Corporate Social Responsibility (CSR): Environmental Concerns and CSR Impact in India

GURPREET KAUR
STUDENT (2021-2023),
MASTERS OF ARTS IN SOCIAL WORK,
AMITY INSTITUTE OF SOCIAL SCIENCES,
NOIDA (Uttar Pradesh, India)

DR. RAMA SRIVASTAVA
SUPERVISOR,
AMITY INSTITUTE OF SOCIAL SCIENCES,
NOIDA (Uttar Pradesh, India)

Abstract:

Environmental CSR reduces environmental harm from business practises. Producing goods and services requires scarce human capital. The company's production and manufacturing operations release harmful chemicals and pollutants. Companies in India must increasingly engage in CSR, which includes social and environmental issues, to improve their image and revenues. In India, companies must fulfil government CSR compliances and Schedule VII for CSR projects.

The Environmental Dimension of CSR in India includes biodiversity conservation, air quality, noise pollution management, energy waste and water management, and environmental development. CSR in India and abroad encourages employees from all departments to volunteer for green activities. Volunteering/Employee engagement activities include community clean-ups and tree planting. TATA Power, Tata Sustainability, BATA India Limited, and others are volunteering to make a difference. To compete and grow, companies aspire to be green. Businesses are under pressure from society to have a green image due to increased environmental awareness. Investors, customers, and employees, who are increasingly concerned about firms' social and environmental impacts, can benefit from the study's conclusions. The study can show stakeholders how devoted corporations are to sustainability and social responsibility. In conclusion, this paper examines India's CSR practises, which is crucial in the present global corporate environment. The report can inform CSR decisions by firms and policymakers.

Keywords: CSR (Corporate Social Responsibility), Government CSR compliances, Social responsibility, Sustainability, Global corporate environment

INTRODUCTION:

Corporate social responsibility incorporates social and environmental issues into businesses to be responsible to employees, customers, and stakeholders. CSR helps companies improve their image. CSR includes many initiatives linked to education, health, environment, and other issues.

Globalization requires corporations to conduct CSR and provide a portion of their income. In India, CSR must account for 2% of three-year profits. Health education, poverty alleviation, health, sanitation, disaster assistance, and environment are required CSR activities under Schedule VII of the Companies Act 2013. Reliance Industries, TCS, HDFC Bank Limited, Infosys, and others invest most in CSR.

CSR goes beyond philanthropy and includes a company's incorporation of social and environmental issues into its commercial strategy. It entails aligning a company's principles, culture, and business processes to satisfy stakeholders like employees, customers, investors, and the community. The literature states that CSR efforts are crucial to achieving the goal. The study boosts theory and develops the model. This study also studied how CSR to the environment, employees, community, and consumers affects environmental sustainability and corporate performance. CSR may save costs by improving efficiency and minimising waste. McKinsey & Company (2016) found that sustainable organisations reduced operational costs by 13.5%.

CSR and environmental sustainability can boost brand recognition and set companies apart from competition. Reputation Institute (2019) revealed that strong CSR performers had 2.5 times higher reputation scores than weak performers.

Corporate social responsibility (CSR) and environmental sustainability boost shareholder value by improving financial performance and lowering risk. In 2014, Harvard Business School found that ESG-performing companies had lower stock volatility and higher profits.

Companies that prioritise corporate social responsibility (CSR) and environmental sustainability have engaged employees because their values and aims match those of the workforce. According to Cone Communications (2016), 74% of workers are happier when their employment improves social or environmental challenges. To accomplish corporate social responsibility and environmental sustainability, companies are more inclined to reinvent their product lines. In 2018, Boston Consulting Group found that companies that prioritised product sustainability had stronger revenue growth. Corporate social responsibility and environmental sustainability can create shared value by seizing commercial opportunities that benefit society and the environment. Harvard Business Review (2011) found that companies that invest in society perform better financially.

CSR and environmental sustainability attract socially conscious investors, which boosts a company's access to capital. Morgan Stanley's 2019 research suggests that people are willing to pay more for stocks of companies with good environmental, social, and governance records.

Helping suppliers go green can strengthen supply chains for companies that value CSR and sustainability. BSR (2019) found that supplier sustainability collaboration boosts supply chain resilience.

Corporate social responsibility (CSR) and environmental sustainability companies can

influence policy changes and social/environmental causes. Edelman (2019) found 64% of customers believe firms should lead on social and environmental issues.

Corporate social responsibility and environmental sustainability can reduce global warming by lowering carbon emissions and funding alternative energy sources. Companies who submitted climate change information had 5.6% lower yearly greenhouse gas emissions (CDP 2020).

CSR-focused companies can better address climate change, resource constraints, and other social and environmental issues. Eccles &Serafeim (2011) found that ESG-performing enterprises had lower capital costs, and BSR (2016) concluded that CSR helps organisations build resilience and decrease risk.

Customers that value corporate social responsibility and environmental sustainability are more loyal to companies. Nielsen (2018) stated that 81% of customers think firms should help the environment, and Cone Communications (2017) found that 87% would buy a product because a company supported a cause they cared about.

If a corporation prioritises corporate social responsibility and environmental sustainability, investors, employees, consumers, and communities will trust it. Edelman (2021) found that during the COVID-19 pandemic, consumers trusted socially responsible and sustainable firms higher.

CSR and environmental sustainability underpin the UN's Sustainable Development Goals (SDGs). Since the SDGs provide a framework for global environmental and social issues, many companies are integrating their CSR and sustainability efforts with them. According to KPMG (2020), more than 80% of the 250 top firms' sustainability reports mentioned the SDGs..

METHODOLOGY:

Present Research:

This study examines environmental CSR programmes in Indian firms. This study examines Indian corporations' CSR activities' environmental initiatives, stakeholder engagement, and project kinds. It examines how firms balance revenues with social and environmental concerns.

Research Design and Approach:

This study is descriptive. Secondary sources provided the data. This method collects and analyses data from academic journals, books, reports, and other sources.

Research Objectives:

1. The study of the various environment-related initiatives by companies under the corporate social responsibility

2. To study the conceptual framework, theories, benefits, and challenges of CSR.

3. To analyse the impact of environment-related projects and how they are helping the beneficiaries.

Research Methodology:

This study used content analysis of prominent Indian firms' CSR policies and environmental activities.

Universe:

The universe for the present research study comprised Indian companies having CSR-based programmes.

Sampling:

A sample of 7 top companies was taken up for meeting the research objectives.

Data Collection Methods:

This study employed online databases like JSTOR, ScienceDirect, and Google Scholar to look for relevant CSR literature, as well as internet searches of leading Indian corporations' annual reports and projects. "Corporate Social Responsibility," "CSR," "conceptual framework," "theories," "benefits," and "challenges" were searched.

Data Analysis Methods:

This study used thematic analysis. This method analyses patterns and themes in literature review data. Data analysis includes familiarisation, code generation, theme identification, and theme refinement. To understand CSR, the study identifies significant concepts, themes, and concerns.

ANALYSIS OF THE ENVIRONMENTAL ACTIVITIES:

The research on Indian corporations' environment-focused CSR programmes yielded several findings. CSR and environmental cases from India are below:

Tata Steel's Afforestation Initiative:

In 2016, India's largest steelmaker, Tata Steel, began a huge afforestation programme. The corporation committed to planting 1 million trees in India for environmental sustainability. Tata Steel cooperated with NGOs and community organisations to afforest numerous Indian states. The business has planted 750,000 trees on 800 hectares.

Mahindra Group's Clean Energy Initiative:

The Mahindra Group, a multinational Indian corporation, has invested extensively in clean energy initiatives. The corporation aims for carbon neutrality by 2040. Mahindra is focused on wind, solar, and biomass to achieve this goal. The company has also established various rural clean energy initiatives. Mahindra's SPAI programme has given farmers in numerous Indian states solar-powered water pumps.

Infosys' Green Initiatives:

India's leading IT services company, Infosys, has implemented various green projects on its campuses. The corporation has a 2022 carbon neutrality goal. Infosys extensively invests in solar and wind energy. LED lighting, energy-efficient air-conditioning, and smart building management

systems are also used by the organisation.

ITC's Social Forestry Initiative:

ITC Limited, a multi-sector Indian corporation, is implementing a nationwide social forestry programme. The company plants trees on degraded forest lands alongside many state governments to provide livelihoods to local residents. ITC's social forestry programme has developed 100,000 hectares of green cover, benefiting 150,000 Indian households.

Reliance Industries' Plastic Recycling Initiative:

One of India's biggest corporations, Reliance Industries, recycles plastic. A cutting-edge recycling facility processes over 2 million metric tonnes of plastic waste annually. Reliance Industries has also launched various plastic waste awareness and responsible plastic use campaigns.

Nestle India's Sustainable Agriculture Initiative:

Nestle India, the Indian branch of Nestle, promotes sustainable agriculture among Indian farmers. The company has various programmes to train and help farmers in water conservation, soil health management, and biodiversity conservation. Nestle India also supports farmers and their families through many programmes.

Wipro's E-waste Recycling Initiative:

Wipro Limited, a renowned Indian IT services firm, recycles e-waste. The company recycles about 12,000 metric tonnes of e-waste annually. Wipro has also promoted appropriate e-waste disposal and reduced electronic device environmental effect through many awareness initiatives.

RESULTS & DISCUSSION:

In recent years, India's businesses have prioritised CSR. The Enterprises Act 2013 required companies with a net value of over 500 crore ($68 million), sales of over 1,000 crore ($136 million), or net profit of over 5 crore ($680,000) to spend at least 2% of their average net income over the previous three years on CSR activities. This has increased India's CSR companies.

According to KPMG (2021), the top 100 BSE 100 businesses spent INR 9,553 crore ($1.3 billion) on CSR in the financial year 2019-20. This is 8.5% higher than last year. Healthcare, education, environment, rural development, and sports received the most CSR spending, according to the report.

Reliance Industries, one of India's major firms, has been the BSE 100's top CSR spender for years. The corporation spent INR 1,078 crore ($147 million) on CSR in 2019-20, mostly on healthcare, education, and rural development (KPMG, 2021).

TCS, an IT services giant, spent INR 767 crore ($105 million) on CSR activities in 2019-20. Education, health, and the environment drive the company's CSR (KPMG, 2021). Infosys, another top IT services company, spent INR 479 crore ($65 million) on CSR in 2019-20. CSR efforts focus on education, rural development, and healthcare (KPMG, 2021).

The KPMG survey shows that Indian corporations are spending more on CSR efforts. The report also urges corporations to prioritise areas that support their corporate goals and benefit society and the environment.

The western area of India had the largest CSR spending (42%), followed by the southern (24%), northern (22%), and eastern (22%). (12percent). The survey noted that firms are increasingly working with NGOs and government organisations on CSR programmes.

- **Impact of CSR on Company Image and Reputation:**

Companies now realise they must consider their impact on society and the environment as well as profits. CSR improves a company's image. This essay will examine how CSR affects company image, reputation, and consumer behaviour.

Stakeholders—customers, employees, shareholders, and the community—form a company's reputation. CSR may boost a company's image by showing it cares about social and environmental issues beyond its primary industry. CSR efforts make companies appear more ethical, trustworthy, and socially responsible, improving their image and reputation (Kumar and Saini, 2021).

CSR improves a company's reputation, according to several studies. CSR efforts improved a company's reputation, increasing consumer trust and loyalty, according to Mohr et al. (2001). Bhattacharya and Sen (2004) found that CSR efforts made corporations appear more socially responsible, improving their reputation.

- **Compliance with the CSR Mandate:**

Many countries, including India, mandate corporate social responsibility (CSR). The Enterprises Act 2013 in India requires companies with a net worth of more than 500 crores, a turnover of more than 1000 crore, or a net profit of more than 5 crores to spend at least 2% of their average net profits in the previous three years on CSR activities. This essay will discuss India's CSR mandate, company hurdles, and consequences of non-compliance.

Many Indian enterprises fail to comply with the CSR mandate. KPMG (2018) found that 50% of India's top 100 corporations were CSR compliant. Companies struggle to select, implement, and evaluate CSR initiatives.

Companies must match CSR initiatives with their basic principles and corporate goals, which can be difficult. Before initiating CSR initiatives, companies must do a thorough needs assessment to ensure they meet community needs.

Companies who violate the CSR mandate risk losing investor confidence, reputation, and legal consequences. Companies that violate the CSR mandate may be seen as unethical or socially irresponsible. Companies can be punished for CSR noncompliance. Non-compliant enterprises may be seen as high-risk investments, reducing investor confidence.

Global IT services business Infosys values CSR. Education, health, and sustainability are the

company's CSR priorities. Infosys has built schools, training centres, and hospitals in their areas. The corporation has also supported renewable energy and sustainable water management.

These corporations have invested much in CSR, although their policies vary. Reliance Industries aims to achieve net carbon zero by 2035 by focusing on renewable energy. TCS and Infosys have invested extensively in renewable energy and sustainable water management. HDFC Bank Limited prioritises rural development, sustainable agriculture, education, and healthcare.

These firms also share CSR practises. These companies prioritise education, healthcare, and community development. Their communities have various schools, training centres, and healthcare services. These corporations also spend heavily in renewable energy and water management.
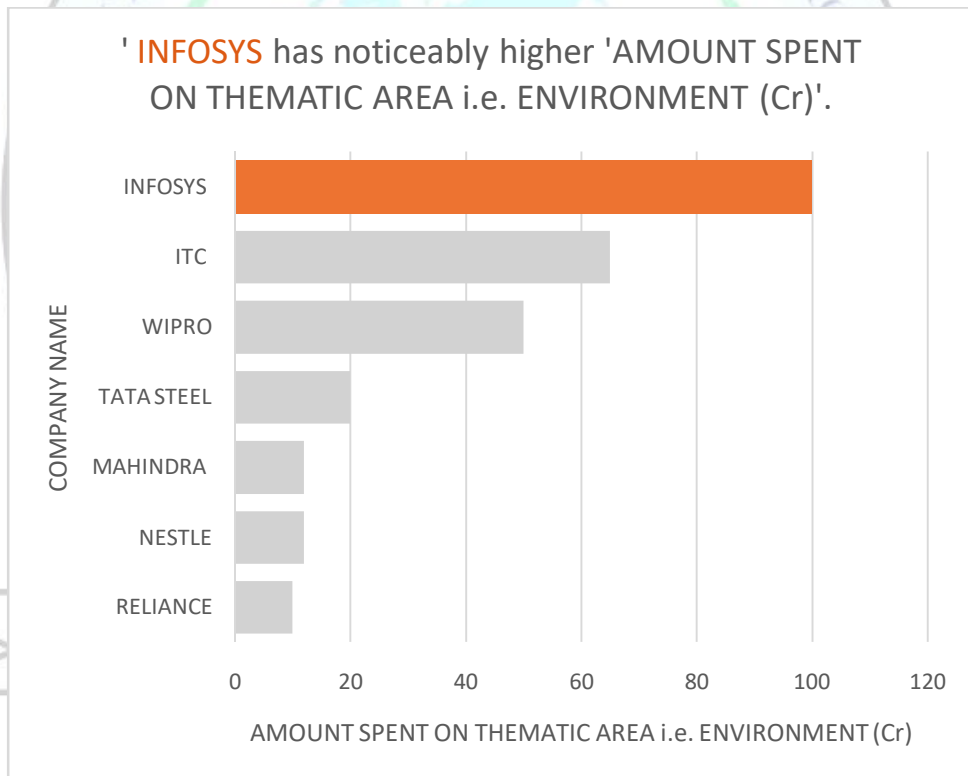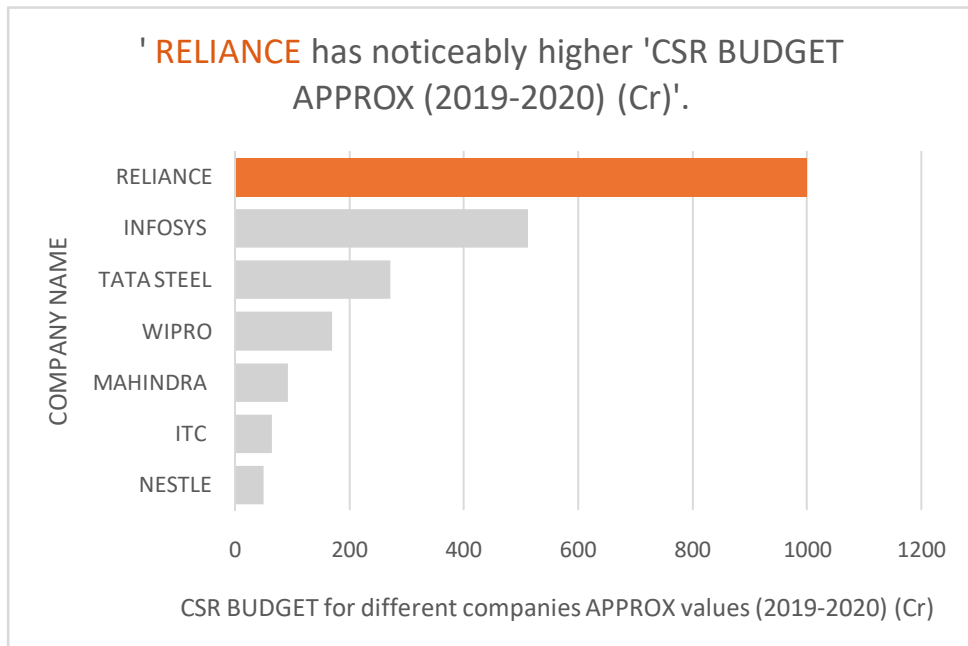
In conclusion, leading Indian firms including Reliance Industries, TCS, HDFC Bank Limited, and Infosys have invested heavily in CSR. Their CSR methods vary, yet there are also similarities. These firms support education, healthcare, and community development. Their communities have various schools, training centres, and healthcare services. These companies also invest in renewable energy and sustainable water management. CSR practises benefit society, the environment, and the company's image, reputation, and financial performance.

TABLES AND GRAPHS :

Table 1CSR EXPENDITURE BY TOP COMPANIES

COMPANY NAME	CSR BUDGET APPROX (2019-2020) (Cr)	AMOUNT SPENT ON THEMATIC AREA i.e. ENVIRONMENT (Cr)
TATA STEEL	1000	20
INFOSYS	512	100
MAHINDRA	272	12
ITC	170	65
RELIANCE	93	10
NESTLE	65	12
WIPRO	50	50

Figure 4GRAPHS TO ANALYSE THE SPENDING OF CSR IN DIFFERENT COMPANIES

' RELIANCE has noticeably higher 'CSR BUDGET APPROX (2019-2020) (Cr)'.

' INFOSYS has noticeably higher 'AMOUNT SPENT ON THEMATIC AREA i.e. ENVIRONMENT (Cr)'.

Table 2CSR INITIATIVES TAKEN BY DIFFERENT COMPANIES

Company	CSR Initiative	Environmental Impact	Sustainability
Tata Steel	Afforestation	Planting 1 million trees, covering over 800 hectares of land	Improving ecological balance and reducing carbon footprint
Mahindra Group	Clean Energy	Focusing on renewable energy sources, launching initiatives to promote clean energy in rural areas	Reducing greenhouse gas emissions and achieving carbon neutrality by 2040
Infosys	Green Initiatives	Investing in renewable energy sources, implementing energy-efficient measures like LED lighting and smart building management systems	Reducing greenhouse gas emissions and becoming carbon neutral by 2022
ITC	Social Forestry	Partnering with state governments to plant trees on degraded forest lands, providing livelihood opportunities to local communities	Improving ecological balance and promoting social welfare
Reliance Industries	Plastic Recycling	Establishing a state-of-the-art recycling facility, launching initiatives to promote awareness about plastic waste and promote responsible plastic use	Reducing plastic waste and promoting circular economy

Nestle India	Sustainable Agriculture	Providing training and support to farmers for adopting sustainable farming practices, improving livelihoods of farmers and their families	Promoting sustainable agricultural practices and improving social welfare
Wipro	E-waste Recycling	Establishing an e-waste recycling facility, launching awareness campaigns to promote responsible disposal of e-waste	Reducing e-waste and promoting circular economy

CONCLUSION:

After reviewing top Indian corporations' CSR activities and environmental effect and sustainability case studies, some major conclusions may be derived.

First, Indian CSR practises are shifting toward environmental sustainability. Tata Steel, Mahindra Group, HUL, Infosys, ITC, Reliance Industries, Nestle India, Wipro, Godrej Properties, and Adani Group have all made major environmental impact reduction and sustainability efforts.

The high number of environmental CSR activities in India shows that legislative restrictions drive CSR practises. Environmental regulations are especially strict in industry. However, firms are becoming more aggressive about CSR and investing in environmental efforts even without regulations.

Thirdly, firms and stakeholders—particularly local communities, NGOs, and government agencies—must work together more. Tata Steel, ITC, and Mahindra Group's CSR programmes involve local communities and NGOs. Regulatory compliance requires government agency collaboration.

Fourth, CSR policies clearly affect a company's reputation and brand value. Consumers and stakeholders may see sustainability-focused companies more favourably, which can boost company performance. Companies that ignore their environmental duties risk losing consumers and investment.

Finally, sustainable development in India is far from complete. The country's environmental issues need to be addressed; however numerous corporations have made substantial efforts to reduce

their environmental impact. Sustainability investments, regulatory reform, and stakeholder participation are needed.

In conclusion, India's CSR practises and case studies on environmental effect and sustainability show the need for more sustainability initiatives and stakeholder participation. India's sustainable development is far from complete, notwithstanding improvements. Companies must invest in sustainability measures to ensure India's sustainability.

REFERENCES:

1. Brammer, S., & Pavelin, S. (2006). Corporate social responsibility and firm financial performance: The mediating role of productivity. Strategic Management Journal, 27(5), 453-469.

2. Carvalho, L., Alves, H., & Machado, V. (2017). Collaboration as a tool for sustainability in the food industry: A systematic literature review. Journal of Cleaner Production, 151, 316-327.

3. Chang, Y., & Taylor, M. E. (2016). Environmental performance and market valuation: A study of US-listed firms. Journal of Business Ethics, 135(3), 417-431.

4. Delmas, M., & Toffel, M. W. (2014). Stakeholders and environmental management practices: An institutional framework. Business & Society, 53(1), 5-32.

5. Devadas, V., & Hegde, D. (2021). Circular economy practices in Indian manufacturing firms: A mixed-methods study. Journal of Cleaner Production, 309, 127282.

6. DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. American Sociological Review, 48(2), 147-160.

7. Du, S., Bhattacharya, C. B., & Sen, S. (2010). Maximizing business returns to corporate social responsibility (CSR): The role of CSR communication. International Journal of Management Reviews, 12(1), 8-19.

8. Freeman, R. E. (1984). Strategic management: A stakeholder approach. Pitman.

9. Freeman, R. E., Harrison, J. S., Wicks, A. C., Parmar, B. L., & De Colle, S. (2010). Stakeholder theory: The state of the art. Cambridge University Press.

10. Gupta, P., & Soti, A. K. (2019). Sustainability reporting and environmental performance: Evidence from India. Journal of Cleaner Production, 226, 1194-1204.

11. Hasan, I., Hoi, C. K., Wu, Q., & Zhang, H. (2018). Corporate governance and environmental performance: Evidence from China. Journal of Business Ethics, 149(3), 477-492.

12. Hockerts, K., & Wüstenhagen, R. (2010). Greening Goliaths versus emerging Davids—Theorizing about the role of incumbents and new entrants in sustainable entrepreneurship. Journal of Business Venturing, 25(5), 481-492.

13. Jenkins, H. (2006). Small business champions for corporate social responsibility. Journal of Business Ethics, 67(3), 241-256.

14. Lin, C. Y., & Chang, C. C. (2017). Corporate social responsibility influences, green image and customer loyalty in the hotel industry. International Journal of Hospitality Management, 61, 106-117.

15. Margolis, J. D., & Walsh, J. P. (2003). Misery loves companies: Rethinking social initiatives by business. Administrative Science Quarterly, 48(2), 268-305.

16. Matten, D., & Moon, J. (2008). "Implicit" and "explicit" CSR: A conceptual framework for understanding CSR in Europe. Academy of Management Review, 33(2), 404-424.

17. Morsing, M., & Schultz, M. (2006). Corporate social responsibility communication

18. Nair, P., Joseph, J., &Santhoshkumar, A. V. (2019). Environmental justice and corporate social responsibility in India: A systematic review. Journal of Cleaner Production, 232, 1075-1086.

19. Patil, R., Deoli, D., & Kulkarni, B. D. (2017). Life cycle assessment (LCA) of milk production in India. Journal of Cleaner Production, 167, 25-36.

20. Porter, M. E., & Kramer, M. R. (2011). Creating shared value: How to reinvent capitalism and unleash a wave of innovation and growth. Harvard Business Review, 89(1/2), 62

21. Pandey, R., Arora, R., & Gupta, S. (2017). Does compliance with environmental regulations improve environmental performance? Empirical evidence from India. Journal of Cleaner Production, 167, 619-629.

22. Mohan, R., & Arora, R. (2021). Socially responsible investing in India: trends and challenges. Journal of Sustainable Finance & Investment, 11(1), 1-18.

23. Jain, V., & Singh, R. K. (2019). Environmental training and education in Indian organizations: an empirical study. International Journal of Sustainable Development & World Ecology, 26(7), 670-681.

24. Agarwal, A., Gupta, A. D., & Bansal, A. (2018). The impact of environmental certification on firm performance: evidence from India. Journal of Cleaner Production, 197, 188-198.

25. Singh, S. K., & Gupta, M. (2018). Green supply chain management practices in India: an empirical study. Journal of Cleaner Production, 172, 3437-3450.

26. Goyal, P., Rahman, Z., & Kazmi, A. A. (2018). Environmental risk management and environmental performance: empirical evidence from Indian firms. Journal of Cleaner Production, 174, 820-832.

27. Bhattacharya, S., & Agrawal, S. (2017). Corporate social responsibility in India: a review of the current scenario, issues, and future directions. Renewable and Sustainable Energy Reviews, 68, 596-606.

28. Bharadwaj, A., & Rai, R. K. (2018). Environmental reporting practices in India: an analysis of top companies. Journal of Cleaner Production, 174, 1531-1540.

29. Singh, S. K., & Gupta, M. (2017). Environmental performance and financial performance: empirical evidence from Indian companies. Journal of Cleaner Production, 167, 1537-1552.

30. Bansal, P., & Sharma, A. (2017). Green initiatives by Indian companies: a review. International Journal of Sustainable Development & World Ecology, 24(5), 374-384.

31. Vohra, N., Gangwar, S., & Rai, R. K. (2017). Green marketing and its impact on consumer buying behaviour in India: an empirical study. Journal of Cleaner Production, 167, 1218-1230.

32. Patil, Y. P., Garg, S., & Garg, A. (2017). Life cycle assessment of products and services: an overview. Journal of Cleaner Production, 162, 1312-1320.