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Environmental Social Responsibility in India Pathways to Sustainable Growth and Inclusive Development

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ABSTRACT

Environmental social responsibility is one of the remarkable developments in the 21st century. In regards to the corporate response the ESR has contributed significantly towards the climate goals and protection of the environment from hazards of pollution.

Environmental Social Responsibility (ESR) has originated as a critical framework for integrating the economic progress of the nation with ecological integrity and social equity. As the nation undergoes rapid industrialisation, urban expansion, and demographic pressures, the imperatives of sustainable growth demand a robust and integrated approach that transcends traditional environmental protection models. ESR situates environmental stewardship within a broader socio-economic context, emphasising the collective obligation of government, industry, and civil society to safeguard natural resources, mitigate environmental degradation, and promote inclusive development. This paper examines the evolving landscape of ESR in India, tracing its normative foundations in constitutional mandates, legislative frameworks, and judicial interventions that have progressively expanded the scope of environmental rights and responsibilities.

The study highlights the role of corporate entities under Section 135 of the Companies Act, 2013, where Corporate Social Responsibility (CSR) has increasingly incorporated environmental priorities such as renewable energy adoption, waste management, biodiversity conservation, and climate-resilient community initiatives. It underscores that ESR goes beyond compliance-driven environmental management to foster proactive, ethically grounded actions that generate shared value. Drawing on case studies from public and private sectors, this research analyses how ESR-driven strategies, ranging from green supply chains and circular economy models to community-based natural resource management, contribute to long-term sustainability while enhancing social inclusion, particularly for vulnerable and marginalised populations disproportionately affected by environmental risks.

The paper further explores the intersection of ESR with India's commitments under global frameworks such as the Paris Agreement, the Sustainable Development Goals (SDGs), and national policies like the National Action Plan on Climate Change (NAPCC).

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Ultimately, this paper proposes key pathways for embedding ESR into India's developmental trajectory: robust policy integration, enhanced corporate accountability, participatory governance, green innovation, and community empowerment. By institutionalising ESR across all levels of society, India can advance a development paradigm that is not only economically sustainable but also socially inclusive and environmentally resilient.

Keywords: *Environment, corporate, climate, sustainable, inclusion.*

I. INTRODUCTION

Environmental Social Responsibility (ESR) in India has come into being as a cornerstone and foundational bedrock of the goals related to sustainable development, especially in the subject matter of rampant industrialization, urbanization, and demographic expansion.

The incidents of the social injustices are closely interlinked to India's environmental problems, climate changes which mostly include the menaces of air pollution, deforestation, water scarcity, and improper waste management. ESR stresses upon how businesses, communities, and individuals have got a shared responsibility to safeguard the environment and propagate the idea of social well-being. In contrast to conventional compliance-based methods, ESR ensures that development is inclusive, equitable, and ecologically balanced by integrating sustainability into the core of social and economic advancement.

Evolution of Environmental Responsibility in India

- **Corporate Social Responsibility (CSR):** It has been made mandatory by the Companies Act that corporations are now required to devote at least 2% of their net profits for the improvement and development of social and environmental projects. Investments in waste reduction, afforestation, and renewable energy have resulted from this legal mandate, establishing CSR as a catalyst for environmental accountability.
- **Environmental, Social, and Governance (ESG):** The reason behind the popularity of ESG frameworks is because of the release of the Business Responsibility and Sustainability Report (BRSR) by SEBI. By integrating social justice, environmental stewardship, and ethical governance into corporate strategies, ESG brings Indian businesses into compliance with global sustainability norms.
- **Transition from CSR to ESG:** The model of ESG is comprehensive and sustainable in nature which intends to integrate the ideals of social justice, climate justice and governance ethics into the long term business strategies, whereas on the other hand the

CSR model was initially philanthropic in nature. India's transition from compliance-driven initiatives to integrated sustainability governance is reflected in this change.

Key Areas of Environmental Social Responsibility

- **Renewable Energy Initiatives:** It has been seen that the corporations lately have been investing so much in the solar wind and hydro power projects especially to curtail the footprints that have been left by the carbon and to provide a support system to the India's renewable energy targets
- **Waste Management:** In the recent times as we get to see is that the process of recycling and reducing the single use plastics have been adopted by the stakeholders in the nation which have become integral part of the ESR practice
- **Water Conservation:** To combat the acute water scarcity the rainwater harvesting, artificial rain, wastewater management and efficient irrigation practices have become very remarkable to address the water scarcity in India.
- **Community Engagement:** Companies and the corporations have been working towards the environmental goals which aim to uplift the society by extending a protection to the rural development education sector and the health care infrastructure.
- **Green Supply Chains:** So many nature friendly logistics and the sustainable development sourcing have also been adopted by the nation state holders to curtail the environmental impact which has been adversely affecting nature.

We have seen from the initiatives that the environmental social responsibility is not limited only to the environment and protection but has also extended its ambit to the social consequences which creates a harmony between the ecological balance and human development.

II. THE GAME CHANGER: CORPORATE SOCIAL RESPONSIBILITY (CSR)

A remarkable development came with the enactment of the companies Act 2013 which is considered as a very significant approach towards the corporate jurisprudence and through this enactment only India also became the first Nation to legally mandate the CSR.

Section 135: This section requires companies with a net worth of ₹500 crore, turnover of ₹1,000 crore, or net profit of ₹5 crore to spend at least 2% of their average net profits on CSR activities.

Schedule VII: This schedule explicitly lists environmental sustainability, ecological balance, protection of flora and fauna, and conservation of natural resources as eligible CSR activities.

These legal compliances brought a significant transformation in the initiative that have been

taken for the environment which made a rapid transition from the good to go activities to must to compliance requirements by channeling the millions of rupees that was invested into the afforestation river cleaning and the renewable energy projects.

III. THE SHIFT TO ESG (ENVIRONMENTAL, SOCIAL, AND GOVERNANCE)

As we have seen that the CSR puts emphasis upon spending money and profits on the social good, on the other hand the environment in social governance specifically focuses upon how the profits can be made. This shift has been accelerated by the Securities and Exchange Board of India (SEBI).

BRSR Mandate: The introduction of the Business Responsibility and Sustainability Report (BRSR) is considered as a significant development in the corporate law jurisprudence. It has been mandatory that the top 1,000 listed companies must disclose the quantitative data that they have got on their resource usage, emissions, and social impact as soon as possible. This moves the needle from storytelling to data-driven accountability, aligning Indian businesses with global standards like the Global Reporting Initiative (GRI).

IV. KEY AREAS OF ENVIRONMENTAL SOCIAL RESPONSIBILITY

ESR in India is being operationalized through several high-impact vertical sectors.

1. Renewable Energy and Decarbonization

The shift away from fossil fuels is being led by Corporate India. Big businesses are starting to produce green energy instead of just using it. India's "Panchamrit" targets, which were declared during COP26, depend heavily on investments in solar parks, wind farms, and green hydrogen, particularly the goal of reaching 500 GW of non-fossil energy capacity by 2030. Here, ESR projects frequently use micro-grids to electrify rural regions, thereby addressing two issues: energy availability and carbon reduction.

2. Circular Economy and Waste Management

The linear "take-make-dispose" model is being replaced by circular economy principles.

Plastic Waste Management: Extended Producer Responsibility (EPR) guidelines now hold manufacturers accountable for the end-of-life disposal of their packaging.

E-Waste: With India being a massive consumer of electronics, ESR initiatives increasingly focus on formalizing the recycling sector, which protects the environment from toxic leaching and safeguards the health of informal waste pickers.

3. Water Stewardship

Water scarcity is perhaps India's most pressing crisis. Progressive companies are adopting a "Water Positive" status, where they return more water to the ecosystem than they consume. This is achieved through:

4. Rainwater Harvesting: Mandated in many industrial zones.
5. Zero Liquid Discharge (ZLD): Technologies that ensure no industrial wastewater is released into the environment, recycling it for internal use instead.
6. Watershed Development: Working with farmers to improve soil moisture and irrigation efficiency, thereby securing the supply chain for agro-based industries.

Green Supply Chains

ESR is no longer limited to a factory's four walls. Scope 3 emissions (indirect emissions across the value chain) are coming under scrutiny. Corporations are now auditing their suppliers, encouraging green logistics, and sourcing raw materials sustainably to minimize the total ecological footprint of their products.

The Intersection of Social Equity and Environmental Justice

A unique aspect of ESR in India is the inextricable link between the environment and social justice. In India, the poor are disproportionately affected by environmental degradation—be it farmers facing drought, slum dwellers facing heatwaves, or coastal communities facing rising sea levels.

Effective ESR recognizes this intersectionality. For instance, a clean energy project is not truly responsible if it displaces indigenous communities without rehabilitation. Therefore, the "S" in ESG is critical. It involves:

Just Transition: Ensuring that as the economy shifts away from coal, workers in mining belts are retrained for new industries.

Health and Environment: Initiatives that replace biomass cooking fuels with clean solutions (like induction or solar cookers) in rural households reduce carbon emissions while simultaneously preventing respiratory diseases among rural women.

V. CHALLENGES IN IMPLEMENTATION

Despite progress, ESR faces significant hurdles:

- **Regulatory Compliance:** Many firms face difficulties to meet BRST and CSR mandates laid down by the SEBI owing to lack of expertise.

- **Awareness Gap:** MSMEs often lack knowledge about the ESG frameworks.
- **Resource Restrictions:** Widespread adoption is hampered by the high costs of sustainable infrastructure and renewable technology
- **Monitoring and Transparency:** Inadequate reporting systems have an adverse effect on measurement and accountability.
- **Cultural Attitudes:** Sustainability objectives are frequently overshadowed by short-term financial motivations and low awareness.

VI. POLICY AND LEGAL ASPECTS

According to legal research, corporate responsibility and culpability are closely related to ESR in India. The focus is on ESG compliance, which is increasingly required by corporate law frameworks and is not only optional. The risk-to-responsibility paradigm of corporate environmental liability is changing, requiring businesses to internalize environmental costs and presenting managerial obstacles in ESG compliance. It is noted that in order to guarantee significant ESR results, legal accountability mechanisms need to be reinforced.

VII. FUTURE OUTLOOK

India's ESR journey is characterized by the feature of accelerating with robust and stringent government policies, global investor interest, and community participation. The amalgamation of ESG principles into corporate governance will certainly ensure that businesses generate profits equally while contributing actively towards environmental protection and social equity.

Emerging trends include:

- **Green Financing:** It has been seen in recent times that the financial institutions are incentivizing sustainable projects through preferential lending.
- **Carbon Credit Markets:** India's participation in global carbon trading will also encourage the corporations to curtail emissions.
- **Climate-Tech Startups:** Innovative solutions in renewable energy, waste management, and water conservation are reshaping ESR practices.

With India's commitment to achieving **net-zero emissions by 2070**, ESR will play a pivotal role in aligning corporate and community actions with national climate goals .

Climate-Tech and Innovation

The next wave of ESR will be defined by technology. Climate-tech startups are developing solutions for battery storage, carbon capture, and precision agriculture. Large corporations are

likely to channel their CSR funds into incubating these startups, creating a symbiotic ecosystem of innovation.

Global Alignment and Supply Chains

With regulations like the European Union's Carbon Border Adjustment Mechanism (CBAM) looming, Indian exporters will be forced to prove the low-carbon nature of their products to remain competitive globally. This external pressure will accelerate the adoption of ESR across the steel, cement, and aluminum sectors.

VIII. CONCLUSION

In India, we have seen a remarkable transition of environmental social responsibility to charitable acts to a strategic necessity required by law and the market demand. It puts forth a way towards the separate environmental deterioration from economic growth. ESR ensures that India of the future will be both an economic powerhouse and a steward of social fairness and planetary health by aligning corporate strategy with the nation's climate targets, such as Net Zero by 2070. The challenging aspect of moving from compliance to conviction is ensuring that every penny spent on ESR leads to actual ecological restoration and human empowerment.

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