



BBA

Semester VI

Calicut University

Business Environment

Course Code: BBA6FV110 • Module 4 Notes

1. Natural Environment and Environmental Regulations

The Natural Environment includes physical geography, climate, natural resources, water availability, and ecological balance. Industrial growth has historically exerted extreme pressure on natural ecosystems, making environmental protection a primary business compliance requirement.

Major Environmental Protection Enactments in India

Statute / Enactment	Primary Objective	Key Compliance Impact on Businesses
The Environment (Protection) Act, 1986	Omnibus framework act empowering the Central Government to protect and improve environmental quality.	Mandates Environmental Impact Assessment (EIA) clearance for new industrial projects.
Water & Air (Prevention of Control) Acts	Regulates industrial effluent discharge and atmospheric emissions.	Requires 'Consent to Establish' (CTE) and 'Consent to Operate' (CTO) from State Pollution Control Boards.
Hazardous & E-Waste Management Rules	Governs handling, recycling, and disposal of industrial electronic and chemical wastes.	Enforces Extended Producer Responsibility (EPR) on electronic and plastic packaging manufacturers.

Green Auditing and Carbon Accounting

Corporate environmental compliance extends into quantitative auditing and carbon management:

- Green Auditing:** Systematic verification of an organization's resource consumption, waste management efficiency, and pollution control equipment.

- **Carbon Accounting (GHG Protocol):** Measuring corporate greenhouse gas emissions across Scope 1 (Direct), Scope 2 (Indirect electricity), and Scope 3 (Supply chain) emissions.

2. Sustainable Development and UN SDGs Framework

Sustainable Development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs (Brundtland Commission, 1987).

The United Nations 17 Sustainable Development Goals (SDGs)

Adopted by 194 member nations, the UN SDGs provide a global blueprint for sustainable growth by 2030. Key business-relevant goals include:

SDG 7: Affordable & Clean Energy

Transitioning corporate energy supply from fossil fuels to renewable solar, wind, and green hydrogen power.

SDG 8: Decent Work & Economic Growth

Promoting sustained, inclusive economic growth, full productive employment, and safe working environments.

SDG 12: Responsible Consumption

Ensuring sustainable consumption and production patterns through waste reduction, recycling, and circular supply chains.

SDG 13: Climate Action

Taking urgent corporate action to combat climate change, reduce carbon emissions, and achieve Net Zero status.

3. Sustainability Standards, ESG, and Eco-Branding

Modern capital markets increasingly evaluate corporate performance using Environmental, Social, and Governance (ESG) criteria alongside traditional financial metrics.

Key Sustainability Standards & Certification Frameworks

- **ISO 14001 Environmental Management Systems:** International standard specifying requirements for structured corporate environmental policy, monitoring, and audit systems.
- **Global Reporting Initiative (GRI) Standards:** Comprehensive framework for public reporting of economic, environmental, and social impacts.
- **BRSR (Business Responsibility & Sustainability Reporting):** Mandatory ESG disclosure framework enforced by SEBI for top 1,000 listed Indian companies.
- **Eco-Labeling & Green Branding:** Certification marks (e.g., Indian Eco-Mark, Energy Star, FSC) verifying that products meet strict environmental standards, boosting consumer trust.

4. Green Supply Chain Management and Circular Economy

Transitioning to a sustainable business model requires restructuring supply chains from traditional linear ("Take-Make-Waste") models to sustainable Circular Economies.

The Circular Economy & Sustainable Value Framework

Supply Chain Dimension	Linear Model (Traditional)	Circular Economy Model (Sustainable)
Resource Sourcing	Virgin raw material extraction.	Recycled, renewable, and bio-based inputs.
Product Design	Designed for planned obsolescence.	Designed for longevity, repairability, and disassembly.
End-of-Life Management	Landfill disposal and incineration.	Closed-loop recycling, remanufacturing, and reverse logistics.

Hart & Milstein Sustainable Value Framework

Creating corporate value through sustainability requires balancing four strategic dimensions:

1. **Clean Technology (Future External):** Developing disruptive green technologies for tomorrow's markets.
2. **Sustainability Vision (Future Internal):** Formulating corporate purpose aligned with global environmental needs.
3. **Pollution Prevention (Present Internal):** Minimizing waste and emissions in daily operations.
4. **Product Stewardship (Present External):** Engaging stakeholders across the full product lifecycle.

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