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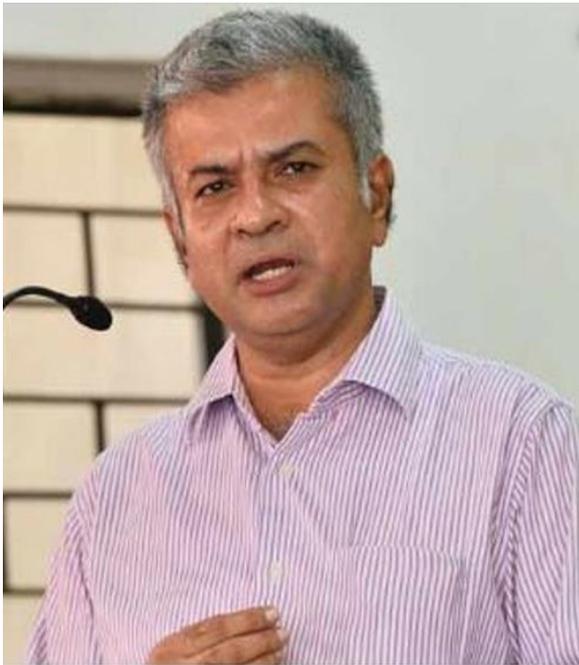
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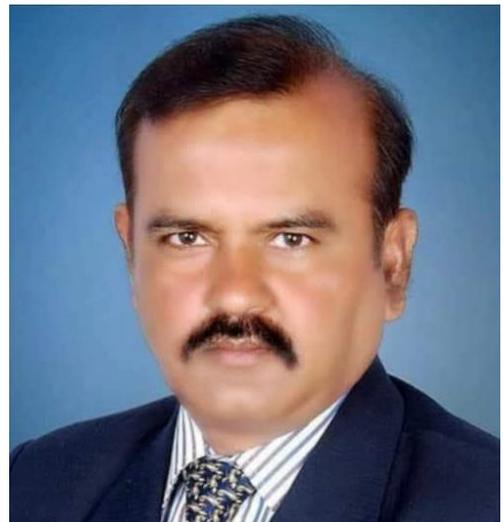
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WHITE BLACK LEGAL is an open access, peer-reviewed and refereed journal providededicated to express views on topical legal issues, thereby generating a cross current of ideas on emerging matters. This platform shall also ignite the initiative and desire of young law students to contribute in the field of law. The erudite response of legal luminaries shall be solicited to enable readers to explore challenges that lie before law makers, lawyers and the society at large, in the event of the ever changing social, economic and technological scenario.

With this thought, we hereby present to you

# **CORPORATE SOCIAL RESPONSIBILITIES** **APPURTENANT TO ENVIRONMENTAL** **PROTECTION IN INDIA**

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## **ABSTRACT**

Environmental pollution is one of the major challenges faced by the world. Environmental protection through legal methods is necessary; this has been embodied in various laws and in the Indian Constitution also. The developments and growth of business somehow lead to environmental pollution. Environmental problems thus continue to pose challenges to business. In this context corporates had to follow strict rules and regulation for environmental protection.

The corporates has a fundamental and social duty to take measures to reduce pollution and also preserving environmental resources. The emergence of corporate governance and corporate social responsibility has a catalyst role in environmental protection in corporate field

This paper discusses environmental ethics that have to follow in the corporate sector and the rules and regulation binding on the corporate sector regarding environmental protection and impact created by corporate governance and corporate social responsibility.

**Key words:** Corporate Social Responsibility, Corporate Citizenship, Environment protections

## **INTRODUCTION**

Environment means what surrounds us. It may be living or non-living things. It includes physical, chemical and other natural forces. Living things live in their environment. They constantly interact with it and adapt themselves to conditions in their environment. It is very important to protect the environment. The protection of the environment is necessary for us to sustain this planet. If we fail to protect our environment this leads to a risk to humans, animals, plants and all the living creatures to risk. Development is a need of time but some time this may lead to destroying the environment.

The right to clean and healthy environment is a fundamental right this has been adopted in Indian constitution under Article 21 of Indian constitution in our country<sup>1</sup>. Then simultaneously there is a fundamental duty is also their regarding protecting environment under Article 51 – a (g) of the constitution<sup>2</sup>. So it can be said that it is necessary from the side of corporate to protect environment.

Corporate Social Responsibility (CSR) has a greater role in protection of environment by corporate sector. CSR is also known as corporate citizenship, a citizen has some responsibility towards the society they exist. CSR saying about the responsibility of the corporate towards the society they exist so they have a duty to protect the environment, various methods are followed by corporate regarding it.

## **ENVIRONMENTAL SOCIAL RESPONSIBILITY OR GREEN CORPORATE SOCIAL RESPONSIBILITY**

A corporate must show some commitments towards the society, CSR concept evolved on this idea. Among different kinds of corporate social responsibilities environmental social responsibility is an important one. India being the first country in the world to put CSR mandatory as per law. The CSR activities include environmental, social, and humanrights based activities. Environmental responsibility is the key stone of corporate social responsibility. Green business is also an important concept in today's era, it is an eco-friendly business with reducing negative impacts on the environment.

In today's world due to several factors our environment is destructing so the corporate sector can't escape from their CSR duties.

With the passage of time CSR focus area shifted to environmental matters from other traditional CSR activities. More and more companies desire to go "green" and are building to LEED (Leadership in Energy and Environmental Design) certification standards, joining the Chicago Climate Exchange, and producing corporate social reports to make public their environmental performance in accordance with the Global Reporting Initiative. Various matters catalyze in this environmental activities of companies like including cost reduction, then green consumers,

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<sup>1</sup> Constitution of India 1950, art 21

<sup>2</sup> Constitution of India 1950, art 51 –a (g)

managerial altruism Over the past decade, there has been a rise in direct engagement between firms and environmental non-governmental organizations (NGOs). Milton Friedman distinguish American Economist says To some, an action only counts as true CSR if it is unprofitable and hence motivated by altruism

## **CSR AND ENVIRONMENTAL PROTECTION IN INDIAN LEGAL CONTEXT**

When we check the Indian history we can see that our country always show a positive attitude towards protection of environment

From Vedic age to till we can see the various steps taken by our country regarding environment protection. Later with advancement of science and technology and modernization this concept of protection of environment as an ethical way slowly started to degrade. Then environmental pollution increased and human beings started to face its consequences very badly. Then with the emergence of corporate social responsibility in corporate sector relevancy of pollution free environment and protection of environment resources emerged. Corporate has a duty towards the society they exist in so they have to reduce the pollution and cause destruction towards the environment by their establishment functioning. The world has suffered a lot of consequences from lack of proper safety guidelines in protecting the environment in establishments and factories. Such a big disaster India faced is Bhopal gas leakage, people are still suffering because of it.

The end of the 20th century our country has witnessed many dramatic changes .In the 90 s our country underwent many rapid changes, the introduction of LPG. Public sector has slowly shifted to the private sector. Along with this many concepts like corporate governance and Corporate Social Responsibility [CSR] means a corporate sector shall perform such a welfare function towards society which is necessary for maintaining the social interest of the society. The concept of CSR is explained by many eminent personalities, in the words of ‘Carroll’ and ‘Buchholtz’, the corporate social responsibility encompasses the economic, legal, ethical, and philanthropic expectations placed on the organizations by the society at a given point of time<sup>3</sup>. Mahatma Gandhi, business entrepreneurs are trustees and not the owners of the social wealth and they have to spend a part of it for social causes. Ray Anderson said, Sustainability is no longer about doing less harm. It’s about doing more good. By the introduction of the

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<sup>3</sup> Rogene .A Buchloz ,’ Business Environment and Public Policy’ , (5th edn , Pearson , 1994)

Companies Act, 2013 it became the mandate for following corporate social responsibility (CSR) in Indian companies

The concept of CSR revolves around human welfare and emphasizes a concern with the social dimensions of the business activity that have direct connection with the quality of life in the society. “Sustainability is no longer about doing less harm. It’s about doing more good”<sup>4</sup> The word responsibility implies that business organizations were believed to have some kind of obligation towards the society in which they functioned to deal with the social problems and contribute more than just economic goods and services. It is a concept whereby the companies integrate social and environmental concerns in their business operations and in their interactions with the stakeholders on a voluntary basis. The main function of an enterprise is to create value through producing goods and services that society demands, thereby generating profit for its owners and shareholders as well as the welfare of the society, particularly through the ongoing process of job creation.

Social responsibility implies the acceptance of a moral imperative to recognise the duties and obligations arising from a company’s relationship with customers, suppliers, employers, shareholders and society at large beyond consideration of profit. It refers to business decision making linked to the ethical values, compliance with the legal requirements

Philanthropy and CSR is not spick and span for Indian companies. The current structure of CSR activities was mainly after the 90s.

## **INDIAN LEGISLATIONS INDENTURING ENVIRONMENTAL PROTECTION IN CORPORATES**

Earlier the idea of environment can't been seen in Indian constitution. Consequently, the expression environment was initially not found in the constitution. The abovementioned philosophy of peaceful coexistence with nature got mentioned, in one way or the other, in the Indian Constitution.

The Indian constitution was subjected to interpretation several times. Various new rights were evolved from its right to life under article 21 of the Indian constitution contains a right to healthy environment,. The acts done by corporates causing damage to the environment, and

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<sup>4</sup> Jochen Zeitz

duty to protect and improve the environment. The right to healthy environment is the product of judicial interpretations adding new dimensions to the right to life in Article 21 of the constitution of India.

The 42nd amendment to the constitution has imposed the duty on the state and the citizens to protect and improve environment, by adding article 48 A to the directive principle of state policy and 51 A (g) as a fundamental duty<sup>5</sup>. These insertions have acted as the foundations for building up environmental jurisprudence in the country. Corporate sustainability essentially refers to the role that companies can play in meeting the agenda of sustainable development and entails a balanced approach to economic progress, social progress and environment.

The Companies Act, 2013 has introduced the idea of CSR to the forefront and through its disclose-or-explain mandate, is promoting greater transparency and disclosure. Section 135 of the act says, that every company fulfilling this following conditions had to do CSR activities Section 135(1) of the 2013 Act provides that the board of any company having a net worth of Rs. 500 Crore or more, or turnover of 1000 Crore or more, or net profit of Rs. 5 crore or more, (in the preceding financial year), has to mandatorily formulate a Corporate Social Responsibility Committee. Further, the committee shall be composed of at least three directors. More importantly, it is pertinent to note that at least one of these directors must mandatorily be an independent director.

The proviso clause of the aforesaid sub-section states that for a company which is exempted from having an independent director as per 149 (4) Corporate Social Responsibility Committee of such a company shall mandatorily have at least two directors.

Section 135(2) obligates the disclosure of the composition of the committee constituted as per Section 135(1) in the report formulated by the board in consonance with section 134 (3)

Schedule VII of the Act, which lists out the CSR activities, suggests communities to be the focal point. On the other hand, by discussing a company's relationship to its stakeholders and integrating CSR into its core operations, the draft rules suggest that CSR needs to go beyond communities and beyond the concept of philanthropy. It will be interesting to observe the ways

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<sup>5</sup> Constitution Of India 1950,art 48A

in which this will translate into action at the ground level, and how the understanding of CSR is set to undergo a change<sup>6</sup>.

### **MAJOR ENVIRONMENTAL CATASTROPHES PIONEER TO CSR**

The Bhopal gas leak accident, One of the tragic industrial disasters in history, occurred approximately two years before the Supreme Court evolved the rule of absolute liability. It is not possible for the court to make quick decisions relating to compensation to the victims of the accidents like those of Bhopal gas leak. The interests affected are various; the intensity of damage and suffering varies from one victim to another. Assessment of the compensation for the loss, mental agony, suffering and death has been an arduous task.

Endosulfan Tragedy Kerala it was affected mostly in kasargod district of kerala affecting the human beings, plants and animals people are still suffering because of this.

Cuyahoga River Fire: Due to the pollution from Industrial waste, in 1969 the Cuyahoga river in Cleveland , Ohio catch fire this incident urge to American Environmental Movement .This leads to resulting in amendements extending the Clean Water Act, Great lakes water quality agreement, and formation of Federal Environmental Protection Agency {EPA} Ohio Environmental Protection Agency

{OEPA}

Du Pont Chemical Leak: On November 15 Du Pont released approximately 24, 000 pound of a highly toxic, flammable gas methyl mercaptan, a toxic chemical used in the company's insecticide and fungicide manufacturing process this affected local environment badly

### **HURDLES SURROUNDINGS CSR**

In India implementation of corporate social responsibility and environmental protection activities face several challenges .If these challenges are properly addressed, implementation of CSR activities becomes smoother.Some major challenges in the field of CSR and environmental protection are following

- Lack of Awareness and sensitisation regarding corporate social responsibility

Considering CSR as mere philanthropy by some companies rather than integrating it

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<sup>6</sup> Companies Act, 2013

into their core business strategies, leading to superficial or one-time initiatives.

- **Fail To Impart Environmental Literacy:**  
The general public and even some businesses lack awareness about environmental issues and the importance of sustainable practices.
- **Regulatory Challenges Compliance Gaps:**  
India through legislation like the Companies Act, 2013 and environmental protection such as the Environment Protection Act, 1986 CSR activities made compulsory even though enforcement is often weak, leading to non-compliance due to delay in governmental processes and red tape barriers . Policy inconsistency make difficult for companies to plan long term CSR plans
- **Lack of Financial stability among SMEs:**  
SMEs Small and medium enterprises (SMEs) often struggle with the financial burden of implementing CSR initiatives or adopting environmentally friendly technologies.
- **Deceptive Tactics -"Greenwashing"**  
Green washing is a major obstacle in environmental protection and CSR activities. Some companies engage in greenwashing, where they falsely portray themselves as environmentally responsible and their products as environmentally friendly
- **Economic Pressure In Balancing Development and Sustainability**  
India is a developing country, there are always issues regarding economic growth and environmental sustainability. Industries sometimes in urge of development don't pay much attention to environmental matters; this often leads to environmental degradation.
- **Diverse Social and Cultural Backgrounds**  
India's diverse social and cultural backgrounds sometimes hinder CSR activity. CSR initiatives must cater to varied communities with different needs and expectations of them, complicating implementation and in some cases, traditional practices may conflict with modern environmental protection methods, leading to resistance.
- **Political and Social Instability**  
Political and social issues and uncertainty sometimes can disrupt CSR and environmental protection projects
- **Climate Change and Natural Disasters**  
Climate changes and natural disasters affect companies in CSR activities. They have to do more funding in these situations. India is highly vulnerable to climate change and more than 80 % of Indians live in areas that are highly vulnerable to extreme weather

events and natural disasters, which can disturb environmental protection efforts and strain resources meant for CSR. Adapting to the impacts of climate change requires significant investment, which may not always be practical to all companies.

## **CONCLUSION**

Corporate Social Responsibility (CSR) is becoming increasingly important in this era. A corporate is like sometimes a citizen of a country, a country provides needed facilities and protections to their citizens, just like when a country is providing needed facilities for the smooth running of a corporation they had to show some responsibilities in return.

Corporate social responsibility is the commitment of companies and corporations to causes they deem important to their values. This can include initiatives such as investing in companies dedicated to tackling environmental causes, reducing their carbon footprint, engaging in charity work, advocating for human rights, supporting social movements, and many other causes.

Klaus Schwab the famous German mechanical engineer, economist and founder of the World Economic Forum says, Corporate social responsibility is measured in terms of businesses improving conditions for their employees, shareholders, communities, and environment. But moral responsibility goes further, reflecting on the need for corporations to address fundamental ethical issues such as inclusion, dignity, and equality.

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