

CORPORATE SOCIAL AND RESPONSIBILITY FOR WESFARMERS

Sample Assignment

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Sample Assignment

Introduction:

A report would be prepared on the aspect of corporate social responsibility abided by the Perth based Australian conglomerate having diverse business interest in fertilisers, chemicals, coal mining and industrial products amongst others. The report would run a discussion on the legitimacy theory on the context of voluntary disclosure of social and environmental performance in general and on the pretext of Wesfarmers.

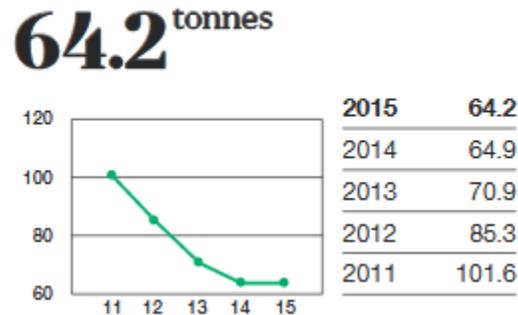
Part 1 –

Legitimacy theory strives for the corporate social and environmental revelations which are effected by the regulations determined by the society and elude being penalised by the community amidst which it operates (DesJardins, 2011). The legitimacy theory abides by the concept of the organisational legitimacy delving on the ‘social contract’ between the organisation and the society in which it thrives. The significance of legitimacy theory lies in the fact that with the passage of time, the organisation like Wesfarmers are exposed to a number of environmental regulations. So the disclosures throw an insight on the organisational performance undertaken by the businesses to live up to the expectation of its stakeholders. For instance, Wesfarmers discloses its intent to provide a safe and healthy working environment for its workers and provide them with adequate training and development opportunities to prosper their career.

Wesfarmers taking relevance of the environmental issues has strived for reducing the carbon emissions for developing the resilience to climatic change. The organisation also strives for reducing the wastage of water and landfill as desired. So the legitimacy theory finds its application through organisations like Wesfarmers as it displays the environmental activities it undertakes to have a clean and safe environment. The organisation has successfully displayed the information that it has been able to gradually reduce the greenhouses gases to 64.2 tonnes from 101.6 tonnes way back in 2011 (Wesfarmers, 2017). The legitimacy theory on the context of Wesfarmers prove its worth as the organisation stated that its intensity to control the greenhouse emissions has been developed by 37% over a range of 5 years. So through the voluntary disclosures on its sustainability aspects, the businesses display the validity of the legitimacy theory. It apparently tries to generate confidence amongst the stakeholders about the

responsibility that ethical organisations like Wesfarmers deliver back to the communities (Ferrell & Fraedrich, 2015).

Scope 1 and 2 greenhouse gas emissions intensity (tonnes CO₂e / \$ million revenue)



Source: (Wesfarmers, 2017)

Part 2 –

Wesfarmers has been an active player in the market in deliverance of its social an environmental commitment and with the passage of time, it has exceled in its attempt. The organisation has been proactive in giving priority to the safety matters of the workers and its excellence could be understood as it has been able to reduce the recordable injury frequency rate from 39.4 in 2015 to 33.6 in 2016 an ultimately 28.3 in 2017 (Wesfarmers, 2017). It apparently strives for a better productivity for the company and well-being of its workers.

Total recordable injury frequency rate¹



Source: (Wesfarmers, 2017)

Wesfarmers also has been accredited for striking a suitable gender diversity in its organisational scope as in 2015, 55% of the workforce were females and the same statistics being maintained

throughout 2016 but the figure slightly dropped to 54% in 2017. Wesfarmers has also been proactive in providing proper employee ethical training to its staffs. In 2015 it trained 2,000 of its retail and supply chain businesses for 4,600 hours against 2,800 hours in 2016. So the organisation is on a roll to improve its human resources on account of ethical business practices (Ferrell & Fraedrich, 2015).

Wesfarmers has been an avid practitioner of environmental sustainability as it has adapted its business practices in accordance to the climate changes. Besides reducing the carbon emission from its facilities, in 2015 the organisation strives to ethically mine coal from its facilities in Curragh and Bengalla. In 2016, Wesfarmers resorted to the usage of LED technology leading to a lower amount of carbon emission (Wesfarmers, 2017). It also led to recycling of the computers and other electronic products reducing in its carbon intent. In 2017, Wesfarmers has went a step further by collaborating with the international environmental body, IPCC and set objectives to have a stable and reliable energy market, decrease carbon emission and the energy costs. In terms of water usage, Wesfarmers has recycled wastes amounting to 303,387 tonnes in 2015 while in 2016 it was 356,000 tonnes and 373,000 tonnes in 2017. So with the passage of time the organisation has attempted to improve on its effort for a better corporate responsibility to serve its social obligations.

Part 3 –

It seems there lies certain differences between CSR reporting on the website of Wesfarmers and its annual report of 2017. Mostly the presentation of the facts and information has been kept distinct. The statistics and information in the annual report of 2017 for Wesfarmers has been kept very concise while that of the website contains a lot of information and offer detailed insight of the specified facts. The information displayed through the websites present a lot of information which could be accessed by a number of links comprising of the current and historical facts and figures. The website contains the entire policy and regulations to be abided by the Australian Stock Exchange (ASX) listed companies. But the annual report which is being presented at the end of the financial year need to be gone through by the stakeholders like the investors and creditors who are not in need of such details (DesJardins, 2011). So it would be better for such

parties to have a concise information through the annual reports and in case of any insight on any relevant materials, they could visit the website for the same.

Conclusion:

The report concludes that Wesfarmers abide by the legitimacy theory to display the various information to have the society an idea of the sustainable efforts to be undertaken by the organisation as its social responsibility. The company has been making progress in delivering a better sustainability through its different sort of efforts and with the passage of time, it is gaining efficiency.

Bibliography

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