

CORPORATE SOCIAL RESPONSIBILITY: GOVERNANCE FOR SUSTAINABILITY - THE NOSA PERSPECTIVE

INTRODUCTION

Corporate social responsibility initiatives in the South African context can be best defined by analysing the social landscape, needs and desired pathways to sustainable development.

South Africa is a unique nation, straddling both First World standards and Developing World issues. We have a vibrant business community that has produced notable players in the international arena, prominent examples being mining houses like De Beers and Anglo-American and brewers like SAB. At the same time we face social challenges common to any developing nation, the history of racial strife and associated inequities, poverty and the scourge of AIDS/HIV. Challenges that put people at the forefront, and highlight the need for development. The private sector has an important role to play and to some extent become a motivator and generator of equitable and sustainable socio-economic development opportunities.

It is important to note, that in South Africa, as is the case everywhere else, the corporate world is not homogenous. Different players perform different roles and in turn can fulfill their obligations as responsible corporate citizens in a multiplicity of ways. My presentation focuses on the services sector. Drawing from our own experience as a service provider in the fields of occupational health and safety, environment and quality assurance, we have gained useful insights into the developments, challenges and limitations prevailing in our country's corporate society.

THE WORLD OF NOSA

NOSA is in the unique position of being at the vanguard of SA industry's tackling of the sustainability/social corporate governance issues. We offer various products and services ranging from system development, training, auditing and certification on management systems ranging from quality to safety health and environment.

Our flagship product, the NOSA Integrated Five Star System has allowed industry to forge ahead in this relatively new and exciting area of sustainable business practice. Improvements in broad risk management can be readily translated into social gains, by producing measurable outcomes.

The very area of sustainable business practice has forced NOSA to change its entire product focus over the past few years – in many ways for the better of the company and, in doing so, allowed it and, in turn, South African industry into world-class players. Performance indicators are constantly aligned with recognized criteria published by stock exchanges etc.

SOUTH AFRICAN PERSPECTIVE

South Africa, particularly in the business/industrial sector, manages to straddle both First World standards and Developing World issues; somewhat akin to similar socio-industrial scenarios to be found in a few other countries like Brazil, India and Mexico; and this too has shaped how South African business/industry has taken the corporate/'social responsibility' dichotomy on board.

The uniqueness of the South African situation can be illustrated by the co-existence of world-class manufacturing with developing country challenges. Poverty and limited access to public health-care for some sections of the population are juxtaposed with hi-tech manufacturing. This requires sensitive and responsible corporate citizens. The challenge is not only to operate in a responsible manner but also to participate in the redressing of historic imbalances and invest in people to secure a sustainable future.

Consequently the profound differences present unique challenges to SA industry. For as long as people, or the majority of the population remain in pursuit of survival issues, the broader green concerns will appear mundane and secondary. However, the reckless pursuit of development at the expense of the environment is undeniably shortsighted.

Social responsibility and environmental awareness/sustainability are inextricably linked. South Africa, both at societal level and the business sector, is slowly warming up to the

dissolution of the false dichotomy. The very issue of 'sustainability' itself has only gathered momentum very recently, and, in many regards, is in the 'lip service' phase at both corporate and governmental levels. The latter might be an unfair generalization, as reference must be made to the growing number of shining examples illustrating how both industry and government have tackled the issues surrounding sustainability in recent years.

Issues that afflict other developing nations are also continuing to hamper South African industry in its ability to proactively embrace the cause of social corporate governance – poverty, high rates of unemployment and illiteracy, a still-polarized racial divide (although in far better harmony than in apartheid-era SA), a still-high level of ignorance about environmental and sustainability issues amongst ordinary South Africans across colour lines, mostly due to a lack of awareness (a fault of both government and industry) and, the issue at the crux of nearly everything in SA today, the exploding AIDS crisis. *It must be stressed that the AIDS issue alone could completely set back, if not kill, the development of a sustainability and corporate social culture in SA, as both government and industry try to furiously tackle the ever-growing financial, socio-economic, human resource and even, ultimately, the environmental costs that the epidemic will yet unleash on SA.* Even under these circumstances there is room for optimism, given some of the initiative shown in SA, most especially by industry (for example, as the government continues its embarrassing foot-dragging on 'whether or not HIV causes AIDS or not', so many corporations and even local government entities have sought to give their employees or citizens the proactive AIDS awareness, training, preventative measures and, in some instances, even the anti-retroviral medication that is required).

THE WAY FORWARD

NOSA has played an enormous role in industry, at first in South Africa and later on internationally as well, in the development and sustaining of the corporate social responsibilities over the period of 51 years.

The recent tide of sustainable business practice has forced NOSA to change its products – and this for the better of the company. This acknowledgement of the significance of corporate social responsibility within the sphere of governing for sustainability steered

NOSA in the direction of assisting companies in developing and sustaining integrated risk management systems. The NOSA Integrated Five Star System enabled companies to take on a more holistic and proactive approach in their risk management and, in doing so took on a culture of social corporate governance and overall sustainability within their management structure.

The very staff complement of NOSA has become more diversified and, as a result, more proficient in the sustainability field in recent years and, perhaps most excitingly, the 'more sustainable road' taken on by NOSA with its product and service range in recent years has allowed it to tackle formerly uncharted international business territories, in places like South America, the Far East, Australia and, perhaps most interestingly, in the rest of sub-Saharan Africa itself. This has allowed NOSA to 'spread the (good) word' about the NOSA Integrated Five Star System to other countries across the globe and, in doing so, raise the profile of SA industry abroad. (For example, South African Breweries is imposing the NOSA integrated standard as the corporate standard to follow in its many breweries throughout Africa, Europe and China). Also, NOSA has been able to further diversify its capacity by assimilating with, and adapting to, the corporate practices (including those of environmental and social governance) of other countries and corporate cultures;

The upcoming WSSD conference to be held in SA will force SA industry to sit up and take more notice of these issues called 'sustainability' and 'social corporate governance'. This can only be a good thing and it is hoped that SA business and industry will play a positive and proactive role at the scheduled industry-related seminars and debates to be held as part of the overall WSSD schedule. NOSA will take every opportunity to be there and to make its contribution to what it believes will be a very important world event, not only for governments and peoples worldwide, but for world industry and business too.

CONCLUSION

The prevailing goal of any corporate enterprise is to ensure a competitive return on investment for its shareowners. In realizing and accepting that socio-economic realities are very different in countries like SA, industry in these developing countries is more likely to give true meaning to the efficacy of 'corporate social responsibility' within the greater quest for true corporate sustainability.

Enrico du Plessis,
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The role of forging this corporate social responsibility is very much in the hands of industry in SA. NOSA, with its integrated products and services, is proud to be an active part of this transformation in SA industry and will endeavor in its quest to provide SA corporate citizens with some of the means by which companies can more realistically attain true corporate social responsibility.