

---

# **CORPORATE SOCIAL RESPONSIBILITY (CSR): A STUDY ON ENVIRONMENTAL PROTECTION PROGRAMMES IN INDIA**

**Thatla Sambalaxmi**

Research Scholars, Kakatiya University, Warangal – 506 009

**Jaganmohan Kongara**

Research Scholars, Kakatiya University, Warangal – 506 009

---

**Abstract:** Corporate Social Responsibility (CSR) is viewed as a comprehensive set of policies and programmes that are integrated into business operations, supply chains and decision-making processes throughout the company. CSR plays an instrumental role in helping their organization achieve its goals of becoming a socially and environmentally responsible firm one which reduces its negative and enhances its positive impacts on society and the environment. One of the activities is to ensure environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water. Environmental sustainability has now turn into the keys issue for corporate economic growth, environmental management and community development. Ignoring environmental problems can lead to degradation and depletion of natural resources which could prove detrimental to both the corporate sector business and the society. The activities which are undertaken by the corporate and business houses for the societal welfare and also for ensuring healthy environment fall under the ambit of Corporate Social Responsibility (CSR). In this article an attempt is made to discuss the environmental obligations of corporate and key elements of CSR activities with reference to environmental protection and sustainability have been discussed in this article

**Keywords:** Community, Corporate Social Responsibility (CSR), Environment, Sustainability Development.

---

**Introduction:** Awareness of the impact of business on society and environment has grown along with the increasing socio-regulatory pressures. This evolution has gradually led business to return the displaced social orientation. Many firms are assuming increased responsibility for both social and environmental well-being. Corporate response to environmental and social issues is progressing through three stages of evolution: profit maximization management, trusteeship management, and quality of life management. The business depends on society for its existence, sustenance and encouragement. Being too much dependent on society, business has definite responsibility towards different segments of society. Though profit making is one of the main objectives of business, but it has to satisfy its various stakeholders, viz., employees, consumers, government, community, and shareholders. Over the past few decades, a growing number of companies have recognized the business benefits of Corporate Social Responsibility (CSR) policies and practices.

CSR is defined as "A concept of shareholder, employee, environment, community, government all related to Business". Companies integrate social and environment concerns in their business operations and in their interaction with their stakeholders on a voluntary basis, as they are increasingly aware that responsible behavior leads to sustainable business success. A growing body of empirical studies demonstrates that CSR has a positive impact on business economic performance. Companies going for CSR activities have experienced a range of bottom line benefits, namely, improved financial performance and reduced operating costs, enhanced brand image and reputation, increased sales and customer loyalty. In Indian context, CSR is not a new concept easily seen in the form of magnificent temples, high mosques, large dharamshalas and great educational institutions.

In 2007 Indian Prime Minister, Manmohan Singh stated that: "Corporate social responsibility must not be defined by tax planning strategies alone. Rather, it should be defined within the framework of a corporate philosophy which factors the needs of the community and the regions in which a corporate entity functions. This is part of our cultural heritage. Ma hat ma Gandhi called it trusteeship. I invite corporate India to be a partner in making ours a more humane and just society... We need a new Partnership for Inclusive Growth based on what I describe as a Ten Point Social Charter...first, we need to have healthy respect for your workers and invest in their welfare".

The increasing relevance of CSR in India has stemmed from the fact that a business cannot succeed by ignoring the human and social needs of our society. In this age of widespread communication and growing emphasis on transparency, customers of any product or service are not likely to feel satisfied in buying from a company that violates the expectations of ethical and socially responsible behavior. Therefore, the companies that pay genuine attention to the principles of socially responsible behavior are favored by the public and preferred for their goods and services.

India is a welfare state. But with the passage of time Indian government has adopted liberalisation, privatization and globalization. Public sector has slowly shifted to private one. Therefore, the new concept of Corporate Social Responsibility[CSR] means a corporate sector shall perform such welfare function towards society which is necessary for maintaining the social interest of the society. In the words of 'Carroll' and 'Buchholtz', the corporate social responsibility encompasses the economic, legal, ethical, and philanthropic expectations placed on the organisations by the society at a given point of time. According to Brown H.R., social responsibility is defined as, "the obligation of a businessman to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of objectives and values of the society. Some scholars have defined CSR as a social commitment of a businessman or a social obligation or moral or ethical responsibility or a corporate social philanthropy. In the words of 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. To describe the principle of trusteeship he quoted, enjoy the wealth, take the minimum which you need, leave the rest to the welfare of community." It cannot be considered as charity. A robust and thriving development sector is central to India's quest for equitable, inclusive and sustainable growth. India's development sector has evolved substantially over the last few decades and is now witnessing unprecedented interest and investments across the value chain.

With the passage of the Companies Act, 2013 the mandate for corporate social responsibility (CSR) has been formally introduced to the dashboard of the Boards of Indian companies. The industry has responded positively to the reform measure undertaken by the government with a wide interest across the public and private sector, Indian and multinational companies. Building a society which provides equal access to opportunities negates disparities and, is a collective responsibility.

**Concept of Corporate Social Responsibility:** The emerging concept of corporate social responsibility goes beyond charity and requires the company to act ethically in the company's business affairs. The triple bottom line approach to corporate social responsibility emphasizes the company's commitment to operating in economically, socially and environmentally sustainable manner. CSR is based on the idea that successful profitable corporations should take the responsibility for social issues and manage their business in such a way that maximises profit and stockholder wealth while also contributing to the resolution of the social problems. The concept involves notions of 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. The word responsibility implies that business organisations 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 concern 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 on going 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 and respect for people and communities and environment.

**Environment Protection Measures:** Irrespective of whether a company is polluting or non polluting, protection of environment should be the concern of every socially responsible organisation. Each company must take steps to make sustainable use of resources, establish a healthy and safe working environment, maintain ecological balance, take proactive steps to minimise waste generation and preserve environment.

**Corporate Business Ethics:** Ethics is a set of principles or standard of human conduct that govern the behaviour of individuals or organisations. Using these ethical standards, a person or group of persons or organisations regulate their behaviour to distinguish what is right and what is wrong as perceived by others. It is not a natural science but a creation of human mind. All human societies have ethical systems that define what is meant by right and wrong, fairness, justice, truthfulness and similar ideas dealing with morality and rightness. Individuals who live in those societies learn more from childhood what is considered as ethical and unethical. Business is increasingly challenged to consider ethics when it makes decisions. They need to find out the balance between economics and ethics. Society wants the business to produce the needed goods and services but it also expects the business to conduct its economic operations in an ethical way.

**Model Environmental Policy;** The company's commitment towards is absolute. The company believes in sustainable development by ensuring that the activities are in harmony with environment. The company in the process of various steps of manufacturing is committed to achieving excellence in environmental performance and towards this objective shall:

- Adopt appropriate operational practices and suitable technologies to monitor, control and minimise the impact of its activities on environment.
- Continually improve its performance by setting the objectives and targets to prevent or reduce pollution and waste and minimise the use of resources
- Comply with all relevant legislative and regulatory environmental requirements.
- Develop and maintain a highly motivated workforce trained for effective management of environment and emergency situation .
- Provide relevant information on environmental policy to the concerned authorities and interested parties and ensure that the policy is understood, implemented and explained by the employees at all levels within the organisation.
- Evaluate and modify environmental management practices keeping in view regulatory requirements, community concerns and technological advancements.

**Major Areas Defining Corporate Social Responsibility:** Corporate social responsibility has much broader implication for a nation as a whole. The growing popularity of corporate social responsibility is premised on the belief that the modern corporations have the financial resources, human capital, an global influence to advance the progressive causes. Some of the areas which define CSR are as under:

- a) Community development: this includes socially oriented activities which are primarily of the benefit to the general public like corporate philanthropy, housing construction, financial health services activities among employees food programmes and community planning and development.
- b) Human resources: this area includes social performance directed towards the well being of the employees such as improvement of employment practices, training programmes working conditions and provision for job enrichment schemes
- c) Product of service contribution: this includes consumerism, product quality and product safety.

- d) Physical resources and environmental contribution: These activities are directed towards alleviating or preventing environmental pollution and conservation of scarce natural resources and the disposal of solid waste are included in this area.
- e) Corporate social responsibility reduces the dependency on the Government for the social change. It is also about training young minds and also helping the future generations organise themselves for the greater good.

**Corporate Environmental Liability;** The notions that the individuals, by extension also the corporations, bear the solemn responsibility towards the environment is not new. The Stockholm Conference referred in Principle 1 to man's 'solemn responsibility' to protect and improve environment. Subsequent formulations have preferred to emphasize the individual character of this obligation. Thus the world charter for the nature talks of the duty of 'each person' to act in accordance with the terms. The draft principles on Human Rights and environment states that that 'All persons have the duty to protect and preserve the environment.' None of these instruments creates legally binding obligations for individuals as such. But they do provide a justification for using criminal responsibility as a means of enforcing international environmental law.

It is only when the accident of magnitude and impact of Bhopal gas leak disaster took place, those environmentalists, social workers, general public and government institutions started thinking about the new ways and means of preventing similar tragedies in the future. This process leads to the legislative and administrative activism. The perception of the global concern about the environment is of recent origin. As Caldwell observed, "at the beginning of the twentieth century, neither the environment as an integrative ecological concept nor the biosphere as a planetary life support system was an object of public international concern."

The Bhopal gas leak accident, one of the worst industrial disasters in the human 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.

**Conclusion:** Governance will become the key to sustainability in business. At the end of the day, building a large corporation is easy but building one of the most respected corporations in the world and sustaining it over many years is a big challenge. Only those companies that were built on a platform of strong corporate governance will earn respect from its stakeholders and enjoy a more sustainable growth. The need to understand and act upon the concept of corporate social responsibility has gained momentum in the recent past not just in the legal precept but also in the judicial activism. The argument for the individual rights and by extension those of corporations and position of NGO's stands apart as perhaps the strongest of the environmental claims. The pragmatic point is that the addressing the position of individual and other legally significant entities directly, international law facilitates wider participation in cesses of national governance, and more effective approach to the enforcement and implementation of law, primarily through the use of national legal systems. Besides the constitutional and legislative duty it becomes an ethical duty not only of individuals but of the corporate houses to protect and improve the quality environment. Right to pollution free environment could be achieved by realising common but differentiated responsibility at every strata of the society.

#### References:

1. Agarwal, S. K. (2008). *Corporate Social Responsibility in India*, New Delhi: Response Books.
2. Arora, B. and Puranik, R. (2004). "A review of corporate social responsibility in India", *Development*, Vol.47, (3):93-100.
3. Greyer, E. and William, T. R. Jr. (1997). "The Influence of Firm Behavior on Purchase Intention: Do Consumers Really Care about Business Ethics?" *Journal of Consumer Marketing*, Vol.

- 14 (6) :421-432.
4. Hay, R.D., Gray, E.R., & Gates, J.E. (1976). *Business and Society*. Cincinnati: Southwestern Publishing.
  5. Hawkins, D. (2006). "CSR balancing tomorrow's sustainability & today's profitability", New York :Palgrave Macmillan
  6. Sarkar, C. R. (2005). "*Social Responsibility of Business Enterprises*", New Delhi: New Century Publications.
  7. Energy Star for Computers. U.S. Environmental Protection Agency. [http://www.energystar.gov/index.cfm?fuseaction=find\\_a\\_product.showProductGroup&pgw\\_code=CO](http://www.energystar.gov/index.cfm?fuseaction=find_a_product.showProductGroup&pgw_code=CO)
  8. Product and Supply Chain Standard. The Greenhouse Gas Protocol Initiative. <http://www.ghgprotocol.org/standards/product-and-supply-chain-standard/>
  9. J. G. Koomey, Estimating Total Power Consumption by Servers in the U.S. and the World, February 2007.
  10. <http://enterprise.amd.com/Downloads/svrpwrusecompletefinal.pdf>
  11. A. Chandrakasan, R. W. Brodersen. *Low Power Digital CMOS Design*. Kluwer-Academic Publishers, 1995.
  12. S. Gurumurthi, A. Sivasubramaniam, M. Kandemir, H. Franke. Reducing Disk Power Consumption in Servers with DRPM. *IEEE Computer* 36(12):59-66, 2003.

\*\*\*