



Corporate social responsibility as impact on environmental concerns

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Abstract

This study examines the changing role of Corporate Social Responsibility (CSR) as both a legal and ethical mechanism for promoting environmental justice in India. Following the introduction of Section 135 of the Companies Act, 2013, CSR evolved from a voluntary philanthropic activity into a mandatory requirement for eligible companies. The research investigates how CSR initiatives tackle challenges related to resource exploitation, community development, and environmental sustainability, with a focus on marginalized groups. Through an analysis of regulatory frameworks, issues of greenwashing, and issue of technical nature corporations, the paper assesses the effectiveness and shortcomings of CSR in achieving tangible environmental results. It concludes with recommendations to strengthen the transparency, accountability, and technical depth of CSR programs, highlighting the importance of continuous community engagement and long-term environmental responsibility.

Keywords: Environmental protection, corporate social responsibilities, greenwashing, legal framework, implementation methods

Introduction

Corporate Social Responsibility is a legal business tool, that basically the Companies use their profit to the society purpose. The concept of Corporate Social Responsibility has drawn lot of attention in India, especially The Companies Act of 2013 established mandatory CSR schemes. For advancing environmental justice CSR has recognition in recent years, which guarantees equitable treatment and major involvement in environmental decision making for all Communities particularly on marginalized and underprivileged groups.^[1] Globally, corporate sustainability has been shaped by the Paris Agreement (2015) and Sustainable Development Goals particularly SDG13 (Climate Action) and SDG 16 (Peace, Justice, and Institutions), which direct attention to equitable environmental processes. In India, corporate social responsibility (CSR) is both a strategic business tool and a regulatory requirement. Businesses that include corporate social responsibility (CSR) into their fundamental strategies can attract socially conscious investors and customers, cultivate goodwill in the community, and improve their brand image. Effective CSR programs can lower corporate risks, increase employee engagement, and produce long-term value. First the CSR is a voluntary act, after the Companies Act, 2013 enacted the CSR become mandatory scheme under section 135 of these act, the average 2% of their net profit should be spend on the CSR amount. For environmental justice a number of issues continue to limit CSR's ability to promote environmental justice. The term "greenwashing" refers to companies that falsely claim to be environmentally conscious.

Environmental Justice in India

The right to a healthy environment as a component of fundamental rights is well-developed in Indian constitutional law and jurisprudence. The Indian Constitution's Articles 21, 48A, and 51A (g) provide safeguards for the right to a healthy environment. Environmental justice issues in India include industrial

pollution, resource extraction (mining, forests), air and water pollution in urban slums, land degradation in rural communities, and tribal populations uprooted by development projects. While corporate social responsibility has frequently contributed to these burdens, corporate initiatives have the potential to promote justice by funding community development, environmental restoration, participatory processes, and equitable distribution of environmental goods.

Legal Framework

The legal framework governs how Corporate Social Responsibility functions as a fundamental pillar of environmental justice. Section 135 of the Indian Company Act of 2013, mandates that all eligible companies invest 2% of their net profit as CSR. The specified activities, such as promoting environmental sustainability, afforestation, and renewable energy, link corporate responsibility with environmental law, thereby directly contributing to justice efforts in underserved areas. Eligible criteria for the CSR is, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year.^[2] Many countries CSR is a voluntary act, in India before the Companies Act, 2013 enacted the CSR is a voluntary act, but after these act it was an mandatory to the eligible company, CSR has evolved from a voluntary moral pursuit to a semilegal obligation under global and national regulatory systems.^[3] CSR is a legal instrument for equitable environmental governance, and it effectiveness in addressing India's key environmental challenges are climate change, pollution, and ecological degradation within a legal accountability framework. CSR obligations and proposes enhancements to ensure robust enforcement and measurable outcomes aligned with environmental justice goals.^[4]

Evolution of Csr

The term Corporate Social Responsibility was officially coined in 1953 by American economist Howard Bowen in

his publication *Social Responsibilities of the Businessman*. As such, Bowen is often referred to as the father of CSR.^[4] The evolution of corporate social responsibility in India refers to changes in the cultural norms of corporations' engagement with CSR. CSR refers to how businesses manage to positively impact communities, cultures, societies, and the environment in which they operate. Early in the 19th century, corporate social responsibility (CSR) was a charitable endeavor that involved building schools and promoting education, among other things. However, in the 21st century, it became mandated by law. The journey of CSR has been understood by four historical phases, first CSR was guided by charity and religious values, where rich merchants contributed to society through donations like building the temple and provide foods, second it is based on Mahatma Gandhian trusteeship where the industry wealth is used for social purpose, in India like Tata and Birla to use their wealth for social goods, third it was an government control era (1960-1980), the CSR also limited because most work was done by public companies, fourth later 1980 liberalization, the CSR integrated into the business strategy with based on global sustainability.^[5] On 1st April 2014 India became a first country to become CSR is an mandatory by incorporating the Section 135 in the Companies Act, 2013.

Areas where csr activities are permitted

According to Schedule VII of the Companies Act, CSR initiatives must be in line with the following priority areas:

1. Environmental sustainability, which includes afforestation, waste management, and clean energy.
2. Ending Malnutrition, Hunger, and Poverty.
3. Encouraging education, particularly for children from disadvantaged backgrounds.
4. Healthcare Initiatives (such as disease prevention and COVID-19 relief).
5. Gender equality and women's empowerment.
6. Programs for Community Welfare and Rural Development.
7. Sports, art, and culture promotion.
8. Assistance for Veterans, War widows, and their families in the armed forces.

Csr implementation methods

Companies can undertake CSR projects through:

1. In-house CSR Teams (directly implementing projects).
2. Non-Profit Organisations (NGOs that are registered and have been in operation for at least three years).
3. Government Initiatives or Funds (such as the PM CARES Fund).
4. Partnerships with Other Businesses (common CSR initiatives).^[6]

CSR and Environmental Sustainability

Planting trees or restoring forests is now one of the most crucial ways to reach net-zero goals by 2070, as per India's pledge made at the COP26 climate meeting in Glasgow last year. Businesses of all sizes undoubtedly increase their carbon footprint while attempting to maximize profits. India became the first nation in the world to mandate corporate social responsibility (CSR) with the Companies Act (2013), which mandates that all businesses above a certain financial threshold allocate 2% of their average net profit to CSR initiatives. Based on industry-leading international

standards, Principle 6 of the RBC (Responsible Business Conduct guidelines) calls on businesses to take steps to preserve and repair the environment.^[7] These days, companies' sustainability goals, which include environmental concerns, are driven by shareholders and consumers. It is particularly pertinent for a nation like India, which is coping with issues like poverty and environmental degradation, as well as the complex interactions between the two.

Some Challenges in Environmental Impact in Csr

The Corporate Social Responsibilities is mandatory in India even there are several issues like greenwashing, long term project, lack of technical nature.

Greenwashing

The term greenwashing means falsely represent that it was more environmental concerns, many companies to promote the company use the term like, their product was ecofriendly but it was not even ecofriendly. Greenwashing within the context of Corporate Social Responsibility (CSR) describes the practice where organizations disseminate inaccurate or misleading assertions regarding their environmental or social responsibility endeavours, intending to project an ecologically sound or ethically conscious image without achieving substantive positive change. This behaviour encompasses deceptive promotional strategies designed to make entities appear more committed to sustainability than their actual performance dictates, thereby eroding the integrity of genuine sustainability initiatives.^[8] Illustrative instances include the deployment of nature-themed visual content unsupported by actual sustainable practices, the assertion of unverified claims of being ecologically benign, the emphasis on insignificant 'green' activities to deliberately obscure practices causing significant negative impact, and superficial adherence to regulatory requirements without enacting meaningful internal transformation. This phenomenon significantly diminishes consumer confidence and damages the overall trustworthiness of CSR efforts.^[9] Legislative and regulatory structures across various nations are focused on restricting greenwashing by mandating heightened transparency and rigorous accountability. The genuine effectiveness of CSR is rooted in demonstrable, quantifiable outcomes, rather than being predicated solely on promotional declarations.

Long Term Commitment

Environmental issues frequently necessitate sustained effort over many years to produce significant results, despite common corporate tendencies toward short-term financial performance and priorities. Many corporations prioritize short-term commitment timelines in order to achieve quick results over long-term commitments. For environmental protection, like afforestation, restoring the eco system, transitioning to a net carbon footprint, the CSR policies should be based on long-term projects, and also it have higher risk rather than other social goods (poverty, education). The Companies focus their CSR project to build the positive image in the society, so they focus to cover the surrounding not to environment.

Lack of Technical Nature

Without the technical nature the environmental protection cannot be achieved through CSR policy. Forest restoration

programs require appropriate training and interventions to build capacity because of their technical nature. State forest agencies must actively participate as partners to guarantee the supply of superior planting materials and the technical assistance required for upcoming forest restoration initiatives. Regardless of whether the sites we target are on private or institutional properties, inside or outside of forests, our strategy must successfully meet community interests by providing the necessary skills and resources. ^[10]

Some example companies for environmental sustainability itc limited

Instead of eucalyptus plantations, ITC has encouraged the use of maize and chillies (Sustainable Agroforestry Programme). Groundwater recovery and increased farmer income are the results of this shift. Over 1.11 lakh acres of agroforestry and 54.58 lakh tons of carbon were sequestered as a result of the activity. ^[11]

Ultratech cement

Ninety percent of the rainwater in the Khor and Suwakheda areas of the Neemuch district of Madhya Pradesh was lost due to the soil conditions and underlying hard rock. This presented a special challenge to UltraTech's water conservation efforts at Vikram Cement Works, an integrated unit of UltraTech located in Khor, Neemuch, since only 10% of it penetrated the sedimentary terrain. UltraTech adjusted mine operations and planning to maximize mineral extraction from lower benches in order to facilitate water harvesting. Rainwater accumulated in the lower benches as a result of this. In FY21 alone, nearly 90 lakh cubic meters of water were collected and replenished in the Vikram Cement Works mine area as part of this initiative ^[12]

Steel authority of India limited (sail)

To promote renewable energy, solar street lights have been installed in rural areas, and solar lanterns and smokeless chullahs have been distributed to rural residents of Saranda and other locations. Maintenance of parks, botanical gardens, water bodies, and planting/maintenance of over 5 lakh trees in its townships is underway. SAIL has helped to build and operate a 100 KW solar power plant in Jari, Gumla, Jharkhand ^[13]

Conclusion

The analysis reveals that although India's mandatory CSR framework under the Companies Act, 2013 has encouraged greater corporate involvement in environmental sustainability, significant challenges persist. CSR initiatives hold considerable promise for supporting community development and ecological restoration, particularly in areas affected by pollution and Displacement. Yet, pervasive issues such as greenwashing, limited project durations, and insufficient technical capacity hinder meaningful progress toward environmental justice. To enhance effectiveness, policy reforms must emphasize strict enforcement, improved transparency, and clearly measurable outcomes aligned with the Sustainable Development Goals and global best practices. Achieving genuine environmental justice through CSR demands more than mere legal adherence—it calls for active stakeholder collaboration, knowledge exchange with public and nonprofit sectors, and a sustained commitment to long-term ecological resilience.

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