1. INTRODUCTION

Today we are faced with an extraordinary situation. Never before in the history of the World has the viability of the much of the life on this planet been under threat from humanity; never before have so many of the world’s people experienced such material wealth and so many others lived in absolute poverty.

Global environmental degradation is of concern to all countries. The widely publicized environmental crises and problems of the 1960s and 1970s caused many people to fear that pollution had already jeopardized the future of the human race. Although the awareness about environmental and social problems has increased since those years, these threats continue for the humanity. Economic growth causes environmental and social problems to increase.

The critical situation underlined here has been brought about by multiple causes but one important contributing factor is the rise of the corporation. Corporations are the fundamental cells of modern economic life and they are shaping the physical and social world in which we are living by their operations.(Dunphy, Griffits, Benn, 2003) The dynamism of modern organizations has transformed nature and society. The most important question here is whether the current model of the corporation needs to be modified to contribute to the continuing health of the planet, the survival of humans and the other species, the development of a just and humane society.

The aim of this paper is firstly to define sustainable development and corporate sustainability and then to highlight the sustainability efforts of Turkish companies.
2. SUSTAINABLE DEVELOPMENT

2.1. Definition and Historical Background

Economic theory and economic indicators do not explain how the economy is disrupting and destroying the earth’s natural systems. Economic theory does not explain why Arctic Sea is melting. It does not explain why grasslands are turning into desert in northwestern China, why coral reefs are dying in South Pacific. These increasingly visible trends indicate that if the operation of the subsystem, economy, is not compatible with behaviour of the larger system—the earth’s ecosystem—both will eventually suffer.

Today we need a shift in our world view, in how we think about the relationship between earth and the economy. Now the issue is whether the environment is part of the economy or the economy is part of the environment. Economists see the environment as a subset of the economy; ecologists, on the other hand, see the economy as a subset of the environment. (Brown, 2001)

An environmentally sustainable economy requires that the principles of ecology establish the framework for the formulation of economic policy. Although the idea that economics must be integrated into ecology may seem radical to many, evidence is mounting that if the economy continues to grow at this rate, World’s resources will be no longer sufficient to have the same quality of life for all.

Sustainable development has a long history dating back to 1972 Stockholm Conference. The primary accomplishment of the Stockholm Conference was “the identification and legitimation of the biosphere as an object of national and international policy”. (Caldwell, 1990) The term “Sustainable development” was first used in World Conservation Strategy published by International Union for Conservation of Nature and Natural Resources (IUCN), United Nations Environment Programme (UNEP) and World Wildlife Fund (WWF) in 1980. This strategy accepted on the one hand that economic growth was very
important to meet the needs of society, but on the other hand it was impossible to accomplish this objective without protecting the environment. (Van Dieren, 1995)

Its “formal” definition was made in World Commission on Environment and Development’s famous report “Our Common Future”. The Report states that “Sustainable development is development that meets the needs of the present generations without compromising the ability of future generations to meet their own needs”. (WCED, 1987) This definition assumes that all people must be able to maintain a reasonable quality of life indefinitely. (Bansal, 2002, 122)

1992 Rio Conference was a historical event and produced new cornerstones for responding to problems of environment and development. (Sum, Hills, 1998, 133) The major achievements of the Rio Summit included 27 principles of Rio Declaration, Agenda 21 and the adoption of convensions on climate change and bio-diversity.

The World Summit on Sustainable Development took place in Johannesburg in 2002 as a sequel to Rio Conference, ten years on. The Summit was a true sustainable development summit in the sense that advocates of all three dimensions of sustainable development – economy, environment and society had the opportunity for arguing their cases, raising real issues, and confronting those with different interests and perspectives. (Speth, 2003, 26) It was not a social summit dealing only with poverty, exclusion and human rights. It was not an economic summit addressing only trade and investment. And it was not an environmental summit focusing only on large-scale biotic impoverishment and pollution. Johannesburg was a summit about the intersections of these issues. Overall, the Summit showed that the promises made in Rio Summit were not realized, and it was necessary to focus on the measures to make sustainable development a reality.

More recent conceptions of sustainable development recognize that it relies on the intersection of three important principles related to the environment, social equity and economics. (Bansal, 2002, 123) Sustainable development is a broad concept in that it combines economics, social justice, environmental science, business
management, politics and law. (Dresner, 2003) The achievement of this multidimensional concept requires the cooperation of governments, international agencies, industry and consumers.

2.2. Natural Capital

How can a would-be sustainable corporation work out whether it is environmentally sustainable? A critical first step here is to understand what is meant by natural capital. (Elkington, 1998) An economy needs four types of capital to function properly:

- Human capital, in the form of labour and intelligence, culture and organization
- Financial capital, consisting of cash, investments and monetary instruments
- Manufactured capital, including infrastructure, machines, tools and factories
- Natural capital, made up of resources, living systems and ecosystem services

Natural capital includes all the familiar resources used by humankind: water, minerals, oil, air, trees, fish, soil etc. But it also encompasses living systems, which include grasslands, wetlands, oceans and seas, coral reefs, rainforests. These are deteriorating worldwide at an unprecedented rate.

Natural capital can also be thought of as coming in two main forms: "critical natural capital" and renewable, replaceable or substitutable natural capital. The first form embraces natural capital which is essential to the maintenance of life and ecosystem integrity. The second form is natural capital which can be renewed—for example, through breeding or relocation of sensitive ecosystems—repaired—for example, environmental remediation or desert reclamation—or substituted or replaced—for example, the growing use of human-made substitutes, such as solar panels in place of limited fossil fuels. (Elkington, 1998; Bebington & Gray 1996)

So far, the connection between industry and living systems has largely been ignored. The Wall Street Journal doesn’t have a column devoted
to the latest news about natural capital, because natural capital has been for the most part irrelevant to business planning.” (Hawken, Lovins, Lovins, 2000, 144)

Many economists continue to insist that natural and manufactured capital are interchangeable. While they may acknowledge some loss of living systems, they content that market forces will combine with human ingenuity to bring about the necessary technological adaptations to compensate for that loss. Although it is possible to create substitutes in some cases, is there any possibility that technology can replace the eco-systems listed in Table 1?

Table 1: Are There Any Substitutes?

<table>
<thead>
<tr>
<th>Production of oxygen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance of biological</td>
</tr>
<tr>
<td>and genetic diversity</td>
</tr>
<tr>
<td>Purification of water and air</td>
</tr>
<tr>
<td>Regulation of the chemical</td>
</tr>
<tr>
<td>composition of the atmosphere</td>
</tr>
<tr>
<td>Flood prevention</td>
</tr>
<tr>
<td>Decomposition of organic</td>
</tr>
<tr>
<td>wastes</td>
</tr>
<tr>
<td>Protection against harmful</td>
</tr>
<tr>
<td>cosmic radiation</td>
</tr>
<tr>
<td>Regulation of chemical</td>
</tr>
<tr>
<td>composition of oceans</td>
</tr>
<tr>
<td>Regulation of local and global</td>
</tr>
<tr>
<td>climate</td>
</tr>
<tr>
<td>Formation of topsoil and</td>
</tr>
<tr>
<td>maintenance</td>
</tr>
</tbody>
</table>


3. CORPORATE SUSTAINABILITY

3.1. Definition

Corporations are the fundamental cells of modern economic life and they have an important role in bringing about the changes needed for sustainable development. Parallel to the efforts to integrate the three dimensions –economic, environmental and social- of sustainable development, businesses are accepting their role in sustainability. Corporate sustainability is a business approach that creates long term shareholder value by embracing opportunities and managing risks
deriving from economic, environmental and social developments. (Wilson, 2003,1) While corporate sustainability recognizes that corporate growth and profitability are important, it also requires the corporation to pursue societal goals, specifically those relating to sustainable development such as environmental protection, social justice and equity and economic development. Recently, the concept of sustainability has been captured within the framework of the triple bottom line, which companies seek to address in order to minimize harm resulting from their activities and to create economic, social and environmental value.

Corporate sustainability encompasses three dimensions of needs, known as the “triple bottom line”; economic prosperity and opportunity; social equity and quality of life; ecological resource preservation.(Fiksel, 2001) Corporate sustainability is an organizational commitment to achieving competitive advantage through the strategic adoption and development of ecologically and socially supportive production processes, products and services and innovative human resource management practices. (Dunphy, Griffiths, Benn, 2003)

<table>
<thead>
<tr>
<th>Table 2: Definitions of Corporate Sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate sustainability is any state of a business in which it meets the needs of its stakeholders without compromising its ability also to meet their needs in the future. A company has to ensure that its operations are sustainable in regard to its economic, social and environmental performance. (Hockerts, 1999, 31)</td>
</tr>
<tr>
<td>Sustaining corporation is the corporation which fully incorporates the tenets of human and ecological sustainability into its own operations and which also works actively to support the application of sustainability principles throughout the rest of the society. (Dunphy, Griffiths, Benn, 2003, 62)</td>
</tr>
<tr>
<td>Corporate sustainability is a business approach that creates long term shareholder value by embracing opportunities and managing risks deriving from economic, social and environmental developments.</td>
</tr>
</tbody>
</table>

For those organizations pursuing sustainability, sustainability is central to their corporate strategies and a vital ingredient in how they assess their effectiveness. Sustainability results from activities which:
• extend the socially useful life of organizations,
• enhance the planet’s ability to maintain and renew the viability of the biosphere and protect all living species,
• enhance society’s ability to maintain itself and to solve its major problems,
• maintain a decent level of welfare for present and future generations of humanity (Dunphy, 2004)

The most successful of these organizations will act both locally and globally, will put a premium on speedily repositioning themselves strategically to take advantage of new market opportunities and will add value through providing new levels of customized service.

3.2. Corporate Sustainability and Advantages

Just as the creation of shareholder value requires performance on multiple dimensions, the global challenges associated with sustainable development are also multifaceted, involving economic, social, and environmental concerns. Indeed, these challenges have implications for virtually every aspect of a firm’s strategy and business model. Yet, most managers frame sustainable development not as a multidimensional opportunity, but rather as a one-dimensional nuisance, involving regulations, added cost, and liability. This approach leaves firms ill-equipped to deal with the issue in a strategic manner. (Hart, Milstein, Caggiano, 2003)

3.2.1. Cost Reduction/ Profit Growth

The problems of material consumption, waste, and pollution associated with industrialization present an opportunity for firms to lower cost through the development of skills and capabilities in pollution prevention and eco-efficiency. Historically, investments by corporations in the area of environmental protection have tended to be viewed as a burden on financial performance. Investments made to protect the environment or as part of social responsibility were seen as investments that increase the overall costs and decrease financial return. (Cohen, Fern, Konar, 1997) However, clean technologies are usually more efficient thus reducing emissions and increasing productivity. Reducing raw materials use and increasing recycling and
recovery can reduce production costs. These are opportunities for cost savings that may not become apparent even though the benefits accrue directly to the company, until the company is motivated either by regulation or concerns to improve sustainability performance to examine ways of addressing these problems and to invest in the necessary research. In addition, good working conditions can lead to higher productivity and fewer union disputes and make it easier to attract and retain employees. Investments in maintaining environmental quality and in community social services will improve community relations and reduce risk of compensation and damage suits. (Grieg-Gran, 2004, 4)

The multiple challenges associated with sustainability, seen through the appropriate business lenses, can help to identify strategies and practices which improve company performance. According to Reinhardt, managers should look at environmental problems as business issues and try to solve them in ways similar to other business problems. (Reinhardt, 1999)

3.2.2. Enhancing Reputation and Creating Differentiation
Responsible business practice has a positive impact on the reputation and public perception of the company. (Grieg-Gran, 2004, 5) Loss of reputation can affect sales particularly where there are NGO campaigns urging consumer boycotts. More generally, it can affect the company’s social licence to operate. Safeguarding reputation is important for maintaining good relationships with regulators and the local community. This has financial benefits in reducing time required for securing government approval of and community support for new developments or expansion. Moreover, the company’s commitment to corporate social responsibility and overall reputation may be an important motivating factor for its current and prospective employees. There is also an insurance value associated with reputation. In the event of a problem, a company with a good reputation can induce more supportive responses from stakeholders.

Whereas pollution prevention focuses on internal operations, product stewardship extends beyond organizational boundaries to include the entire product life cycle—from raw material access, through production processes, to product use and disposal of spent products.
Product stewardship thus involves integrating the voice of the stakeholder into business processes through extensive interaction with external parties such as suppliers, customers, regulators, communities, non-governmental organizations, and the media. As such, it offers a way to both lower environmental impacts across the value chain and enhance legitimacy and reputation by involving stakeholders in the conduct of on-going operations. (Hart, Milstein, Caggiano, 2003, 61)

Incommodity industries, product differentiation is particularly difficult, and companies typically compete through operational efficiency and economies of scale. Some companies prefer to differentiate themselves through improving their environmental or social performance. (Funk, 2003, 67)

3.2.3. Firm’s Growth Path/Innovation/Clean technologies

More recently there is an argument as to the business case for addressing the needs of the poor. Hart stresses the importance of capturing sustainable opportunities in emerging and survival economies where meeting the basic needs of the poor is key. The growing gap between rich and poor, and the unmet needs of those at the bottom of the economic pyramid, present opportunities for firms to define a compelling trajectory for future growth. (Hart, Milstein, Caggiano, 2003; Grieg-Gran, 2004) There is an opportunity here for the firms to enter into new markets and grow. Increasingly, MNCs are recognizing that listening to the voices of the poor can be a source of creativity and innovation.

Managers must start to recognize environmental improvement as an economic and competitive opportunity, not as an enoying cost. (Porter, Linde, 1999) Regulation and market pressures have helped spark innovations that have eventually improved process efficiencies, tapped new markets, led to many other benefits beyond reduced pollution. (Funk, 2003)

Clean technology refers not to the incremental improvement associated with pollution prevention, but to innovations that leapfrog standard routines and knowledge. The rapid emergence of disruptive technologies such as genomics, biomimicry, information technology, nanotechnology, and renewable energy present the opportunity for
firms—especially those heavily dependent upon fossil fuels, natural resources, and toxic materials—to reposition their internal competencies around more sustainable technologies.

Companies that change their viewpoint about environmental and social pressures and integrate sustainability issues to their business strategy will have a competitive advantage over their rivals and accrue the benefits sustainability offers for them.

4. CORPORATE SUSTAINABILITY PRACTICES IN TURKEY

Business interest in corporate sustainability is growing in Turkey. There are a small number of companies that are pursuing sustainability strategies. The aim of the research is to investigate leading Turkish companies’ approach to corporate sustainability:

- The attitudes and approaches toward sustainability,
- The main practices relating to environmental and social sustainability,
- The reasons why companies adopted sustainability practices,
- The reasons why companies have not adopted sustainability practices,
- Which companies are producing environmental, social, or sustainability reports.

The research population consisted of 30 companies which applied for The National Quality Award of Turkish Society for Quality (KalDer) and Turkish Industrialist’s and Businessmen’s Association (TUSIAD) in the last 5 years. National Quality Award assessments are based on the EFQM Excellence Model used in European Quality Award. The reason why these companies were selected for the research was that these companies are the leading companies in their sectors, they are innovative firms, they have quality management systems, and hence are more likely to have a positive approach to corporate sustainability and have integrated environmental and social dimensions in their sustainability strategies.

At the beginning of the research it was planned to collect data from all of these companies, and present the results as a summary of
sustainability practices in Turkey. But unfortunately pre-research studies showed that only a few of these companies have formal sustainability strategies. So it was decided that to examine the sustainability practices of these few companies would be more informative about sustainability in Turkey. The fact that there are so few companies pursuing sustainability strategies in Turkey, shows us Turkish companies are at the beginning of sustainability journey. In the following cases, the companies consider the three dimensions of sustainability, but within the framework of the research, environmental and social performances of companies are more emphasized.

4.1. Aygaz and Sustainable Development Report

Established in 1961, Aygaz A.Ş. is a leading Turkish company. Its operations include the procurement, storing and distribution of liquid petroleum gas (LPG). Aygaz believes that economic development alone cannot be successful without accompanying environmental and social developments. Thus while Aygaz creates economic value for its employees, investors, customers and country, makes every effort to contribute to a healthy and educated society. Aygaz accepted the following principles of sustainability:

Aygaz;
- Ensures the conformity of business processes to the legal requirements in environmental and social issues,
- Acts sensitively towards social, economic and environmental aspects in the production, research and development, sales processes relevant to its products and services,
- Administers the social, economic and environmental issues with a determined approach,
- Encourages its suppliers and dealers on the social, economic and environmental issues,
- Shares all of its social, economic and environmental efforts with its investors and customers by publishing reports,

In accordance with the sustainability principles, Aygaz produced a “Sustainable Development Report” in 2002. The Report is important in the sense that it is the first sustainability report published in Turkey.
The reason to publish this Report is explained in the following sentences:

“ This year we are publishing a new report, the title of this pioneering report is ‘Aygaz Sustainable Development Report’. As Aygaz employees we are aware of the importance of achieving a sound and consistent financial performance while being an environmentally and socially responsible company. We feel the urgency to report what we have achieved and planning to achieve”.

Environmental Performance
Aygaz set up waste treatment facilities in all of its seven factories around Turkey and established environmental management systems. The company is ISO 14001 certified since December 2002. Table 3 summarizes the environmental policy of Aygaz. The company received a number of environmental awards for its environmental performance.

Table 3: Environmental Policy of Aygaz

<table>
<thead>
<tr>
<th>Aygaz believes that our environment is only borrowed from the future generations. Aygaz’s environmental policy includes that:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Preservation of global resources and realization of energy conservation,</td>
</tr>
<tr>
<td>• Waste reduction and recycling,</td>
</tr>
<tr>
<td>• Making all our stakeholders aware of environmental issues,</td>
</tr>
<tr>
<td>• Management of all our facilities at levels surpassing the required legal context,</td>
</tr>
<tr>
<td>• Consideration of environmental effects when planning new investments,</td>
</tr>
<tr>
<td>• Minimizing the negative environmental effects of our existing investments.</td>
</tr>
</tbody>
</table>

Social Performance
In order to inform the general public on domestic accidents that hurt individuals every year, Aygaz initiated the “Aygaz is Warning Against Domestic Accidents” campaign in 1998. Aygaz thus manifested its social responsibility against domestic accidents that account for 1/3 of total emergency cases. Around 400,000 housewives have been
informed on the domestic accidents and LPG usage by 31 seminars held in 20 cities with the cooperation of Ministry of Education’s Apprenticeship and General Education Directorate.

For the campaign to reach out to a bigger audience, the website www.evkazacari.com was made available. A book on domestic accidents was prepared that included detailed and virtually enriched information on domestic accidents. The book was delivered to interested parties who applied by using the Aygaz Service Line and the website.

Aygaz supports the Atesbocegi Mobile Learning Units Project of the “Education Volunteers Foundation of Turkey”. The project aims to introduce children to computers and Aygaz participates in the project by furnishing and managing five Atesbocegi trailers.

4.2. Corporate Social Responsibility in Erdemir

Eregli Demir ve Celik Fabrikalari T.A.S.(Erdemir), which is the largest iron and steel company in Turkey, was established in 1960. The first excavations and construction had begun in 1961. Erdemir began production with a crude steel capacity of 470,000 tons/year in 1965 and raised its capacity continuously by several projects. After completion of the Productivity Improvement Projects which took place between the years 1983-87, the capacity was raised to 2 million tons/year. At 1996 two big investment projects were completed which resulted in 3 million t/y crude steel capacity. Today, new investment projects, aiming finished steel capacity and quality improvement, has been planned, by these investments, Erdemir will have a 4.5 million t/y of flat steel capacity by the year 2005.

Environmental Performance

Erdemir is among the leading industrial companies of Turkey with the ongoing and realized investments on environmental protection. The fundamental principles adopted about the environment by Erdemir are:

- To use the latest environmentally friendly technologies,
- To maximise recycling.
To minimise the usage of natural resources
To protect the ecological system by minimising waste disposal to soil, air and water,
To improve environmental consciousness and performance.

Erdemir is giving high priority to the usage of high technologies with almost zero waste. The second important approach is to provide the use wastes as raw materials in either Erdemir’s own production processes or in other industrial facilities and thus preventing the negative impact resulting from the disposal of wastes to air, soil or water.

As a result of environmental investments, a 23% increase in energy savings compared to 1987, 75-95% improvement in dust and gas emissions, 86% regain in water consumption and 47% decrease in the level of chemical oxygen requirement which is an indicator of pollution in wastewater is recorded. The waste materials resulting from production are regained by 74% by selling or re-utilized in sinter process. Besides, 62% of the total fuel requirement is regained by using the purified chimney gas and other by-products as fuel.

Table 4: Contributions From Energy Investments

<table>
<thead>
<tr>
<th>Year</th>
<th>Fuel-Oil Savings (Ton)</th>
<th>SO₂ Emissions Avoided (Kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>17.871</td>
<td>1.072.259</td>
</tr>
<tr>
<td>1997</td>
<td>33.336</td>
<td>2.000.178</td>
</tr>
<tr>
<td>1998</td>
<td>39.033</td>
<td>2.341975</td>
</tr>
<tr>
<td>1999</td>
<td>44.438</td>
<td>2.666.292</td>
</tr>
<tr>
<td>2000</td>
<td>44.429</td>
<td>2.665.763</td>
</tr>
<tr>
<td>2001</td>
<td>56.637</td>
<td>3.398203</td>
</tr>
<tr>
<td>2002</td>
<td>48.216</td>
<td>2.892.960</td>
</tr>
<tr>
<td><strong>TOPLAM</strong></td>
<td><strong>283.961</strong></td>
<td><strong>17.037.630</strong></td>
</tr>
</tbody>
</table>
Social Performance
Erdemir, with its employees and their families is a family of nearly 30,000 people and gives great importance to social needs of the employees and their families. Social facilities such as nearly 1,200 company-housing complex, guest houses, restaurants, cinemas, beach, open swimming pool, sports facilities and day nursery are for social needs of Erdemir family.

Erdemir is contributing to universities, state entities, libraries, its employees, customers and media by means of published books on Culture Series, Management Series, Science&Technology Series and the by means of Erdemir Magazine published bimonthly 10,000 piece and monthly Erdemir Newspaper. It is offering its social and sporting facilities to the usage of various institutions for conferences, panels, exhibitions, and similar social and sportive activities.

4.3. Arcelik and Sustainable Development

One of Europe's leading household appliances companies, Arçelik continued its international growth with a € 1.9 billion worldwide consolidated net sales in 2003, achieving a 10% increase compared to 2002. Arçelik attained a € 903 million consolidated international net sales in 2003. Arçelik had acquired companies and brands such as Blomberg in Germany, Elektra Bregenz in Austria, and Arctic in Romania, as well as expanding its brand portfolio with additions of Leisure, Flavel and Tirolia in 2002, and attained a turnover of € 172 million from these companies and brands in 2003.

Environmental Performance
Arçelik have ISO 14001 Environmental Management Certificate. Its environmental policy underlines the main principles as regards to the environment.

One of Arcelik’s refrigerators, Orbital, was chosen the most environmentally friendly refrigerator in Europe. Orbital is a refrigerator with a fast variable compressor that can “think”. It determines the appropriate settings and working speed according to its environment, keeping food fresh as long as possible while consuming the lowest level of energy. Orbital’s daily energy consumption is 50% lower than that of its competitors, equivalent to a 40 watt light bulb.
Due to its special economy function, when refrigerator usage is low, it operates at the right temperature to reduce energy consumption. In addition to refrigerators, Arcelik have similar projects to increase energy and water efficiency of its other product lines—washing machines, dishwashers, built-in ovens.

### Table 5: Arcelik Environmental Policy

<table>
<thead>
<tr>
<th>All of our activities are carried out in line with our principle &quot;Respect for the environment for sustainability is an integral part of our products and services&quot;. At Arçelik both management and employees see the &quot;environment&quot; as an asset to be preserved and passed on to future generations. We consider protection of the environment and natural resources a necessary component of the Total Quality Management philosophy. Accordingly, in all Arçelik plants we;</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Constantly monitor for adverse effects on the environment and choose materials and technology to keep them to a minimum, applying this method from the first steps of the project throughout the production process and use.</td>
</tr>
<tr>
<td>• Utilize energy and natural resources effectively.</td>
</tr>
<tr>
<td>• Develop systems to prevent pollution at its source before it occurs.</td>
</tr>
<tr>
<td>• Adhere to all national and international laws and regulations regarding the environment.</td>
</tr>
<tr>
<td>• Educate our workers, subcontractors, and distributors to increase their awareness of environmental issues.</td>
</tr>
<tr>
<td>• Complete an analysis including environmental factors for each of our new investments.</td>
</tr>
<tr>
<td>• Verify that all of the above occurs within the framework of continuous development, which includes an environmental management system in which we produce environmentally friendly products.</td>
</tr>
<tr>
<td>• Achieve this by having our environmental administration system certified according to the international ISO 14001 standards.</td>
</tr>
<tr>
<td>• Work with all of our energy to create a more vital and habitable environment and increase community sensitivity of environmental issues.</td>
</tr>
</tbody>
</table>

### Social Performance

Acting on the principle that culture and art are among the most important elements in the development of a society, Arcelik supports various cultural and art activities. In addition to sponsoring Culture
and Art festivals, Arcelik also supported important classical music artists' albums and documentaries in Turkey.

Arcelik also supports educational projects. One example of such a project is the “Standing United for Education” Project. The main goal of this project is to create a model world of education that will increase the level of Turkey’s development. The target is to raise educational and developmental standards of students who are from underprivileged families and are studying at regional primary level boarding schools, thereby encouraging creative students to be able to investigate and question. In 2004, the initial pilot project will be implemented in a total of 290 regional primary boarding schools located in 60 cities, beginning in Van, Hakkari, and Iğdır. This project will support educational and self-development of approximately 200,000 students and will last for eight years.

5. CONCLUSION

The number of companies accepting corporate sustainability approach is increasing in the World and in Turkey. Sustainability is nowadays a widely desirable path forward for corporations. The road to sustainable development and corporate sustainability require companies to change their viewpoints about the natural environment, to question their responsibilities against all stakeholders, and to change their business strategies and organizational cultures. The change process may take a lot of effort and a long time, but by adopting corporate sustainability approach companies will certainly have competitive advantage over their rivals. The results of this study hopefully provides insights into the current status of corporate sustainability in Turkey.

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