACT		i
ACKNOWLEDGEMENTS		ii
ABBREVIATIONS		iii
CONTENTS		iv
FIGURES		vi
TABLES		vii
CHAPTER 1		
INTRODUCTION		
1.1	Background	1
1.2	Rationale for the study	2
1.3	Proctor &Gamble	2
1.4	Unilever	3
1.5	Problem statement	4
1.6	Significance of the study	4
1.7	Objectives	5
CHAPTER 2		
LITERATURE REVIEW		
2.1	Introduction	6
2.2	Sustainability and sustainable development	6
2.3	Defining corporate environmental responsibility	8
2.4	Environmental issues and multinational companies	9
2.5	Environmental and social reporting	13
2.6	Corporate environmental responsibility and competitive advantage	13
2.7	Theoretical framework	14
2.8	Research questions (RQs)	17

CHAPTER 3

METHODOLOGY

3.1	Introduction	19
3.2	Population	20
3.3	Sampling	20
3.4	Unit of analysis	20
3.5	Conceptualization	20
3.6	Variables	28
3.7	Coding categories	28
3.8	Data analysis	29

CHAPTER 4

RESULTS AND DISCUSSION

4.1	Five year analysis of Unilever Pakistan	31
4.2	Five year analysis of Proctor and Gamble Pakistan	41
4.3	Proctor and Gamble Pakistan vs. Unilever Pakistan Limited	48

CONCLUSIONS 52

RECOMMENDATIONS 53

REFERENCES 54

FIGURES

	Page
Figure 3.1. Corporate responsibility	20
Figure 3.2. Derivation of corporate environmental responsibility.	23
Figure 3.3. Indicators of corporate environmental responsibility.	25

TABLES

Page

Table 3.1. Distribution of scale as per the budget allocated is as following. 30

Table 4.1. Environmental performance of Unilever Pakistan in 2007. 32

Table 4.2. Environmental performance of Unilever Pakistan in 2008. 33

Table 4.3. Environmental performance of Unilever Pakistan in 2009. 35

Table.4.4. Environmental performance of Unilever Pakistan in 2010. 38

Table 4.5. Environmental performance of Unilever Pakistan in 2011. 40

Table 4.6. Environmental performance of Proctor and Gamble Pakistan in 2007. 42

Table 4.7. Environmental performance of Proctor and Gamble Pakistan in 2008. 43

Table 4.8. Environmental performance of Proctor and Gamble Pakistan in 2009. 45

Table 4.9. Environmental performance of Proctor and Gamble Pakistan in 2010. 46

Table 4.10. Environmental performance of Proctor and Gamble Pakistan in 2011 47

Table 4.11. Budget comparison of Unilever and P&G w.r.t. % allocated to CSR 48