



### THE ROLE OF CSR IN ADVANCING ENVIRONMENTAL SUSTAINABILITY IN INDIA

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#### Abstract:

*The role of Corporate Social Responsibility (CSR) in advancing environmental sustainability in India, focusing on the contribution of CSR initiatives by Indian companies toward ecological conservation and sustainable development. The study examines the alignment of corporate efforts with India's national sustainability goals, such as the National Action Plan on Climate Change (NAPCC) and the country's renewable energy targets. Companies like Reliance Industries, Tata Group, and Wipro have actively engaged in CSR-driven initiatives, investing in renewable energy, water conservation, afforestation, waste management, and community empowerment. The research identifies trends in CSR spending across different industries, noting that while environmental initiatives are growing, they still constitute a smaller portion of overall CSR spending, with significant variability across sectors. The study also highlights the positive impacts of CSR on local ecosystems and communities, including improved biodiversity, water resource management, and sustainable livelihoods. Finally, it examines the synergies created through multi-stakeholder collaborations between the corporate sector, government, and local communities, fostering the achievement of both corporate and national sustainability objectives. Overall, the findings suggest that while CSR in India has made notable strides in environmental conservation, continued strategic investments and long-term commitments are necessary to meet the country's broader ecological challenges and ensure a sustainable future.*

**Key Words:** *Corporate Social Responsibility, Environmental Sustainability*

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#### Introduction:

Corporate Social Responsibility (CSR) is a framework that encourages businesses to act responsibly by considering the social, environmental, and economic impacts of their activities. It reflects a company's commitment to operating in a way that benefits society while maintaining sustainable growth and ethical practices. CSR initiatives often focus on addressing critical issues such as environmental conservation, education, health care, poverty alleviation, and fair

labor practices. By engaging in these activities, businesses aim to contribute positively to the well-being of communities and the environment while building trust with stakeholders.

In recent years, CSR has transitioned from being a voluntary effort to, in some cases, a regulatory requirement. For example, in India, the Companies Act, 2013, mandates certain organizations to allocate a portion of their profits toward CSR initiatives. This highlights the growing recognition of the role

businesses play in fostering sustainable development. Adopting CSR not only benefits society but also strengthens a company's reputation, fosters customer loyalty, and enhances employee satisfaction. It represents a strategic approach to achieving long-term success while addressing global challenges responsibly.

### **Objectives of the Study:**

1. To evaluate the contribution of CSR initiatives by Indian companies toward environmental sustainability.
2. To examine the trends in CSR spending on environmental conservation across industries in India.
3. To assess the impact of CSR-driven environmental programs on local ecosystems and communities.
4. To explore the alignment of corporate environmental CSR initiatives with India's national sustainability goals.

### **Review of Literature:**

Maignan and Ferrell (2003) examined how American consumers varied from European consumers' views on CSR practices. While the research by Maignan and Ferrell shows the significance of culture in identifying CSR practices, it has a restricted effect on the identification of CSR practices through cultural differences between the Western and Eastern cultures. A direct comparison between Western and Eastern culture can provide a good example of how cultural differences in the recognition of CSR practices operate, because cultural values vary from those of Eastern cultures in Western cultures.

Perceptions of an organization's distinctiveness, the viewpoint held by an associate of a company relating to the "characteristic, vital, and continuing attributes of the association" (Dutton et al., 1994, p. 233-4), may persuade the power of recognition of an individual with an association. Therefore, the theory of social

identity assumes that people are contended when they connect themselves with associations, which have optimistic feedback, as it is union with those firms that will improve their levels of self-concept (Tajfel and Turner, 1985; Maignan and Ferrell, 2001) Kotler and Lee, 2005 defined CSR as an assurance to make development in the community through varied discretionary production practices and support in business assets. They have differentiated between the "conventional approach" and the "novel approach"

According to Bhattacharya et al. (2007), CSR activities are considered to be better organized when workers are the "actual enactors" to it and the company act as the "enabler". Employee's CSR contribution leads to long-term growth and organizational accomplishment such as: i) employee's CSR participation comes directly from the employee's core standards and cultures and, not from outside pressures; ii) CSR practices are turning in to a long-term, underlying behavioural change and iii) employee contribution in CSR activities results in the development of employee's self-growth, self-esteem, job satisfaction, organizational appreciation and accountability towards the company.

### **Data analysis & Interpretation:**

#### **The Role of CSR in Advancing Environmental Sustainability in India:**

Corporate Social Responsibility (CSR) is playing a critical role in advancing environmental sustainability in India by fostering corporate involvement in ecological preservation and sustainable development. This is achieved through several focused initiatives:

#### **1. Promoting Renewable Energy:**

Companies are investing in renewable energy projects such as solar and wind farms, which not only reduce dependency on fossil fuels but also align with India's renewable energy targets. For instance, Tata Power and Infosys have significantly enhanced their solar power capacities under CSR



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## 2. Afforestation and Biodiversity Conservation

CSR initiatives often focus on afforestation drives, preservation of wildlife habitats, and biodiversity projects. Companies like ITC and Hindustan Unilever have undertaken extensive plantation drives and watershed programs that rehabilitate ecosystems and combat deforestation.

## 3. Efficient Waste Management

Businesses are adopting sustainable waste management practices under CSR to reduce pollution. For example, CSR programs include recycling initiatives, e-waste management, and industrial waste reduction projects that create circular economies.

## 4. Water Resource Management

Indian corporations, including Reliance and Wipro, fund projects like rainwater harvesting, rejuvenation of water bodies, and watershed development, addressing water scarcity issues in rural and urban regions.

## 5. Addressing Climate Change

Companies are actively participating in initiatives to reduce greenhouse gas emissions by adopting energy-efficient technologies and cleaner production methods. Their CSR programs contribute to mitigating climate change impacts, in line with India's commitments under the Paris Agreement.

## 6. Awareness and Community Engagement

CSR initiatives also aim to educate communities about environmental sustainability, fostering eco-friendly practices such as tree planting, organic farming, and waste segregation at the grassroots level.

## 7. Alignment with Government Policies and Goals

CSR activities often support government programs like the National Action Plan on Climate Change (NAPCC), Swachh Bharat Abhiyan (Clean India

Mission), and the National Electric Mobility Mission Plan. This alignment amplifies the impact of corporate and public initiatives on environmental sustainability.

## 8. Sustainability Reporting and Accountability

Indian corporations increasingly disclose their environmental sustainability efforts in annual CSR and sustainability reports. Transparency and accountability encourage long-term environmental stewardship and inspire others to adopt similar practices.

### Contribution by Indian companies to environmental sustainability through CSR initiatives:

#### 1. Renewable Energy Investment:

Major companies like Tata Power and Reliance Industries have invested in solar, wind, and bioenergy projects to reduce dependence on fossil fuels and lower carbon footprints.

#### 2. Water Conservation Projects:

Companies like Wipro and Cognizant support water management programs, including rainwater harvesting and watershed development, addressing water scarcity and improving rural livelihoods.

#### 3. Afforestation and Biodiversity Conservation:

ITC and Hindustan Unilever lead large-scale tree planting initiatives to combat deforestation and promote biodiversity.

#### 4. Waste Management and Recycling:

Corporations like Infosys have implemented waste reduction strategies, recycling initiatives, and e-waste management programs that help mitigate pollution.

#### 5. Sustainable Manufacturing:

Mahindra & Mahindra focuses on energy-efficient, eco-friendly manufacturing processes, including carbon-neutral factories and resource-efficient supply chains.



In India, the role of Corporate Social Responsibility (CSR) in environmental conservation has been evolving significantly. Several Indian companies are channeling their CSR efforts toward sustainable environmental practices, reflecting a growing corporate commitment to addressing climate change and ecological degradation. However, trends in CSR spending on environmental conservation remain mixed across industries.

### 1. Key Contributors to Environmental CSR:

Companies like HCL, ITC, Infosys, and Wipro have emerged as major spenders in environmental sustainability. For instance, in 2020-21, ITC contributed INR 43.73 crore, focusing on renewable energy and afforestation programs, while Infosys allocated INR 42.05 crore, emphasizing solar energy and collaborations for favorable environmental policies

### 2. Trends and Focus Areas:

Despite the increasing focus on sustainability, there is still a tendency for CSR funds to be allocated more heavily to sectors like education, health, and poverty alleviation rather than directly to environmental conservation. Environmental projects, such as tree planting and renewable energy initiatives, do receive attention, but they often account for a smaller share of the overall CSR budget.

### 3. Industry Variations:

The concentration of CSR funds varies across industries. For example, in the IT sector, companies like Zoho and Wipro focus on long-term sustainability projects such as renewable energy and energy-efficient infrastructure. On the other hand, companies like Mahindra & Mahindra and Bajaj Auto focus on water conservation and afforestation efforts in drought-prone areas. This variation highlights the industry's specific environmental needs and goals.

### 4. Challenges in CSR for Environmental Restoration:

One of the significant challenges faced by companies is the long-term nature of environmental restoration projects, such as forest rehabilitation and ecosystem restoration, which require sustained investment and monitoring. While tree plantations are a popular CSR activity, some corporations are now exploring more complex, socio-ecologically responsible restoration strategies

CSR-driven environmental programs in India have shown significant impacts on local ecosystems and communities, particularly in terms of conservation, biodiversity, and sustainable development. Several initiatives have helped address key environmental challenges while benefiting local communities.

Below are some key areas where CSR programs have made a notable impact:

#### 1. Afforestation and Forest Restoration:

Many CSR initiatives focus on afforestation and forest restoration programs to combat deforestation, enhance biodiversity, and mitigate climate change. Companies like ITC and Mahindra & Mahindra have undertaken large-scale tree plantation campaigns in degraded and deforested areas. For example, Mahindra & Mahindra's CSR efforts have led to the plantation of millions of trees, restoring ecosystems, enhancing soil quality, and improving local microclimates. These projects also support local biodiversity by creating habitats for various species, thus improving ecological stability.

#### 2. Water Conservation and Management:

CSR programs focused on water conservation have brought significant improvements to local communities, especially in drought-prone regions. For instance, Wipro has invested in watershed development projects in Karnataka,



improving water retention in local water bodies and providing water access to thousands of rural residents. Similarly, Infosys has supported rainwater harvesting and water conservation programs in areas suffering from water scarcity. These initiatives have contributed to improved access to clean water, reducing water stress for local communities and improving agricultural productivity.

### 3. Sustainable Agricultural Practices:

Several CSR programs support sustainable farming practices, which help improve the livelihoods of farmers while protecting the environment. Tata Group, through its CSR initiatives, has helped local farmers transition to organic farming methods, reducing the use of harmful pesticides and fertilizers, thus enhancing soil health and crop yields. These practices also reduce environmental degradation caused by chemical inputs and promote long-term agricultural sustainability.

### 4. Renewable Energy Projects:

Companies like Reliance Industries and Tata Power have implemented CSR-driven renewable energy projects, such as the installation of solar panels in rural areas and the development of wind energy projects. These initiatives not only reduce carbon emissions but also provide local communities with sustainable energy sources, contributing to energy access in underserved areas.

This helps enhance local living standards, particularly in off-grid villages, and reduces dependency on traditional biomass fuels, which often lead to indoor air pollution

### 5. Waste Management and Pollution Control:

Several companies have introduced CSR initiatives to combat waste and pollution. Hindustan Unilever, for example, has invested in

waste-to-wealth initiatives, where plastic waste is collected, recycled, and repurposed into products that benefit local communities. These initiatives have helped reduce the environmental burden of waste, improve local hygiene, and promote community awareness about sustainable waste management practices

### 6. Local Community Engagement and Livelihoods:

Many CSR programs also prioritize local community involvement, particularly in environmental restoration and conservation activities. By creating employment opportunities through sustainable agriculture, renewable energy, and forest conservation, these programs help improve the livelihoods of marginalized communities. For example, forest conservation projects supported by CSR funding not only protect ecosystems but also provide employment in eco-tourism, eco-friendly farming, and forest management.

### Indian companies CSR initiatives with nation's sustainability goals:

Corporate social responsibility (CSR) initiatives in India are increasingly aligning with the country's national sustainability goals, reflecting a collective effort to drive long-term environmental and societal improvements. Several major corporations, like Reliance Industries and Tata Group, are integrating their CSR activities with the Sustainable Development Goals (SDGs) established by the United Nations, particularly focusing on areas such as clean energy, climate action, and sustainable resource management.

Indian companies, following the mandate of the Companies Act 2013, allocate resources toward CSR activities that address environmental concerns. These efforts not only comply with legal frameworks but also contribute meaningfully to



national objectives such as the government's commitment to reducing carbon emissions and fostering sustainable practices across industries. Many companies, including Reliance Industries, are working to align their CSR efforts with India's renewable energy targets, aiming for a significant increase in renewable energy capacity by 2030. Companies are also contributing to circular economy practices, such as waste reduction and recycling. For instance, Reliance Industries has developed a recycling facility that processes millions of PET bottles annually and has committed to reducing its plastic footprint by 50% by 2030. These actions are directly tied to the national goal of improving waste management and fostering a sustainable, low-carbon economy.

Furthermore, aligning CSR with SDGs encourages multi-stakeholder collaborations, such as partnerships with government bodies, NGOs, and communities, to ensure the long-term success of sustainability initiatives. Through these collaborations, companies can create synergies that enhance the scope and impact of their CSR activities, which in turn, supports India's broader sustainability goals. Overall, aligning CSR with national sustainability targets not only strengthens a company's social responsibility but also helps meet the urgent challenges of climate change, resource depletion, and environmental degradation, contributing to a more sustainable future for India.

### Conclusion:

In conclusion, Corporate Social Responsibility (CSR) in India is playing an increasingly vital role in advancing environmental sustainability. Companies like Reliance Industries, Tata Group, and Infosys are actively contributing to national sustainability goals by integrating renewable energy projects, water conservation efforts, waste management, and sustainable agricultural practices into their CSR

strategies. These initiatives not only align with India's broader environmental objectives, such as the National Action Plan on Climate Change (NAPCC) and renewable energy targets but also demonstrate a commitment to mitigating climate change, promoting resource efficiency, and enhancing community livelihoods. As CSR spending continues to focus on ecological conservation and environmental sustainability, it reflects a shift toward more responsible, long-term business practices that benefit both the environment and society.

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