



## Corporate social responsibility and Sustainable Development Goals

Aarthi P, Selva Jyothy A, Kannirasu S

Department of Law, Central University of Tamil Nadu, Tamil Nadu, India

### Abstract

Corporate Social Responsibility (CSR) has become most important part of modern business, especially in the context of ethics and sustainable development. In India, the legal framework of CSR through Section 135 of the Companies Act, 2013, transformed it from a voluntary to a mandatory legal obligation. This law provides businesses to allocate a portion of their profits towards activities like social welfare, environmental conservation, and economic advancement.

Through global initiatives such as the United Nations Sustainable Development Goals (SDGs), Indian CSR practices have increasingly focused on driving positive impacts across domains including poverty reduction, quality education, clean energy, and gender equality. Leading corporates like Tata Group, Mahindra Group, and Wipro have pioneered projects directly supporting these development objectives, demonstrating the potential of CSR to address critical challenges. Additionally, Micro, Small, and Medium Enterprises (MSMEs) play a significant role by integrating workforce welfare, community engagement, responsible market behavior, and ecological stewardship into their operations despite limited resources. Ultimately, CSR bridges the gap between corporate interests and societal needs, reinforcing the importance of responsible business conduct in achieving sustainable development for present and future generations.

**Keywords:** Corporate social responsibility, Sustainable Development Goals, evaluation, MSME, case study

### Introduction

In 21<sup>st</sup> century the corporate social responsibility played an important role for influencing the concept of global business ethics and sustainable development. The CSR is an important component of business operation in India which was came into an affect from April 1, 2014. CSR is the legal obligation comes under section 135 of the Companies Act, 2013. Which compels them to engage in activities that involves Social, environmental and economic development of the country <sup>[1]</sup>.

CSR becomes more popular as worries about resources depletion, wealth inequality, climate change, human rights abuses. Prior to the advent of 2000, CSR was predominantly seen as a proactive form of enterprises social engagement that was centered around mentorship and philanthropy. Modern CSR recognize that businesses or not only economic entities but also social institution with obligations to support social progress and protect the environment. In 2013 the companies Act was evolved that give the compulsory legal obligation to the companies to protect the environmental and to ensure the social welfare. The affect which took place at the global level such as highlighted in an initiative by the UN in 2015 through their sustainable development Goals <sup>[2]</sup>. Governments, non-governmental Organizations and investors are mostly wanting corporations to act responsibly and to promote environmental sustainability that mostly help for welfare of the society <sup>[3]</sup>.

### Legal Framework Related to Csr

Legal framework regarding CSR is vested with section 135 of the Companies Act, 2013. In before the companies Act doesn't have any legal provisions regarding the CSR. Section 135 mandate the companies must follow the CSR rules of the company as any one of the following.

1. If the Company as net worth of Rs.500 Cr or not.
2. If the company as turnover of Rs.1000 Cr or more.

3. If the company as net profit of Rs.5 Cr or more.

The company must spend 2% of their net profit for the social projects. It mandates companies must form CSR committee on its board. In this committee must have at least 3 directors and one of them must be independent director and also this section provide a legal duty towards the company, the companies must provide board report clearly shows that names and details of the CSR committee members <sup>[4]</sup>.

### Evaluation of Sustainable Development Goals

Sustainable development goals where adapted by the United nations conference on Sustainable Development in Rio de janeiro in 2012. The objective was to produce and set of universal goal that meet the urgent environmental and political and economic challenges facing or world. The SDG replace the millennium development Goals which started a global effort in 2000 to tackle the in dignity of poverty. The Sustainable development goals is framed for 15 years from 2015 to 2030. It consolidated 17 sustainable goas. Some of the key goals are Education, Healthcare, Gender equality, clean energy, climate action Etc <sup>[5]</sup>.

### Sustainable Development Goals and Corporate Social Responsibility

Corporations have the resources, manpower, and technology necessary to pursue SDGs, which makes them responsible to society. Based on the CSR Triple Bottom Line theory this triple bottom line includes

1. People
2. Planet
3. Profit

Although CSR is a key to obtain sustainability, it also is a self-driven contribution to Sustainable Development and it promotes SDGs. Sustainable Development focuses on

ethics, human rights, society, economy, environment, and corporations. CSR, however, focuses on the environment, society, stakeholders, ethical behavior, and volunteering. Sustainable Development offers a balance between pursuing the present needs of corporations, while protecting the future of humans and natural resources. Corporate contributions help achieve the SDGs by 2030. CSR has highly been recognized by the energy industry. Instead of traditional energy sources, it promotes renewable energy. Businesses invest in improving their energy security and efficiency, updating their technology and procedures, and minimizing the negative effects of energy storage and transport. Sustainable Energy Development (SED) goals aim to reduce pollution, increase efficiency, enhance alternative energy resources and utilize new technologies.

Another example is the food industry and food value chain (FVC) in which Social Sustainability (SS) and Social Responsibility (SR) play important roles. SS contains various dimensions including human rights, labor rights, food security, resources accessibility, and environment protection. In the meanwhile, SR is used to include social sustainability in corporations' supply chain. Corporations, governments, NGOs, media, and the press have the power to raise awareness about SS and SR. SDGs require collective actions and encourage the participation of all formal and informal players and influencers who are decision makers in policy and science. The last example is the healthcare industry where the network between patients, experts, scientists, suppliers, and organizations is the key element of social sustainability and sustainable healthcare. Experts promote sustainability through collaboration, communication, and sharing knowledge [159]. CSR implementation, such as environmental pollutant control in supply management, is in demand and aids in sustainability maintenance [6].

### Msme Participation in Sustainable Development Goals

Micro, Small, and Medium Enterprises (MSMEs) form the backbone of India's economy, contributing significantly to employment generation, innovation, and overall economic development. MSMEs can play in driving positive social and environmental impact through Corporate Social Responsibility (CSR) initiatives. In India, where MSMEs account for a substantial portion of industrial output and employment, the integration of CSR into the operations of these enterprises presents a significant opportunity for promoting inclusive growth and sustainable development. Through innovative approaches, collaborative partnerships, and supportive policy frameworks, MSMEs can harness the power of CSR to drive inclusive growth, Social impact, and environmental sustainability [7].

### Categorization of MSMEs' CSR activities

Micro, Small and Medium Enterprises (MSMEs) are already stretched to meet their cost requirements, but still perform CSR activities to meet up to the government norms or Expectations of the society they belong to. Due to Constraints that they face in terms of resource and personal that can be deployed for CSR activities notion of CSR Among these companies is benevolent. A very few among them realize the power of CSR activity and the use them to Build sustainable capacity for operations.

#### a. Workforce-oriented CSR activities

Workplace must be healthy and safety: employee Motivation; flexible working hours; better working

Conditions; training and development programmed; equal Treatment to all employee; fair wages and salaries structure; Job security.

#### b. Society-oriented CSR activities

Support to sports, cultural and health/welfare activities; Provision of jobs and community education; open dialogue; Community participation; support for unprivileged.

#### c. Market-oriented CSR activities

High quality products; ethical business practices; Responsible customer relations; customer education; Charging reasonable prices; paying creditors promptly; Customer feedback.

#### d. Environmental-oriented CSR activities

Energy and water saving practices; environmental product Responsibility; ecologic and economic use of natural Resources; environmentally [8].

### Role of Csr in Sustainable Development

Corporate social responsibility (CSR) is a business approach that seeks to integrate social, environmental, and economic concerns into a company's operations and interactions with its stakeholders.

**Environmental Stewardship:** One of the key aspects of CSR is the commitment to environmental sustainability. Companies that embrace CSR implement measures to minimize their ecological footprint by reducing waste, conserving resources, and adopting sustainable practices. This includes initiatives such as using renewable energy sources, implementing energy-efficient technologies, and reducing greenhouse gas emissions.

**Social Impact:** CSR also plays a crucial role in addressing social issues and promoting social development. Companies engage in activities that benefit their employees, communities, and society at large. This can include initiatives such as providing fair wages and benefits to employees, supporting local community development projects, investing in education and healthcare, and promoting diversity and inclusion.

**Ethical Business practices:** CSR promotes responsible business conduct and ethical behavior. Companies that prioritize CSR adhere to high standards of integrity, transparency, and fairness in their operations. They actively seek to prevent corruption, promote human rights, and ensure the health and safety of their employees.

**Stakeholder Engagement:** CSR encourages companies to engage with their stakeholders, including employees, customers, suppliers, and the wider community. By involving stakeholders in decision-making processes, companies can better understand their concerns and needs, and take them into account when formulating business strategies.

**Innovation and Collaboration:** CSR often drives innovation within companies, as they seek to develop new products, services, and business models that are more sustainable and socially responsible. By investing in

research and development, companies can find innovative solutions to environmental and social challenges<sup>[9]</sup>.

### Case Studies: Exemplary Sdg-Aligned Csr Initiatives in India

- 1. Tata Group 3:** The Tata Group, a conglomerate with a long history of CSR activities, aligns its initiatives with several SDGs, including SDG 1 (No Poverty), SDG 4 (Quality Education), and SDG 6 (Clean Water and Sanitation). The Tata Trusts have launched various programs, such as the Tata Water Mission, which focuses on water resource management.
- 2. Mahindra Group 4:** The Mahindra Group is known for its commitment to SDG 7 (Affordable and Clean Energy) and SDG 9 (Industry, Innovation, and Infrastructure). They are actively engaged in the renewable energy sector and have made significant contributions to expanding access to clean energy in rural areas.
- 3. Wipro:** Wipro, a global IT service company, has embraced SDG 4 (Quality Education) and SDG 8 (Decent work and Economic Growth). Through its education initiatives, such as the Wipro Applying Thought in Schools program, the company aims to enhance the quality of education in India<sup>[10]</sup>.

### Conclusion

Corporate Social Responsibility (CSR) has played a vital role in modern business philosophy, linking economic growth with social equity and environmental protection. Under Section 135 of the Companies Act, 2013, CSR in India has transformed from a voluntary act into a structured and accountable social commitment. It provides the idea that corporations are not merely profit-oriented entities but also key agents of social and environmental progress. Corporate Social Responsibility (CSR) is driven by stakeholders, shareholders, board of directors, managers, employees, customers, competitors, governments, industries, NGOs, and the media. CSR benefits corporations in many ways, such as financial performance, identification and image, reputation, brand, public trust, customer satisfaction, customer loyalty, and purchase intention. Meanwhile, Sustainable Development Goals (SDGs) result in business sustainability, stable economies, functional societies, crisis prevention, resource management, labor market expansion, and universal market growth. CSR and SDGs are complementary since they both promote environmental protection and socioeconomic development. SDGs help corporations achieve CSR goals since globally, they are more comprehensive. SDGs are holistic and interconnected, meaning that promoting one goal can support others. SDGs results last longer; therefore, they save companies time and money

By aligning their initiatives with the United Nations Sustainable Development Goals (SDGs), Indian corporations—large and small—are contributing to global efforts toward eradicating poverty, ensuring quality education, promoting clean energy, and achieving environmental sustainability. The participation of Micro, Small, and Medium Enterprises (MSMEs) further strengthens this framework by fostering inclusive growth and local development.

Ultimately, CSR acts as a bridge between corporate success and societal well-being. Its integration into business operations ensures that economic progress does not come at the cost of human welfare or ecological balance. As Indian enterprises continue to innovate and collaborate, CSR remains a driving force in achieving long-term sustainable development and responsible business practice.

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