
CORPORATE SOCIAL RESPONSIBILITY CONTRIBUTES TO PROMOTING ENVIRONMENTAL SUSTAINABILITY

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ABSTRACT

Corporate Social Responsibility (CSR) has become an essential aspect of business operations worldwide. With the increasing awareness of environmental issues, companies are now expected to contribute positively to environmental sustainability. This study aims to examine the CSR contribution to environmental sustainability and identify the key areas of focus for environmental sustainability initiatives. The study focuses on secondary data. The study concluded that, CSR initiatives on environmental sustainability are essential for promoting sustainable development and reducing the ecological footprint of businesses. Companies must develop a clear CSR strategy, invest in employee awareness and training, collaborate with stakeholders, and monitor and evaluate their progress to overcome the challenges and maximize the benefits of environmental sustainability initiatives.

KEYWORDS: Corporate Social Responsibility, environmental sustainability, CSR initiatives, sustainable development.

1. INTRODUCTION

Corporate Social Responsibility (CSR) has become an essential aspect of business operations worldwide. Companies are now expected to contribute positively to society and the environment, going beyond just their financial performance. Environmental sustainability is a critical area of focus for CSR initiatives, as businesses seek to reduce their ecological footprint and promote sustainable development.

In India, corporate social responsibility (CSR) plays a significant role in business operations. Section 135 of the companies Act, 2013 requires certain companies to engage in CSR

activities that support the social, environmental, and economic development in India, and this mandate goes into effect on April 1, 2014. Section 135 of the Companies Act mandates that companies with a net worth of at least INR 500 crores, a turnover of at least INR 1000 crores, or a net profit of at least INR 5 crores in the preceding financial year spend at least 2% of their average net profit from the three financial years prior to that to corporate social responsibility (CSR) initiatives (Indian Ministry of Corporate Affairs, 2013).

Environmental sustainability is the proper use of natural resources to safeguard their sustainability over the long term. Sustainable resource usage is the only method to ensure that future generations have everything they need to exist. CSR focused on environmental sustainability includes mainly afforestation, water conservation, renewable energy adoption, waste management, and biodiversity protection, with companies such as Reliance Industries, L&T, and Hindustan Unilever leading the way in such projects, which frequently emphasise local community engagement and sustainable practices within their operations. Corporates have a significant impact on the environment since they rely heavily on natural resources and produce toxic pollutants. Today, many companies consider environmental sustainability as a moral and commercial opportunity, as well as a legal duty.

2. REVIEW OF LITERATURE

Dzage, E.J., et al (2024)¹ their study examined the connection between green innovation and sustainable environmental practices. Utilizing information from 404 Ghanaian manufacturing companies, this study identifies four crucial stakeholder-centered CSR initiatives as forerunners to sustainable environmental practices. Employee-centered CSR initiatives and sustainable environmental practices were found to be positively significant, whereas there was no significant correlation between environment-centered, community-centered, or consumer-centered CSR and sustainable environmental practices.

Dhingra, K., (2023)² the purpose of the study is to assessed that a company's financial performance, net profit, and total resources are impacted by its CSR obligations. The readings on the relationship between CSR and sustainability cover the fundamentals of financial functioning. The long-term financial operating factors and firm social functioning are examined using accounting or financial measures of profitability. This study demonstrated a high positive correlation between PAT and CSR.

Li, H., et al (2022)³ their study looked at the CSR affected a company's long-term success based on plant size. Overall, the results show that in order to understand the connection between CSR for consumers and firm sustainable performance, ecologically sustainable development is crucial. Both with and without the explanatory function of sustainable environmental performance, there is a significant correlation between CSR to employees and firm sustainable performance.

Abad-Segura, E., et al (2019)⁴ the purpose of the study was to identify trends and potential directions for future research by evaluating the significance of corporate social responsibility (CSR) and its connection to sustainability. This study aimed to examine research trends on worldwide sustainability-focused corporate social responsibility practices. Lastly, it should be mentioned that research on the sustainable approach to corporate social responsibility has been increasing globally and has just stabilized at ideal publication rates.

3. OBJECTIVES OF THE STUDY

1. To examine the CSR contribution to environmental sustainability.
2. To identify the areas of focus for environmental sustainability by CSR initiatives.
3. To provide recommendations for businesses to improve their environmental sustainability initiatives.

4. RESEARCH METHODOLOGY

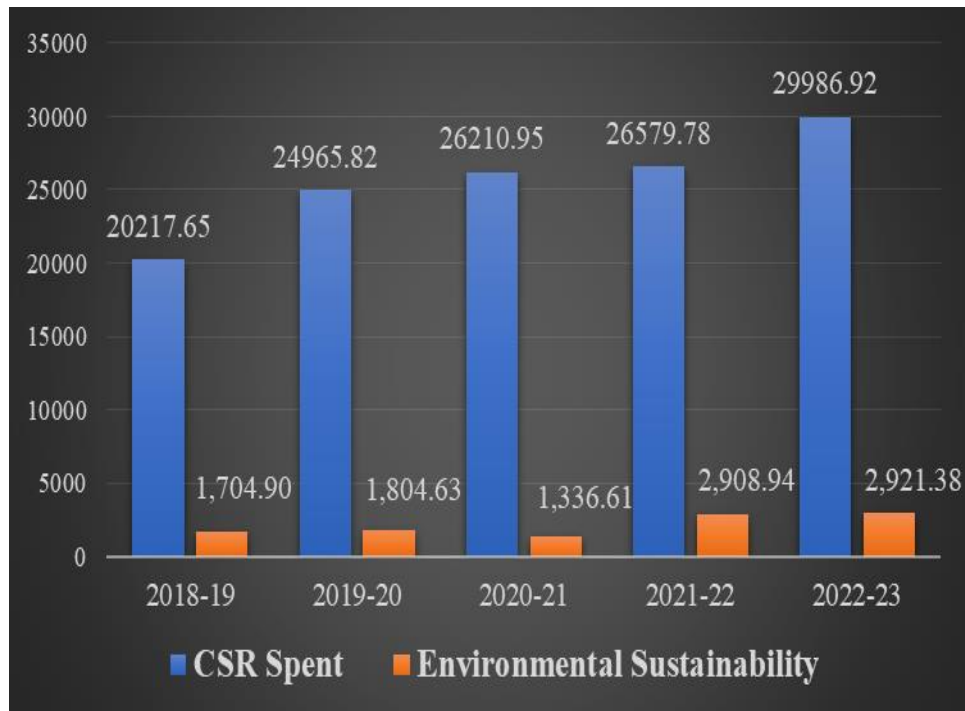
The study is entirely based on the secondary data, it collected from National CSR portal, various websites, journals, articles and so on. The study has taken into five years from 2018-19 to 2022-23. The collected data used to find the Trend analysis.

5. DATA ANALYSIS AND INTERPRETATION

Table 5.1: Total CSR spent and CSR contribution to Environment Sustainability in India (Rs. in Crores)

Year	Total CSR Spent	Trend (%)	Environmental Sustainability	Trend (%)
2018-19	20217.65	-	1,704.90	-
2019-20	24965.82	23.49	1,804.63	5.85
2020-21	26210.95	4.99	1,336.61	-25.93
2021-22	26579.78	1.41	2,908.94	117.64
2022-23	29986.92	12.82	2,921.38	0.43

Source: National CSR Portal



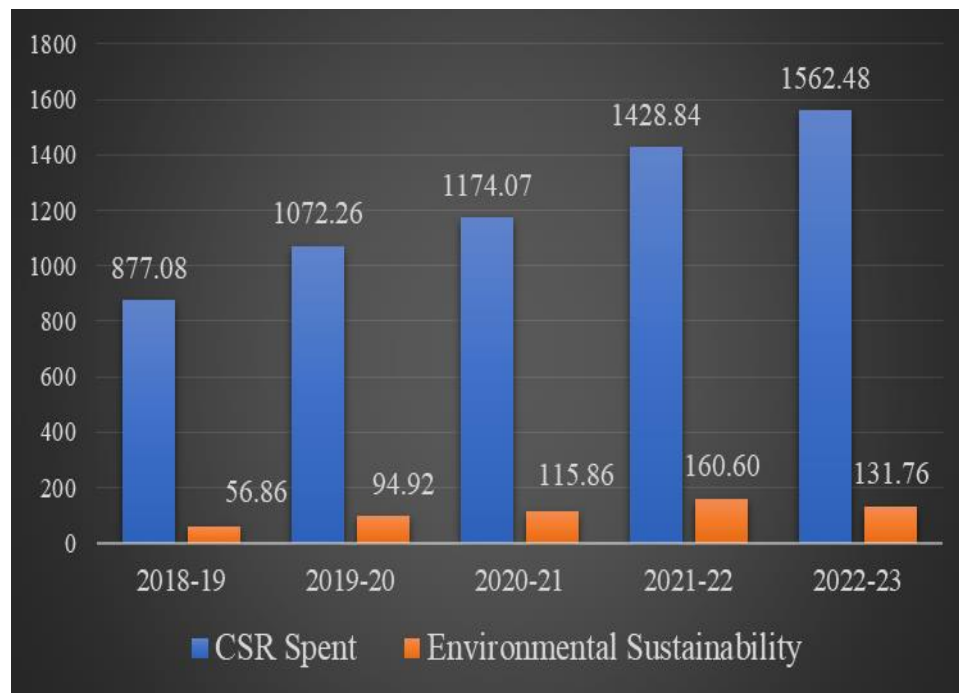
Graph 5.1: Total CSR spent and CSR contribution to Environment Sustainability in India.

Table and Graph No.5.1 presents the total amount of CSR spent and the CSR contribution towards environmental sustainability in India from the year 2018-19 to 2022-23. The data suggests that the total CSR spending amount every year increasing from Rs.20217.65 crores to Rs. 29986.92 crores. The CSR contribution to Environmental Sustainability every year increasing except 2020-21 (Rs.1336.61crores). Overall, the table shows that there is a significant in the CSR spending patterns, but changes in contribution towards environmental sustainability in India.

Table 5.1: Total CSR spent and CSR contribution to Environment Sustainability in Tamil Nadu (Rs. in Crores).

Year	CSR Spent	Trend (%)	Environmental Sustainability	Trend (%)
2018-19	877.08	-	56.86	-
2019-20	1072.26	22.25	94.92	66.94
2020-21	1174.07	9.49	115.86	22.06
2021-22	1428.84	21.70	160.60	38.62
2022-23	1562.48	9.35	131.76	-17.96

Source: National CSR Portal



Graph 5.1: Total CSR spent and CSR contribution to Environment Sustainability in Tamil Nadu.

Table and Graph No.4.2 presents the total amount of CSR spent and the CSR contribution towards environmental sustainability in Tamil Nadu from the year 2018-19 to 2022-23. The data suggests that the total CSR spending amount every year increasing from Rs. 877.08 crores to Rs. 1562.48 crores. The CSR contribution to Environmental Sustainability every year increasing except 2022-23 (Rs.131.76 crores). Overall, the table shows that there is a significant in the CSR spending patterns, but changes in contribution towards environmental sustainability in Tamil Nadu.

CSR initiatives' primary areas of focus for environmental sustainability include:

- Making investments in renewable energy sources, including wind and solar, can help reduce dependence on fossil fuels.
- Reducing consumption of water, purifying water, and recharging groundwater are all being implemented.
- Adopting eco-friendly waste management techniques, like recycling, reusing, and reducing back on waste.
- Implementing initiatives like eco-restoration, wildlife conservation, and afforestation to preserve and restore biodiversity.

- Making investments in carbon capture and utilisation technologies, encouraging sustainable practices throughout the value chain, and committing to reducing carbon emissions.

6. RECOMMENDATIONS

- Companies should develop a clear CSR strategy that integrates environmental sustainability initiatives into their overall business operations.
- Companies should invest in employee awareness and training programs to promote environmental sustainability initiatives.
- Companies should collaborate with stakeholders, including customers, suppliers, and NGOs, to promote environmental sustainability initiatives.

7. CONCLUSION

This study demonstrates the importance of CSR initiatives on environmental sustainability for businesses. By focusing on key areas such as renewable energy, water conservation, waste management, and biodiversity protection, businesses can reduce their ecological footprint and promote sustainable development. However, businesses must also address the challenges associated with implementing environmental sustainability initiatives, including high upfront costs, lack of awareness, and regulatory frameworks. By developing a clear CSR strategy, investing in employee awareness and training, collaborating with stakeholders, monitoring and evaluating progress, businesses can overcome these challenges and promote environmental sustainability.

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