Role of CSR in Promoting Environmental Sustainability: A Study of Indian Corporations

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Abstract:

In today's modern era, problems like climate change, excessive use of natural resources like minerals and loss of biodiversity have become a matter of concern for the whole world. Today, due to industrialization and globalization, we can see the impact on the environment as a result of the development of industrial units. In such a situation, the law of CSR Corporate Social Responsibility has been implemented in a country like India so that small and big industrial units working for the society can do something for it.

The purpose of the presented research paper is to evaluate the role that CSR plays in the protection and safety of the environment. This research is completely based on secondary data. These figures have been taken from various government websites, annual accounts of the company, magazines, annual and monthly and daily newspapers as well as previous research.

The study finds that companies operating in India are fulfilling their responsibilities under CSR in various sectors. But it is found that they are particularly aware of environmental protection. Such as, tree plantation, water conservation and conservation, waste management, energy renewal, carbon emission reduction and biodiversity conservation. As a result, they are contributing significantly to environmental protection and the reputation of the company's products, the trust of shareholders who invest in the company, and a good impression of the company among the people living in the society. Therefore, the present research indicates that CSR is not only a legal obligation. But for long-term business development and environmental responsibility, it is the duty of every business unit. It is necessary to formulate a strategy in this regard.

Introduction:

1. Meaning of Corporate Social Responsibility (CSR)

Corporate Social Responsibility – CSR is a concept under which companies do not limit themselves to making profits only but also fulfill their moral and social responsibilities for the sustainable development of society, environment and the economy of the country. In simple terms, the responsibility taken by a company with all the stakeholders of its business in mind such as customers, employees, investors, suppliers, local community, government and the global environment is called Corporate Social Responsibility (CSR).

2. Legal Framework of CSR in India

According to Section 135 of the Companies Act, 2013 in India, the rules related to CSR apply to companies which fulfill any one of the three criteria during any financial year.

(1) The total assets of the company should be ₹500 crore or more.

(2) The annual turnover of the company should be ₹1,000 crore or more.

(3) The net profit of the company should be ₹5 crore or more.

The business entities to which the above matters and criteria apply have to constitute a CSR Committee. And it has been made mandatory to prepare a CSR budget policy and allocate at least 2 percent of the average net profit of the last three financial years towards CSR activities. Also, it has been made mandatory by law for companies to disclose the amount spent under CSR and details of activities carried out in their annual report and annual general meeting.

3**. Main areas of CSR**

Business units have to spend on the following various activities under CSR: such as

- Development of education sector
- Health sector
- Poverty alleviation sector
- Women empowerment sector
- Environmental protection sector
- Skill development sector
- Rural development sector
- Disaster relief sector
- Development of sports sector
- Social welfare activities
- Sanitation sector
- Women empowerment sector

Various activities like the above are included. Thus, the main purpose of CSR is to encourage companies to contribute to the sustainable and all-round development of society and the country, not just to earn profit. The aim of the presented research is to study the role played by various business units in India under CSR in environmental protection.

4. The main role of CSR in environmental protection

Corporate Social Responsibility (CSR) is not only limited to social welfare but also makes an important contribution to the development and protection of the environment. In order to reduce the adverse effects of business entities on the environment today, many business entities are implementing various green environmental policies under CSR under this law. This initiative is to protect natural resources, reduce pollution and provide a healthy and green environment for future generations.

1 Tree plantation and development of green environment

2 Water conservation

3 Waste management

4 Use of renewable energy

5 Reduction of carbon emissions

5. Environmental activities undertaken through CSR

Under Corporate Social Responsibility (CSR), business entities not only undertake social welfare activities but also undertake various activities for the preservation and development of the environment. These activities are useful for the conservation of natural resources, reduction of pollution and for creating environmental awareness in every society. The main activities of which are as follows:

1. Tree plantation

2. River cleaning campaign

3. Plastic free campaign

4. Cleanliness campaign

5. Promotion of development of solar energy

6. Rain water harvesting

7. Green campus development

8. Environmental awareness programs

9. Conservation of biodiversity

10. Enhancement of natural resources

6. Examples of Indian companies

1 ITC Limited

2. Infosys Limited

3. Oil and Natural Gas Corporation (ONGC)

4. Wipro Limited

5. NTPC Limited

6. ICICI Bank Limited

7. Power Finance Corporation Limited

8. Bajaj Auto Limited

9. Hindustan Unilever Limited

10. Indian Oil Corporation Limited

11. JSW Steel Limited

12. Hindustan Zinc Limited

13. HCL Technologies Limited

14. IndusInd Bank Limited

15. Hindustan Petroleum Corporation Limited

16. HDFC Bank Limited HDFC

17. Hero MotoCorp Limited

18. Zerodha Broking Limited

19. Mahindra & Mahindra Limited

20. Tata Steel Limited

Literature of Literature

Sakshi Choudhar (2025) Role Of Corporate Social Responsibility (Csr) In Environmental Protection in India" this research highlights the disproportionate CSR spending on education, infrastructure, and cultural activities which tend to serve corporate marketing goals over environmental restoration, which lacks immediate commercial return. The paper aims to underscore the need to reorient CSR frameworks to prioritize ecological balance, recommend policy reforms, and benchmark against global practices to ensure CSR genuinely contributes to sustainable development.

Rashi Bagga, Anuradha Patnaik (2025) "Impact of Corporate Social Responsibility on Environmental Sustainability " he study focuses on the impact of corporate social responsibility on environmental sustainability in India using different variants of panel and cross-sectional regressions. Environmental sustainability is measured using emissions and the E-score of companies. Likewise, for robustness, two separate measures of CSR of companies, namely gross CSR expenditure of companies and the CSR environment index, were used. The empirical estimation results clearly reveal that CSR significantly contributes to environmental sustainability. The study also concludes that the companies' research and development expenditure plays a major role.

Joseph Chilombe and Symon Chiziwa (2024) " CSR and Environmental Responsibility Eco-friendly Practices " The methodology used was a semi-systematic review, which used a narrative review approach for topics designed from CSR and environmental responsibility eco-friendly practices main topic from literature written by different groups of researchers within the diverse discipline of CSR. Through some global companies discussed in the chapter, it is known that companies implementing sustainable CSR formulate the policy according to the nature of their ethical and environmental impact and have different strategies for achieving their goals according to their respective environmental impacts. The discussion also found that many organizations globally are implementing CSR to achieve economic, environmental, and

social aspects. However, there is a lack of a holistic approach in the implementation of CSR activities and CSR strategic planning.

Research Methodology

1. Research Gap:

A large amount of research has been done on CSR in the past on the subject of the proposed research. But the comparative analysis of CSR expenditure related to environmental protection based on secondary data of companies operating in India is very limited. Also, many studies have been done only theoretically or are limited to a single company or the area is limited. The analysis of the expenditure incurred under the environmental CSR law and the sustainable development resulting from it has not been done sufficiently yet. In this research, a humble attempt has been made by the researcher to overcome the above deficiency.

2. Research Problem:

Today, despite the CSR law being mandatory in India, is the expenditure incurred by industrial units and companies under CSR really proving to be effective in environmental protection? Do the projects undertaken under CSR promote development by carrying out environmental activities? And whether Indian companies are increasing environmental expenditure in CSR? The proposed research has been conducted to study problems like

3. Objective of The Study

1. To study the concept of Corporate Social Responsibility (CSR).
2. To evaluate the various roles of CSR in environmental protection.
3. To analyze the expenditure made by Indian companies in the environmental sector under CSR.
4. To evaluate various activities of environmental CSR.
5. To study the relationship between CSR and sustainable development.
6. To study and analyze the challenges of environmental CSR implementation.
7. To present suggestions to make CSR more effective in the environmental sector in the future.

4. Research Method

This study uses both qualitative and quantitative methods. Under the qualitative approach, the concepts of CSR, various environmental activities, company policies, and sustainable development have been studied.

5. Source of Information

The present research has used completely secondary information. The information used in this study has been collected from government websites, annual reports of companies, CSR reports, research articles, and reports of international organizations.

6. Period of Study

The present study is conducted from the year 2019 to 2025 and the available secondary information has been used.

7. Data Analysis Method Data Analysis

The data collected in this research has been analyzed using the following methods:

(1) Percentage Analysis

(2) Comparative Analysis

(3) Flow Analysis

(4) Table Analysis

Data Analysis

Year-wise details of projects and expenditure under CSR in the environment sector

Financial Year	No. of projects	No. of companies	Expenditure ₹ (in crores)	Average expenditure ₹ (in crores)
FY 2019-20	4,089	2,663	1,802.28	0.441
FY 2020-21	4,321	2,726	1,332.06	0.308
FY 2021-22	7,178	3,636	2,902.94	0.404
FY 2022-23	8,270	4,657	2,973.02	0.359
FY 2023-24	9,654	5,255	3,447.57	0.357

(Source of information: Ministry of Corporate Affairs)

Interpretation:

The above table shows that there has been a continuous increase in the number of companies participating in various projects under the CSR Act in the environment sector as well as in the total investment expenditure during the financial years FY **2019-20** to FY **2023-24.** During FY **2020-21**, there was a decrease in the number of projects and their expenditure due to COVID-**19**, but thereafter there has been a very rapid growth. FY **2023-24** saw the highest number of **9**,**654** projects, **5**,**255** companies and an expenditure of ₹**3**,**447.57** crore. However, there has been a slight decrease in the average expenditure per project, which

indicates that CSR funds are being distributed in a larger number of small and large-scale environmental projects.

Details of expenditure and projects undertaken in the environmental sector under CSR

Particular	Number of Projects	Total Cost (₹ in Crore)
Environmental Sustainability	21,328	9,341.28
Conservation of Natural Resources	2,677	1,532.63
Animal Welfare	8,787	1,319.81
Agro Forestry	720	264.15

(Source of information: Ministry of Corporate Affairs)

Interpretation

The above table shows that under the CSR Act, priority has been given to Environmental Sustainability in the environment sector, in which ₹9,341.28 crore has been spent on 21,328 projects. Then, 8,787 projects and ₹1,319.81 crore have been spent on Animal Welfare. 2,677 projects were taken up for Conservation of Natural Resources. But ₹1,532.63 crore was spent on it, which is more than Animal Welfare. This shows that projects related to conservation of natural resources are less but more expensive. While the least 720 projects and ₹264.15 crore have been spent on Agro Forestry. Looking at all the above figures, it can be seen that sustainable development and conservation of environment have been given utmost importance under CSR.

Findings :

- In the field of environment, there is a continuous increase in the last five years under CSR. Therefore, it can be said that the awareness of companies about environmental protection is increasing.
- Looking at the statistical data, it seems that more expenditure has been made in the field of Environmental Sustainability and related activities.
- Good expenditure has also been made in the field of Animal Welfare and Conservation of Natural Resources.
- In various states like Maharashtra, Karnataka, Gujarat and Andhra Pradesh, environment-related expenditure has been seen in activities under CSR.
- Industrial institutions like large-scale private companies like ITC, Infosys, Wipro and ICICI Bank are taking the lead in spending in the field of environment through CSR.

- Under CSR, industrial units have given special priority to various programs like tree plantation, water conservation, waste management and conservation of biodiversity.
- Due to active CSR activities by industrial companies, environmental awareness has increased among the people living in the local area.
- Most of the companies have implemented projects for environmental development jointly with the government and local bodies, NGOs.
- The expenditure under CSR was distributed unevenly in many areas by industrial units without planning. Due to which all the states did not get the benefits that they should have.
- The implementation of CSR projects related to the environment sector has proven to be useful for long-term sustainable development.
- Social and economic development is being promoted in the country through activities related to environmental protection through CSR.

Suggestions:

- ✓ Business companies should increase the budget allocated under CSR and take care of the environment.
- ✓ Long-term projects should be started in every state district in the country to conserve water and prevent soil erosion by planting more trees.
- ✓ Under the CSR law, instead of electricity generated from coal or thermal power stations, alternative energy such as solar energy and wind energy should be allocated for important projects.
- ✓ To reduce pollution caused by the use of plastic, the CSR expenditure should be used in the project for effective waste management by recycling and reusing it.
- ✓ To protect the creatures living in the forest, new schemes under CSR should be introduced and implemented.
- ✓ Just allocating the CSR amount to a project will not work, but the work done should also be continuously evaluated. So that its effectiveness can be measured.
- ✓ Companies should coordinate with the Gram Panchayat, Municipal Corporation and Non-Governmental Organizations (NGOs) of the area where they carry out environmental development projects.
- ✓ The participation of the locals should be checked in the places where projects are being run under CSR.

- ✓ Awareness about the environment should be increased under CSR and how people can preserve natural resources in the future. The future of our country is being prepared for concern. Awareness programs should be conducted in such places like schools and colleges.
- ✓ The expenditure made by the company under CSR and the results achieved in that place or area due to the expenditure should also be disclosed. So that the trust of the people towards the company is maintained.
- ✓ New technologies and new projects related to environmental protection should be promoted through this CSR.

Conclusion

Corporate Social Responsibility (CSR) is not just a legal obligation in today's business world. It has evolved as an important management practice for sustainable development of the country's economy. Today, industrial units across the country and the world do not only prioritize the objective of earning profit. They have also considered the development and welfare of the country's environment, the interest of society and the various stakeholders as an important responsibility.

It is clear from this research study that the role of CSR has been important in protecting and enhancing the environment. Such as tree planting, water conservation projects, waste management, pollution prevention projects, energy efficiency projects, carbon reduction projects, all such projects are not limited to protecting natural resources and the environment. They also play a very important role in increasing environmental awareness in the society, improving the standard of living of the local people and creating a healthy and safe environment for future generations.

In India, CSR has been given legal recognition under Section 135 of the Companies Act 2013. For the purpose of its implementation, many companies have started their significant work in environmental projects. As a result, the reputation of business units in the society, the trust of investors and the loyalty of customers towards the product and the enthusiasm of the employees working in the companies have increased.

Along with this, many limitations are also seen in the implementation of CSR today. Such as limited resources, lack of planning in projects, lack of effective evaluation in projects and limitations in continuous evaluation in environment-oriented projects, etc. still exist. However, to remove such limitations, it becomes necessary for companies themselves to coordinate with NGOs, educational institutions and local people. In conclusion, it can be said that CSR is an effective tool for the development and protection of the environment. It plays an important role in achieving harmony between the economic development of the country and environmental protection.

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