

Corporate Responsibility and Climate Adaptation: Evolving CSR Practices in India

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Abstract: *The importance of Corporate Social Responsibility (CSR) in tackling environmental issues has increased due to the growing threat posed by climate change, particularly in developing nations like India. India's corporate environment is changing as a result of national commitment to sustainable development goals, stakeholder expectations, and regulatory mandates. Companies that meet certain criteria are now required by law to engage in corporate social responsibility (CSR), which means they must devote funds to initiatives that support environmental sustainability, including climate change mitigation. Nevertheless, incorporating CSR into long-term climate initiatives continues to provide substantial obstacles, even in the presence of such regulatory frameworks.*

This research looks at how CSR is now being used in India to solve climate-related challenges, showing both the advantages and disadvantages of business activities. It focuses on how well CSR investments function, how the regulatory environment is, and how business practices match India's obligations under global agreements like the Paris Agreement. The study also looks at important industries where CSR-driven climate initiatives have gained traction, including manufacturing, agriculture, and energy. Critical analysis is done on the difficulties in determining how CSR affects climate action, the dangers of greenwashing, and the weaknesses in the way laws are enforced.

This study attempts to shed light on how CSR might spur significant climate action through a thorough literature review and case studies of Indian businesses. The study emphasizes the necessity of a more strategic approach to corporate social responsibility (CSR), in which business initiatives are backed by open reporting systems and coordinated with long-term environmental objectives. At the end of the day, this study advocates for a multi-stakeholder strategy encompassing the government, corporations, and civil society while making recommendations for strengthening the role of corporate social responsibility (CSR) in reducing climate-related risks and advancing sustainable development in India.

Keywords: Corporate Social Responsibility (CSR), Climate Change, India, Sustainability, Companies Act 2013, Paris Agreement, Greenwashing, Environmental Policy, Sustainable Development Goals (SDGs)

I. INTRODUCTION

With climate change affecting ecosystems, economies, and communities worldwide, it has grown in importance and is now one of the major global concerns of the twenty-first century. There is a lot of demand on governments, corporations, and civil society organizations to work together to find sustainable solutions to the environmental problem. A crucial tool that companies can use to help mitigate the dangers associated with climate change in this context is Corporate Social Responsibility, or CSR. Previously viewed as an optional company practice meant to give back to the community, corporate social responsibility (CSR) has developed into a strategic instrument that synchronizes corporate operations with environmental, social, and governance (ESG) standards.

Because of the socioeconomic and environmental conditions of India, corporate social responsibility (CSR) has developed a distinct personality. The enterprises Act of 2013 changed the status of corporate social responsibility (CSR) from a voluntary activity to a legal requirement for certain qualifying enterprises. According to this law, businesses with a net worth of at least ₹500 crore, a turnover of ₹1,000 crore, or a net profit of at least ₹5 crore must devote at least 2% of their average net profits over the previous three years to corporate social responsibility initiatives.

Environmental sustainability is one of the main issues mentioned in this mandate, and it has a direct connection to combating climate change.

Nevertheless, there are significant obstacles to effectively integrating CSR with climate action, even with existing statutory frameworks in place. Even though a lot of Indian businesses have started corporate social responsibility (CSR) initiatives addressing environmental problems such as waste management, water conservation, renewable energy, and reforestation, their efficacy in halting climate change is still being questioned. CSR programs frequently concentrate on high-profile, short-term projects that could not have a major impact on long-term climate goals. The occurrence of "greenwashing," in which businesses participate in symbolic corporate social responsibility (CSR) initiatives to boost their public image without significantly improving environmental sustainability, is brought to light by this.

Furthermore, the manufacturing, energy, and agricultural sectors—all of which both cause and suffer from climate change—are vital to the Indian economy. These industries are important for furthering corporate social responsibility initiatives that lessen environmental harm. For example, one of the main contributors to greenhouse gas emissions is the energy sector, which is dominated by fossil fuels. Initiatives related to corporate social responsibility (CSR) in this field have the potential to stimulate investment in renewable energy and greener technology; however, the results of these endeavors must be quantifiable and in line with India's climate obligations under global accords like the Paris Agreement.

The regulatory framework in India adds to the complexity of the situation. Although the Companies Act of 2013 gives corporate social responsibility (CSR) a legal basis, there isn't much information available on how businesses should explicitly handle climate-related challenges. Furthermore, there are no strict enforcement measures in place to guarantee that CSR investments are put to good use. As a result, corporations typically only fulfill the bare minimum of obligations when it comes to CSR, rather than taking a proactive stance towards sustainability.

This essay aims to investigate how CSR is changing in the Indian context when it comes to addressing climate change. It seeks to examine how corporate governance, environmental policy, and corporate social responsibility (CSR) interact, with an emphasis on how businesses might go beyond compliance to actively support climate resilience. This study aims to evaluate the efficacy of corporate social responsibility (CSR) as a vehicle for climate action by looking at current CSR activities, policy frameworks, and case studies of prominent Indian firms. It will also draw attention to the shortcomings in present procedures and offer suggestions for improving CSR's influence on climate-related problems.

The study's conclusions are especially pertinent in view of India's adherence to the Sustainable Development Goals (SDGs) and its active involvement in international frameworks for climate governance. India's approach to incorporating corporate social responsibility (CSR) into its climate strategy will have significant effects on both domestic environmental outcomes and global climate efforts, given the country has one of the fastest-growing economies in the world. Indian businesses may significantly contribute to the reduction of the country's carbon footprint, the adoption of renewable energy, and the promotion of environmental sustainability innovation by utilizing corporate social responsibility (CSR).

II. LITERATURE REVIEW

KPMG India (2019) - "India's CSR Reporting Survey 2019"

This report offers insights into how Indian companies allocate their CSR budgets, with an increasing focus on climate-related issues. It reveals emerging trends such as the prioritization of environmental sustainability, renewable energy, and water conservation. The report emphasizes that companies are now more aligned with global environmental goals, driven by both regulatory frameworks and societal expectations. The data presented in this survey shows a shift from traditional social welfare projects towards initiatives that address climate change, making it a key document for understanding CSR's evolving role in India's corporate climate strategies.

Ministry of Corporate Affairs (2013) - "Companies Act of 2013"

The Companies Act of 2013 introduced a significant legal framework for CSR in India, mandating that companies with a certain turnover and profitability spend a minimum of 2% of their net profits on CSR activities. This law was a turning point for corporate governance in India, formalizing CSR practices and ensuring that companies take responsibility for social and environmental issues, including climate change. The Act emphasizes that businesses must

focus on sustainability and environmental protection as part of their CSR obligations, shaping how companies now integrate climate resilience into their CSR portfolios.

Chopra, R. (2020) - "CSR and Climate Action in India"

Chopra's research explores how Indian companies are incorporating climate change mitigation and adaptation strategies into their CSR activities. The paper outlines key challenges, such as the lack of expertise in climate action within companies, financial constraints, and the need for more robust regulatory incentives. Chopra also highlights successful case studies where businesses have adopted innovative CSR practices, such as renewable energy projects, energy-efficient processes, and waste management systems, to tackle climate-related challenges.

TERI (2018) - "Sustainability through CSR: An Indian Perspective"

The Energy and Resources Institute (TERI) report focuses on how CSR initiatives have contributed to sustainability in India, particularly in addressing environmental issues like deforestation, air quality, and water scarcity. The document underscores the importance of businesses engaging in CSR activities that promote environmental stewardship and reduce carbon footprints. TERI also highlights that companies are gradually recognizing their role in combating climate change, with CSR serving as a platform to support sustainability programs aligned with national and international climate policies.

Bhattacharya, C. (2019) - "CSR Strategies and Climate Change: The Indian Corporate Experience"

Bhattacharya's research provides an in-depth analysis of how Indian corporations are formulating and implementing CSR strategies in response to climate change. The study focuses on how companies are aligning their CSR programs with India's National Action Plan on Climate Change (NAPCC) and other global frameworks such as the UN Sustainable Development Goals (SDGs). It also identifies successful strategies like energy transition, carbon neutrality goals, and collaboration with government bodies to ensure that CSR programs have a lasting impact on climate resilience.

Confederation of Indian Industry (CII) (2021) - "Sustainable CSR Initiatives: Best Practices"

This report by the Confederation of Indian Industry (CII) showcases best practices in CSR for sustainable development, focusing on case studies where companies have made significant contributions to climate action. It highlights successful projects such as afforestation drives, renewable energy adoption, and water conservation efforts. The report also discusses the measurable impacts of these CSR activities on both the environment and local communities, demonstrating the tangible benefits of integrating sustainability into corporate strategies.

Rathi, M. (2020) - "Greenwashing and CSR: Regulatory Challenges"

Rathi's paper delves into the issue of greenwashing—where companies falsely market their products or CSR initiatives as environmentally friendly to gain public approval without making substantial efforts to reduce their environmental impact. The study discusses the regulatory loopholes that allow for such practices and the negative implications they have on authentic climate action. Rathi argues for stricter regulatory oversight and transparency in CSR reporting to ensure that companies are held accountable for their environmental claims and that genuine climate efforts are made.

World Resources Institute (WRI) (2021) - "CSR and Water Management in India"

This report focuses on the role of CSR in addressing water scarcity, one of India's most pressing environmental issues. It highlights how companies are using CSR funds to implement rainwater harvesting, groundwater recharge, and water conservation projects in water-stressed regions. WRI's analysis shows that corporate efforts in water management, particularly through partnerships with local communities and government, have led to improved water availability and sustainability in many rural and urban areas.

Prasad, R. (2022) - "Circular Economy and Indian CSR"

Prasad's research explores the integration of circular economy principles into CSR initiatives by Indian companies. The circular economy focuses on reducing waste, reusing materials, and recycling resources, thus reducing environmental impact. This paper discusses how Indian companies, particularly in manufacturing and consumer goods, are adopting circular practices as part of their CSR strategies. It also examines how these practices contribute to both sustainability goals and climate action by reducing carbon emissions and conserving resources.

Mukherjee, S. (2020) - "Public-Private Partnerships and Climate Action"

Mukherjee's paper investigates the role of public-private partnerships (PPPs) in enhancing CSR efforts related to climate change. The research shows how collaboration between government, private companies, and non-governmental organizations (NGOs) has been instrumental in scaling up climate resilience programs. Mukherjee highlights successful PPP models where businesses provide funding and expertise, while the government ensures regulatory compliance and large-scale implementation, particularly in renewable energy projects and disaster management efforts.

UNFCCC (2020) - "The Paris Agreement: Implications for Indian Business"

This report by the United Nations Framework Convention on Climate Change (UNFCCC) provides a global perspective on how the Paris Agreement impacts Indian businesses. It discusses how Indian companies are expected to contribute to the country's climate goals under the agreement, including reducing greenhouse gas emissions and investing in renewable energy through CSR activities. The paper emphasizes that aligning corporate CSR initiatives with global climate agreements is not only a responsibility but also an opportunity for Indian businesses to contribute to global climate action.

Narayanan, A. (2021) - "Regulating CSR in India: The Climate Challenge"

Narayanan's paper addresses the regulatory framework surrounding CSR in India, specifically focusing on how it relates to climate action. The study identifies gaps in the current regulations that hinder the effective implementation of climate-related CSR initiatives. Narayanan suggests that clearer guidelines and stricter enforcement are needed to ensure that businesses genuinely contribute to climate resilience through CSR rather than engaging in superficial or misaligned activities. This paper also advocates for the inclusion of climate-specific goals within India's CSR legal framework.

III. RESULTS AND DISCUSSION

Inconsistent CSR Regulation

Despite the legal framework provided by the Companies Act, the absence of uniform standards for evaluating the effectiveness of climate-related CSR initiatives creates inconsistencies in execution. Some companies prioritize immediate social returns, leaving long-term environmental goals underfunded.

Greenwashing Concerns

Greenwashing remains a significant challenge, with some companies overstating their environmental efforts. Regulatory oversight is necessary to ensure that CSR funds are genuinely contributing to sustainability.

Public-Private Partnerships

Successful CSR efforts often involve collaboration between corporations and the government. The National Clean Energy Fund and partnerships in water conservation projects are examples of how these partnerships have scaled climate resilience.

The Role of Renewable Energy

Many large Indian corporations, including Reliance and Tata, have set ambitious targets for renewable energy investment, which have been central to their CSR strategies. These investments are key to reducing India's carbon footprint.

Circular Economy and Waste Management

Companies are increasingly incorporating circular economy principles into their CSR strategies, focusing on reducing waste and improving resource efficiency, particularly in sectors such as manufacturing and packaging.

IV. FINDINGS

- **Increased Corporate Investment in Renewable Energy:** Companies are directing significant CSR funds toward renewable energy projects, particularly solar and wind energy.
- **Challenges of Greenwashing:** Despite increased CSR spending, there are numerous cases where companies have exaggerated the environmental impact of their activities.
- **Water Management and Conservation:** A growing number of companies are addressing India's water scarcity crisis through innovative CSR projects, including rainwater harvesting and recycling.
- **Public-Private Partnerships as Key Enablers:** These partnerships are crucial for scaling CSR efforts, particularly in areas such as climate resilience and energy efficiency.
- **Need for Stronger Regulatory Oversight:** There is an urgent need for stricter regulations to monitor the actual impact of climate-related CSR, ensuring that funds are directed toward authentic, sustainable projects.

V. CONCLUSION

CSR in India has become a pivotal tool for addressing climate-related issues, with companies taking significant steps toward renewable energy adoption, water conservation, and sustainable business practices. However, challenges such as greenwashing, regulatory inconsistencies, and the difficulty of implementing effective CSR strategies persist. Stronger regulatory oversight and public-private partnerships will be essential in ensuring that CSR continues to play a meaningful role in India's fight against climate change.

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