



THE ROLE OF ENVIRONMENTAL REGULATIONS IN SHAPING CORPORATE RESPONSIBILITY

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Abstract:

The aim of this article is to study the relationship between CSR and law, in order to contribute to an increased understanding of the role that law plays in CSR substance, to get more strict laws for betterment of the society. To implement and communicate with Business houses. Law is understood in the abstract sense as a concept and theory, as well as in terms of statutory and other regulatory elements. Honestly it is made to give a thorough study of the relationship between law and CSR. The aim is simply to discuss some issues that arise from the way that law and CSR interact, with particular emphasis on norms that appear to function as formal law. Environmental law and corporate social responsibility (CSR) play a crucial role in ensuring sustainable business practices and environmental protection. While environmental laws establish legal obligations for corporations to minimize their ecological footprint, CSR goes beyond compliance by encouraging voluntary initiatives that promote environmental sustainability. This paper studies the intersection of environmental law and CSR, highlighting key regulations, corporate best practices, and the impact of legal frameworks on business sustainability. It also investigate the role of stakeholders, including governments, NGOs, and consumers, in shaping corporate environmental responsibility. The study concludes that a balanced approach, integrating legal mandates with proactive corporate initiatives, is essential for fostering long-term environmental stewardship and sustainable economic growth. The research methods used in this paper are secondary data.

Keywords:-Environmental Regulations, Corporate Social Responsibility (CSR), Sustainability, Environmental Law.

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Introduction:

Environmental law is a set of laws that regulate the use of natural resources and protect the environment. It covers a problem including air quality, water quality, and waste management. India understood the need to undertake CSR and became the first country ever to amend the Companies Act, 1956 to Companies Act, 2013 in which Section 135 talks about CSR “Every company having a net worth of rupees five hundred crores or more, or turnover of rupees thousand crore or more, or a net profit of five crores or more, during any financial year, shall constitute a Corporate Social Responsibility Committee of Board consisting of three or more directors, out of which one director shall be

an independent director”. It is the commitment towards the society by the shareholders and the stakeholders of a company for a sustainable environment. Companies invested more towards the well-being of the poor sections of society which not only increased the employment opportunities but also people developed new skills.

Definitions of CSR:

International Labour Organisation (ILO) defines CSR as “a way in which enterprises give consideration to the impact of their operations on society and affirm their principles and values both in their own internal methods and processes and in their interaction with other actors. CSR is a voluntary enterprise driven

initiative and refers to activities that are considered to exceed compliance with the law”.

Objectives:

1. To evaluate the impact of environmental regulations on corporate behavior
2. To explore the role of environmental regulations in encouraging corporate accountability
3. To identify the challenges faced by corporations in complying with environmental regulations

Significance of the study:

The increase in the business activities of corporate responsibility, business and brands is now recognized by the society and people are now aware of the market and the available brands.

Corporate may have civil and criminal liability if they fail to follow rules and regulations prescribe by various law of the country i.e such as before setting up the company they have to take certain type of license, clearance and permission and while engaging with the activities which directly or subtly environment affecting they must have to follow certain precautionary measures etc. Whenever any complaint or petition is filed by any person or Government related to environmental issues then the court of law of the country takes its cognizance for the protection of the environment. If court found any company (or corporation) doing contrary with the rules and regulations prescribed under civil as well as in criminal laws, strict action and punishment is given.

The idea behind CSR is to support and initiate the progress and the growth of the country. But unlikely after so many years of the Independence, data given by Government of India, is giving disappointment. It mentioned about the welfare schemes and it shows that these schemes serve very less number of working people in Nation. Now it seems that it is necessary to regulate the conduct of corporate and business houses and therefore the legislative frame work needs to be examined.

Examples of environmental laws in India:

- The Air (Prevention and Control of Pollution) Act, 1981: Regulates emissions from industries and vehicles to address air pollution
- The Water (Prevention and Control of Pollution) Act, 1974: Prevents and controls water pollution to maintain water health
- The Environment Protection Act, 1986: Coordinates central and state authorities to protect and enhance the environment
- The National Green Tribunal Act, 2010: Provides judicial and administrative remedies for environmental damage and pollutants
- The Wildlife (Protection) Act, 1972: Protects wildlife, with the highest penalties for offences against species in Schedule I and Part II of Schedule
- Biological Diversity Act, 2002: Protects India's biodiversity and associated knowledge from being used by foreign individuals and organizations without sharing benefits

Environmental Law:

Environmental law encompasses a broad range of regulations aimed at protecting natural resources and mitigating environmental harm. Key areas of environmental law include:

1. **Pollution Control Laws** – Regulations such as the Clean Air Act (U.S.), the Water Framework Directive (EU), and similar laws in other jurisdictions set limits on air, water, and soil pollution.
2. **Resource Conservation Laws** – Laws like the Endangered Species Act and the Forest Conservation Act aim to preserve biodiversity and protect ecosystems.
3. **Climate Change Regulations** – Agreements such as the Paris Agreement and national carbon emission policies enforce commitments to reducing greenhouse gas emissions.



4. **Waste Management and Recycling Laws** – Policies like the Basel Convention regulate hazardous waste management and promote recycling initiatives.

These laws serve as a legal foundation for corporate environmental responsibility, setting the minimum standards for business operations. However, legal enforcement alone may not be sufficient to ensure sustainability, leading to the emergence of CSR.

CSR initiatives carried out by the corporate sector provide certain benefits to companies, communities and the environment. CSR helps the companies in building a positive reputation and brand image in the market, increases sale and customer loyalty towards the company, attract and retain the talented and skilled staff, brings an easy access to the capital, prevents government regulations, introduces innovations and research in the business operations of the company and contributes in the growth and profitability of the business. CSR also benefits the community by providing a higher standard of living, better health infrastructure and services, technology and innovations and a sense of social security among people. It led to sustainable development and wellbeing of the underprivileged sections of the society.

A company can pursue environmental stewardship by reducing different types of pollution and emissions in manufacturing, recycling materials, replenishing natural resources like trees, or creating product lines consistent with CSR. Ethical responsibility: Corporate social responsibility includes acting fairly and ethically.

‘Love to nature’ is as ancient a phenomenon as the existence of humanity. Man is the measure of all things so said Plato. Man loves nature and nature in turn nourishes him. Man loves society and society in turn protects him. Nature and society are interconnected to each other, which man protects

them. This basic percept envisages the protection of the environment and preservation of humanity. Hence, man is both creator and moulders of his environment, which gives him physical substance and affords him the opportunity of intellectual, moral, social and spiritual growth. In the long and tortuous evolution of human race on this planet, a stage has been reached when; throw the rapid acceleration of science and technology, man has acquired the power to transform his environment in countless ways and on an unprecedented scale.

Relationship between Environmental Law and corporate social responsibility:

Furthermore, it is said that corporate houses are the axis to gear up the economy of nation, but on the other side it has been identified as a major source of environmental degradation and pollution. Famous Minamata disease in Japan (1956), Bhopal gas tragedy (1984), Cherbhobyl (USSR) atomic reactor accident in 1986 have showed that industrialization has posed a serious threat not only to human beings but also to animals, aquatic life and vegetation cover. The world wide resentment and anger over the irresponsible behavior of business led to an urgent need for the business to salvage its image.

The Role of Stakeholders in Advancing Environmental Responsibility:

A multi-stakeholder approach is necessary to enhance environmental sustainability. Key stakeholders include:

1. **Governments** – Strengthen enforcement mechanisms, provide incentives, and create stringent regulations.
2. **Corporations** – Integrate sustainability into business strategies and engage in responsible supply chain management.



3. **Consumers** – Demand transparency and support environmentally responsible businesses.
4. **NGOs and Advocacy Groups** – Monitor corporate activities and promote sustainable Policies.

Protection of Environment by Guardian of Law:

There are variety of cases have been come before the Supreme Court of India and before various State High Courts, where corporate houses are made liable for environment pollution and is degradation

1. In M.C. Mehta vs. Union of India (1988)1 SCC 471, which is famous as Ganga Pollution Case, an industry (tannery) was found to make holy river Ganga toxic. In this case, tanneries used to discharge untreated effluents in the rivers water and near Kanpur, the water of river Ganga was found to be highly toxic. The court ordered that tannery should stop functioning and before restarting, must install pre-treatment plants for trade effluents. Further it was held that statutory laws must be strictly enforced and obeyed.
2. Recently in A.Q.F.M. Yamuna vs. CPCB (2000) 9 SCC 440 the Supreme Court ordered the closure of industries or to shift them from the territory of the State of Delhi as their untreated effluent and sludge was polluted the holy river Yamuna.
3. The leakage of MIC gas from the Union Carbide Corporation, Bhopal gave impetus to the development of environment-law and principles of quantum of compensation. (Union Carbide Corp. vs. Union of India). Again, leakage of oleum gas from Shri Ram Food and Fertilizer Corp. gave an opportunity to propound the principle of 'no-fault liability' and 'absolute liability and non-delegable duty of the industry dealing in inherently dangerous and hazardous activity. (M.C. Mehta vs. Union of India)

Corporate Social Responsibility and Environmental Sustainability: CSR is a self-regulatory business

approach where companies voluntarily integrate social and environmental concerns into their operations. Environmental CSR focuses on:

1. **Sustainable Resource Use** – Companies adopt renewable energy, water conservation, and eco-friendly materials.
2. **Carbon Footprint Reduction** – Initiatives such as carbon offsetting, energy efficiency, and reduced emissions.
3. **Waste Management and Recycling** – Corporations implement zero-waste policies and circular economy models.
4. **Biodiversity Conservation** – Companies invest in reforestation, wildlife protection, and sustainable agriculture.

Challenges in Implementing Environmental Law and CSR:

Despite progress, several challenges hinder the effective implementation of environmental law and CSR:

1. **Weak Enforcement of Environmental Laws** – In many developing countries, lack of enforcement leads to corporate negligence and pollution.
2. **Greenwashing** – Some companies misrepresent their environmental efforts, misleading consumers and investors.
3. **Regulatory Inconsistencies** – Different countries have varying environmental laws, making global corporate compliance complex.
4. **Economic Pressures** – Businesses often prioritize short-term profits over long-term sustainability.

Conclusion:

In India, there are variety of specific environment laws and an umbrella legislation i.e. Environment (Protection) Act, 1986 have been passed for protection of the environment, but the corporations are evolving or have evolved a new agenda of CSR, for protecting the environment from going beyond the law. But the question click in the mind that there are variety of laws



under which the provisions have been made and environment Policy 2006 in India, why they not comply with them first. As it has been discussed in various cases, the industries are found guilty for harming environment and creating ecological imbalances, which shows, the reality of their CSR agenda. Actually, it is nothing but a bad capitalism.

Environmental law and CSR are essential in addressing environmental challenges and promoting corporate sustainability. While environmental law establishes regulatory standards, CSR encourages businesses to adopt responsible practices that go beyond legal compliance. The synergy between these two approaches is critical in achieving a sustainable future. Governments, businesses, and consumers must collaborate to strengthen environmental accountability and drive meaningful progress toward sustainability. By integrating strong legal frameworks with voluntary corporate initiatives, society can ensure a balance between economic growth and environmental preservation.

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