

# Corporate Environmental Responsibility: A New Era Of Environmental Sustainability In India

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## Abstract

India's dynamic economic growth presents both opportunities and significant environmental pressures, demanding a fundamental shift in how businesses approach their environmental obligations. This paper investigates the evolving contours of Corporate Environmental Responsibility (CER) in India, marking a transition towards a more comprehensive and impactful era of environmental sustainability. We analyze the confluence of factors propelling this change, including increasingly stringent environmental regulations and enforcement mechanisms, heightened public and investor awareness regarding environmental degradation, the growing influence of international sustainability frameworks like the Sustainable Development Goals (SDGs), and the proliferation of innovative clean technologies and circular economy principles within the Indian business ecosystem. The study examines the key drivers and barriers influencing the adoption and effectiveness of CER practices across various sectors in India, from manufacturing and energy to technology and services. We explore the role of government policies, judicial pronouncements, civil society engagement, and market-based mechanisms in shaping corporate environmental behaviour. Through an analysis of case studies, policy documents, and emerging trends, this research aims to provide a nuanced understanding of the progress, challenges, and future potential of corporate India in contributing meaningfully to environmental sustainability. We argue that a genuine commitment to CER, characterized by transparency, accountability, and a long-term perspective, is not only essential for mitigating environmental risks but also for unlocking new avenues for innovation, resource efficiency, and sustainable economic development in India. Ultimately, the paper underscores the critical role of a robust and deeply embedded CER framework in ensuring India's journey towards a truly sustainable future.

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## INTRODUCTION:

Environment hazards is a common challenge for the humanity and is closely related to sustainable human development. The lessons of history tell us that the harm humans do to nature will eventually hurt humans themselves, and that economic growth at the expense of massive consumption of resources and ecological environment is unsustainable. In this corporate world, Companies should take responsibility for the environmental issues brought about by their own economic development and actively participate in the global governance of climate change. The Companies Act, 2013 in India marked a significant turning point in the landscape of corporate responsibility. Beyond the traditional focus on financial performance, the Act introduced a mandatory framework for Corporate Social Responsibility (CSR), compelling eligible companies to contribute to social, environmental, and economic development. This paradigm shift has profound implications for how businesses operate and interact with their stakeholders, particularly concerning their environmental impact. This article delves into the concept of Corporate Environmental Responsibility (CER) within the context of the Companies Act 2013, exploring its evolution, key provisions, challenges, and the way forward for a more sustainable corporate ecosystem in India.

Corporate environmental responsibility which is inspired by the widely-accepted environmental awareness has the potential to serve as a breakthrough point for enhancing corporate sustainable development<sup>1</sup>. Corporate environmental responsibility is the commitment of businesses to operate in an economically, socially, and environmentally sustainable manner. This means that companies must take into account their impact on the environment when making decisions about production processes, product design, and marketing strategies. For example- reducing energy consumption by switching to renewable sources such as solar power, investing in water conservation initiatives, sourcing recycled materials for manufacturing processes, minimizing waste through recycling programs etc.

At the global level, the concept of CSR was firstly mentioned in 1953 in the publication *Social Responsibilities of Businessman* by William J. Bowen. Bowen has suggested that the "social responsibility of businessman refers to the obligations of businessmen to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objectives and values of our society<sup>2</sup>."

The Hon'ble Supreme Court in the landmark adjudication of *Shri Sachidanand Pandey v. State of West Bengal*<sup>3</sup> which came in as the judicial sequel to the Environmental Protection Act 1986 succinctly observed that with the scientific and technological prowess of man it has blatantly encroached nature. Hence an inclusion of a multi-stakeholder analysis coupled with recommendations towards CER will set the tone and offer a paradigm shift towards protection of the environmental realm in the country.

In *Vellore Citizens Welfare Forum v. Union of India*<sup>4</sup> the court highlighted the adverse effects of industrial pollution and established the principle of sustainable development and the "Polluter Pays" principle in Indian jurisprudence. The Supreme Court of India held that industries must take responsibility for the environmental damage they cause and bear the cost of preventing and remedying such damage. This judgment underscored the need for corporations to adopt environmentally sustainable practices and played a pivotal role in shaping CER in India

### Evolution of Corporate Environmental Responsibility at a Global Level

The concept of Corporate Environmental Responsibility (CER) has undergone significant evolution globally, transitioning from a peripheral concern to a central tenet of corporate strategy and a crucial aspect of legal frameworks. This evolution can be broadly categorized into the following phases:

**Early Stages (Pre-1970s):** In this period, environmental concerns were largely viewed as the responsibility of governments. Businesses primarily focused on economic growth and profit maximization, with minimal consideration for environmental impact. Environmental regulations were limited, and corporate activities often led to pollution and resource depletion without significant repercussions.

**The Rise of Environmental Awareness (1970s-1980s):** Landmark events such as the publication of "Silent Spring" by Rachel Carson and the growing visibility of environmental disasters raised public awareness about the detrimental effects of industrial activities. This era saw the emergence of environmental movements and the enactment of initial environmental legislation in many developed countries. Corporations began to face increasing pressure to address their environmental footprint, although responses were often reactive and focused on compliance with new regulations.

**Integration and Strategic Focus (1990s-2000s):** The concept of sustainable development gained prominence with the Brundtland Report (1987) and the Rio Earth Summit (1992), emphasizing the interconnectedness of economic, social, and environmental well-being. Corporations started to recognize that environmental responsibility could be integrated into their business strategies, leading to improved efficiency, reduced costs, and enhanced reputation. Voluntary initiatives and industry-specific environmental standards began to emerge.

**Mainstreaming and Accountability (2010s-Present):** Environmental responsibility has become increasingly mainstreamed, with growing expectations from stakeholders, including investors, consumers, and employees. The focus has shifted towards greater transparency, accountability, and the measurement of environmental performance through frameworks like

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<sup>1</sup> Qinghai Wang and Gaoyong Li, Research on the Effect of Corporate Environmental Responsibility on Corporate Sustainability and the Mediator Effect of Corporate Environmental Strategy, SAGE, 2024

<sup>2</sup> Dr. Amarnath Paswan and Manish Chandra, *Social and Political Aspects of Community Consciousness*, Victorious Publishers (India), P- 175

<sup>3</sup> AIR 1987 SC 1109

<sup>4</sup> AIR 1996 SC 2715

Environmental, Social, and Governance (ESG) criteria. International agreements like the Paris Agreement on climate change have further propelled corporate action on environmental issues. Many companies now set ambitious sustainability targets, invest in green technologies, and report on their environmental impact.

**The Genesis of Corporate Environmental Responsibility in India:** The concept of corporate environmental responsibility is inextricably linked to corporate social responsibility (CSR), and some scholars directly consider corporate environmental responsibility as a dimension of corporate social responsibility, defining it as the part of corporate socially responsible behaviour that relates to pollution prevention and cleaner production<sup>5</sup>. Prior to the 2013 Act, environmental responsibility in the Indian corporate sector was largely voluntary, driven by philanthropic inclinations or a response to growing public awareness and pressure. While some companies adopted sustainable practices and engaged in environmental initiatives, there was no overarching legal mandate to ensure widespread adoption. Environmental regulations primarily focused on pollution control and resource management, often operating in silos without a strong link to broader corporate accountability frameworks.

#### **Charter on corporate responsibility for environment protection**

The Ministry of Environment & Forest has launched the Charter on "Corporate Responsibility for Environmental Protection (CREP)" in March 2003 with the purpose to go beyond the compliance of regulatory norms for prevention & control of pollution through various measures including waste minimization, in-plant process control & adoption of clean technologies. The Charter has set targets concerning conservation of water, energy, recovery of chemicals, reduction in pollution, elimination of toxic pollutants, process & management of residues that are required to be disposed of in an environmentally sound manner. The Charter enlists the action points for pollution control for various categories of highly polluting industries. The Task Force was constituted for monitoring the progress of implementation of CREP recommendations/ action points. These task forces have been constituted for following industries<sup>6</sup>:

- Chlor-alkali & Fertilizer industry
- Sugar & Pulp & Paper & Distillery
- Cement & Copper & Zinc Smelters
- Aluminum industry
- Integrated Iron & Steel & Thermal Power Plants
- Oil Refineries & Petrochemical industry
- Pesticides & Pharmaceuticals & Dye & Due intermediates
- Tannery

Environmental issues need to be addressed in an innovative way by the corporations. The environmental scandals occurred and experienced in the past three decades have adversely affected the consumers, employees and society at large. Many organizations have expanded their research and development department exclusively by utilizing the best available technology which focuses around and on the environmental issues and performances<sup>7</sup>. Corporate organizations partially represent the larger society thus they must therefore fulfil their social responsibilities by ensuring and undertaking the activities that cause minimal harm to humans and by making maximum use of the modern environmental tools.

The global discourse on sustainable development and the increasing recognition of the private sector's role in addressing environmental challenges provided the impetus for integrating CSR into the Companies Act, 2013. The Sachar Committee Report in 1978 laid the groundwork by recommending the inclusion of CSR as a statutory obligation. This recommendation stemmed from the understanding that businesses utilize societal resources and, therefore, have a responsibility to contribute to societal well-being, including environmental protection. Committee emphasis on the Social responsibility of the companies:

*In the environment of modern economic development, corporate sector no longer functions in isolation. If the plea of the companies that they are performing a social purpose in the development of the country is to be accepted, it can only be judged by the test of social responsiveness shown to the needs of the community by the companies. The company must behave and function as a responsible member of the society just like any other individual. It cannot shun moral values nor can it ignore actual compulsions. The real need is for some focus of accountability on the part of the management not being limited to shareholders alone.. In the*

<sup>5</sup>Rong Liu et al., Does Corporate Environmental Responsibility Promote the Improvement of Corporate Economic Performance? - Based on the Perspective of Green Reputation, Pol. J. Environ. Stud. Vol. 32, No. 5 (2023)

<sup>6</sup>Central Pollution Control Board, visit on <https://cpcb.nic.in/crep/>

<sup>7</sup>Asha Joshi, Corporate Environmental Responsibility: A Liability or Challenge, SSRN Electronic Journal · October 2012

*modern times, the objective of business has to be the proper utilisation of resources for the benefit of others. A profit is still a necessary part of the total picture but it is not the primary purpose. This implies that the claims of various interests will have to be balanced not on the narrow ground of what is best for the shareholders alone but from the point of view of what is best for the community at large. The company must accept its obligation to be socially responsible and to work for the larger benefit of the community<sup>8</sup>.*

### **The Companies Act 2013: A Defining Moment for CER:**

The enactment of the Companies Act 2013, particularly Section 135<sup>9</sup> and Schedule VII, brought about a fundamental change in how corporate responsibility, including environmental stewardship, is perceived and practiced in India.

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<sup>8</sup> Para 12.4, REPORT OF THE HIGH-POWERED EXPERT COMMITTEE ON COMPANIES AND MRTP ACT) MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS DEPARTMENT OF COMPANY AFFAIRS GOVERNMENT OF INDIA NEW DELHI (Popularly Known as Sachar Committee Report , 1978)Page No. 95

<sup>9</sup> 135. Corporate Social Responsibility.—(1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during [the immediately preceding financial year] shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director:

[Provided that where a company is not required to appoint an independent director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more directors.]

(2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

(3) The Corporate Social Responsibility Committee shall,—

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company 4[in areas or subject, specified in Schedule VII];

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

(4) The Board of every company referred to in sub-section (1) shall,—

(a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and

(b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

(5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, [or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years,] in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount[and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer

such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial years].

Provided also that if the company spends an amount in excess of the requirements provided under this sub-section, such company may set off such excess amount against the requirement to spend under this sub-section for such number of succeeding financial years and in such manner, as may be prescribed.]

[Explanation.—For the purposes of this section “net profit” shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of section 198.]

(6) Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

(7) If a company is in default in complying with the provisions of sub-section (5) or sub-section (6), the company shall be liable to a penalty of twice the amount required to be transferred by the company to the Fund specified in Schedule VII or

### Application of Section 135 of the Companies Act, 2013

The provisions of CSR applies to every company fulfilling any of the following conditions in the preceding financial year:

- Net worth of more than Rs.500 crore
- Turnover of more than Rs.1000 crore
- Net profit of more than Rs.5 crore

The Board of Directors of every company for which the CSR provisions apply must ensure that the company spends in every financial year at least 2% of its average net profits made during the immediately preceding three financial years as per its CSR policy. If the company has not completed three financial years since its incorporation, it must spend 2% of its average net profits made during the immediately preceding financial years as per its CSR policy.

**Scope of CSR Activities under Schedule VII:** This schedule lists the broad categories of activities that can be considered as CSR. Several clauses within Schedule VII directly relate to environmental responsibility:

(i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the 'Swachh Bharat Kosh' set up by the Central Government for the promotion of sanitation and making available safe drinking water: While primarily focused on social well-being, this clause has an indirect but significant environmental dimension. Access to safe drinking water and sanitation are intrinsically linked to environmental quality and the sustainable management of water resources.

(ii) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the 'Clean Ganga Fund' set up by the Central Government for rejuvenation of river Ganga: This is the most direct and explicit inclusion of environmental responsibility within the CSR mandate. It encompasses a wide range of activities aimed at protecting and restoring the natural environment.

(iii) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts: While seemingly cultural, the protection of national heritage often involves the conservation of natural landscapes and ecosystems surrounding historical sites. Sustainable tourism practices, which can be supported under CSR, also link cultural preservation with environmental responsibility.

**Companies (CSR Policy) Rules, 2014 and Amendments:** These rules provide further clarity on the implementation of Section 135. They outline the process for formulating CSR policies, the modalities of undertaking CSR activities (including through trusts, societies, or Section 8 companies), and the reporting requirements. Amendments over the years have further refined the framework, emphasizing impact assessment and the role of the Board in overseeing CSR activities<sup>10</sup>.

### Impact of the Companies Act, 2013 on Corporate Environmental Responsibility:

The mandatory CSR framework under the Companies Act 2013 has had a significant impact on how Indian companies approach environmental responsibility:

- **Increased Awareness and Focus:** The Act has undeniably raised awareness about environmental issues within the corporate sector. Companies that were previously not actively engaged in environmental initiatives are now compelled to consider their environmental footprint and identify relevant CSR activities.

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the Unspent Corporate Social Responsibility Account, as the case may be, or one crore rupees, whichever is less, and every officer of the company who is in default shall be liable to a penalty of one-tenth of the amount required to be transferred by the company to such Fund specified in Schedule VII, or the Unspent Corporate Social Responsibility Account, as the case may be, or two lakh rupees, whichever is less.]

(8) The Central Government may give such general or special directions to a company or class of companies as it considers necessary to ensure compliance of provisions of this section and such company or class of companies shall comply with such directions.]

(9) Where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.]

<sup>10</sup>[https://upload.indiacode.nic.in/showfile?actid=AC\\_CEN\\_22\\_29\\_00008\\_201318\\_1517807327856&type=rule&filename=rules\\_2014\\_with\\_amendments.pdf](https://upload.indiacode.nic.in/showfile?actid=AC_CEN_22_29_00008_201318_1517807327856&type=rule&filename=rules_2014_with_amendments.pdf)

- **Dedicated Resources and Budgets:** The 2% mandatory spending rule has led to a significant allocation of financial resources towards environmental projects. This has provided much-needed funding for initiatives related to afforestation, waste management, renewable energy, water conservation, and pollution control<sup>11</sup>.
- **Formalization of Environmental Initiatives:** The requirement for a CSR policy and committee has led to a more structured and formalized approach to environmental initiatives. Companies are now developing specific strategies, setting targets, and monitoring the progress of their environmental projects.
- **Collaboration and Partnerships:** The Act allows companies to undertake CSR activities through various implementing agencies, including NGOs, trusts, and other organizations. This has fostered collaborations and partnerships between the corporate sector and environmental experts, leading to more effective and impactful interventions.
- **Enhanced Reporting and Transparency:** The CSR rules mandate reporting on CSR activities in the company's annual report<sup>12</sup>. This has increased transparency and accountability regarding companies' environmental efforts, allowing stakeholders to assess their performance.

### **Adaptation of Corporate Environmental Responsibility in the Indian Legal Framework**

India has also witnessed a gradual but significant evolution in its legal framework concerning corporate environmental responsibility, influenced by global trends and domestic environmental challenges.

**Early Regulations (Post-Independence to 1980s):** Initial environmental laws in India were primarily focused on pollution control and conservation of natural resources. Key legislation included the Water (Prevention and Control of Pollution) Act, 1974, and the Air (Prevention and Control of Pollution) Act, 1981. These acts established regulatory bodies and set standards for pollution discharge, but their enforcement was often weak, and the direct responsibility of corporations was not explicitly emphasized beyond compliance.

**Comprehensive Legislation and Judicial Activism (1980s-2000s):** The Bhopal Gas Tragedy in 1984 served as a stark reminder of the environmental and social consequences of industrial disasters, leading to stronger environmental legislation. The Environment (Protection) Act, 1986, provided an overarching framework for environmental protection, encompassing various aspects such as pollution prevention, hazardous waste management, and environmental impact assessment. The judiciary also played a proactive role through Public Interest Litigation (PIL), holding corporations accountable for environmental damage and pushing for stricter enforcement of environmental laws. The "polluter pays" principle and the "precautionary principle" became important tenets of Indian environmental jurisprudence.

**Integration of Corporate Environmental Responsibility (2010s-Present):** In recent years, the Indian legal framework has increasingly integrated the concept of corporate environmental responsibility beyond mere compliance. Key developments include:

- **The Companies Act, 2013:** Section 135 of this Act mandates Corporate Social Responsibility (CSR) for certain classes of profitable companies, requiring them to spend a specified percentage of their average net profits on social and environmental activities. Schedule VII of the Act lists environment sustainability, ecological balance, protection of flora and fauna, conservation of natural resources, and maintaining the quality of soil, air, and water as key areas for CSR activities.
- **National Green Tribunal (NGT) Act, 2010:** The establishment of the NGT provided a specialized forum for the effective and expeditious disposal of cases relating to environmental protection and conservation including those involving corporate malfeasance<sup>13</sup>. The NGT has played a crucial role in holding corporations accountable for environmental violations and ensuring the enforcement of environmental laws.
- **Environmental Impact Assessment (EIA) :** The EIA process, made mandatory for various developmental projects, ensures that potential environmental impacts are assessed and mitigation measures are planned before project commencement. Amendments to EIA notifications have aimed to streamline the process while maintaining environmental safeguards.

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<sup>11</sup> Section 135 (5) of Companies Act, 2013

<sup>12</sup> Rule 8 of The Companies (Corporate Social Responsibility Policy) Rules, 2014

<sup>13</sup> Lakshmi K Shanmughan, Corporate environmental responsibility in India: Charting a path to sustainable growth, Jus Scriptum, 2024

- **Specific Regulations for Waste Management:** Rules for the management of hazardous waste<sup>14</sup>, plastic waste<sup>15</sup>, e-waste<sup>16</sup>, and biomedical waste<sup>17</sup> have been strengthened to ensure their safe handling, treatment, and disposal, placing responsibilities on corporations to manage the waste generated from their activities.
- **Focus on Climate Change:** While specific legislation on climate change is still evolving, India has undertaken various policy measures and programs aligned with its international commitments under the Paris Agreement, indirectly influencing corporate environmental practices towards reducing greenhouse gas emissions and adopting sustainable practices.
- **Increased Scrutiny and Enforcement:** Regulatory bodies like the Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCBs) are increasingly focusing on monitoring and enforcing environmental regulations, including holding corporations liable for violations and levying penalties.

The evolution of corporate environmental responsibility globally reflects a growing understanding of the interconnectedness between business activities and environmental sustainability. India's legal framework has adapted to this evolving landscape, moving from basic pollution control measures to a more comprehensive approach that emphasizes corporate accountability, proactive environmental management, and social responsibility. Continued strengthening and effective implementation of these legal provisions are crucial for ensuring a more sustainable and environmentally responsible corporate sector in India.

#### **Challenges and Limitations before CER:**

Despite its positive impact, the implementation of CER under the Companies Act 2013 has faced several challenges and limitations:

- **Focus on Expenditure over Impact:** There is a tendency among some companies to view CSR as merely an expenditure obligation rather than a strategic opportunity to create meaningful environmental impact. This can lead to a lack of focus on the quality and sustainability of the projects undertaken.
- **Greenwashing:** Some companies may engage in "greenwashing," where they superficially promote their environmental initiatives without making substantial changes to their core business practices that may be environmentally damaging.
- **Lack of Expertise and Capacity:** Not all companies possess the necessary expertise and capacity to effectively design and implement impactful environmental projects. This can lead to the selection of less effective or poorly managed initiatives.
- **Regional Disparities:** CSR spending tends to be concentrated in certain regions, often where the company has significant operations. This can lead to regional disparities in environmental protection efforts.
- **Measuring and Evaluating Impact:** Accurately measuring and evaluating the long-term environmental impact of CSR projects can be challenging. The lack of standardized metrics and methodologies hinders effective assessment and learning.
- **Integration with Core Business:** For CER to be truly effective, it needs to be integrated into the company's core business strategy and operations. Often, CSR activities are treated as separate add-ons rather than fundamental aspects of sustainable business practices.
- **Defining "Environmental Sustainability":** The broad definition of "environmental sustainability" in Schedule VII can lead to ambiguity and varying interpretations, making it difficult to ensure a consistent and focused approach to environmental issues.
- **Enforcement and Monitoring:** While the Act mandates CSR, the enforcement and monitoring mechanisms for environmental CSR activities could be further strengthened to ensure compliance and effectiveness.

#### **Moving Forward: Strengthening Corporate Environmental Responsibility:**

To enhance the effectiveness of CER within the framework of the Companies Act 2013, the following steps can be considered:

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<sup>14</sup> Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

<sup>15</sup> Plastic Waste Management (Amendment) Rules, 2024

<sup>16</sup> E-Waste (Management) Rules, 2016

<sup>17</sup> Bio-Medical Waste Management Rules, 2016

- **Shifting Focus to Impact and Outcomes:** Encourage companies to move beyond mere expenditure and focus on the long-term environmental impact and outcomes of their CSR projects. This can be facilitated through robust impact assessment frameworks and reporting guidelines.
- **Promoting Strategic and Integrated CER:** Encourage companies to integrate environmental considerations into their core business strategies and operations. This involves adopting sustainable practices across the value chain, from sourcing raw materials to product design and waste management.
- **Building Capacity and Expertise:** Provide companies with access to resources, knowledge, and expertise in environmental sustainability. This can be achieved through workshops, training programs, and partnerships with environmental organizations and research institutions.
- **Enhancing Transparency and Accountability:** Strengthen reporting requirements to include more detailed information on the environmental impact of CSR projects, including quantifiable metrics and long-term goals. Enhance monitoring and enforcement mechanisms to ensure compliance and address instances of greenwashing.
- **Fostering Collaboration and Knowledge Sharing:** Promote collaboration and knowledge sharing among companies, NGOs, government agencies, and research institutions to disseminate best practices and innovative approaches to environmental CSR.
- **Developing Sector-Specific Guidelines:** Develop sector-specific guidelines for environmental CSR activities, taking into account the unique environmental challenges and opportunities within different industries.
- **Leveraging Technology and Innovation:** Encourage the adoption of technology and innovative solutions for environmental protection and sustainability through CSR initiatives.
- **Raising Stakeholder Awareness:** Increase awareness among stakeholders, including investors, consumers, and local communities, about the importance of corporate environmental responsibility and empower them to hold companies accountable.
- **Aligning with National and Global Environmental Goals:** Ensure that corporate environmental CSR initiatives align with national environmental policies and contribute to the achievement of global sustainability goals, such as the Sustainable Development Goals (SDGs).

#### CONCLUSION:

The Companies Act 2013 has undoubtedly been a catalyst for mainstreaming corporate social responsibility, including environmental responsibility, in India. The mandatory framework has led to increased awareness, dedicated resources, and more formalized approaches to environmental initiatives. However, challenges remain in ensuring that these efforts translate into meaningful and sustainable environmental impact. By shifting the focus from expenditure to outcomes, promoting strategic integration, building capacity, enhancing transparency, and fostering collaboration, India can further strengthen the role of the corporate sector in addressing its environmental responsibilities and contributing to a more sustainable future. The journey towards a truly environmentally responsible corporate ecosystem requires a continued commitment from businesses, policymakers, and all stakeholders to move beyond compliance and embrace a culture of environmental stewardship as an integral part of corporate purpose and value creation.