
CORPORATE SOCIAL RESPONSIBILITY AND BEYOND: MITIGATING CLIMATE CHANGE

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ABSTRACT

A cry for survival comes from the planet itself. A cry that can't be any more desperate or any more clear.

—President Joseph R. Biden

United Nations defines climate change as long-term shifts in temperatures and weather patterns. Human activities have been the main driver of climate change, primarily due to the burning of fossil fuels which produces heat-trapping gases. The Paris Agreement, 2015 is a legally binding agreement to keep global temperature rise below 2 degrees Celsius above pre-industrial levels and to limit the temperature increase even further to 1.5 degrees Celsius. However, 2024 was recorded as the hottest year; the first to exceed 1.5 degrees Celsius above preindustrial temperatures. Business organisations are one of the key elements contributing to climate change as they require the burning of fossil fuels to produce energy for manufacturing desired products. The wrongful disposal of waste products into the environment also factors into the heating up of the planet. As humans have considered development superior to the environment, they have ruthlessly degraded it, blissfully ignoring its consequences that have started to show. Practices like greenwashing are injuring the environment as well as its consumers.

As a result, corporate social responsibility (CSR) has emerged, grounded in the fundamental principle that as humans extract resources from the environment for development, they are responsible for using those resources wisely and giving back to the environment. Along with CSR, ESG framework (environmental, society, governance) ensures accountability and the implementation of systems and processes to manage a company's impact, such as its carbon footprint and how it treats employees, suppliers and other stakeholders.¹ Some corporations address climate change while pursuing their organizational goals, whereas many startups focus solely on combating climate change by reducing carbon footprints, using renewable energy, measuring air pollution, recycling waste, etc. India has outlined major plans

¹ [Alexander S. Billis}, [What is ESG (environmental, societal, governance)], [TECH TARGET], [(October 2024)], [[Page: 6453](https://www.techtarget.com/whatis/definition/environmental-social-and-governance-ESG#:~:text=Environmental%2C%20social%20and%20governance%20(ESG,and%20opportunities%20in%20t hose%20areas].]</p></div><div data-bbox=)

including NAPCC (National Action Plan on Climate Change) to fight climate change. The polluter pays principle, carbon pricing, and the precautionary principle should be strictly enforced and sustainable development goals should be diligently followed. Our environment umbrellas everything, from the flora, fauna, and humans to the air and water quality, sanitation, social and economic welfare, etc.

Our planet is indeed crying for help; better late than never, it is time for everyone to buckle up and save the planet, as all this development will be rendered futile if we don't have a healthy home.

Keywords: Corporate Social Responsibility, Climate Change, ESG, Greenwashing, Carbon Pricing, SDGs

Introduction

Climate change refers to long-term shifts in temperatures and weather patterns. Such shifts can be natural, due to changes in the sun's activity or large volcanic eruptions. But since the 1800s, human activities have been the main driver of climate change, primarily due to the burning of fossil fuels like coal, oil and gas.² Earth was about 2.65 degrees Fahrenheit (or about 1.47 degrees Celsius) warmer in 2024 than in the late 19th-century (1850-1900) preindustrial average.³ Our planet is heating up critically and climate change poses a serious hazard. Activities of companies including the consumption of fossil fuels, generation of industrial waste, and incorrect disposal of waste are contributors to the same. This is where corporate social responsibility comes into play.

Corporate Social Responsibility is a business model that holds a company accountable for its activities that affect the environment at large. It umbrellas a corporation's environmental, financial, philanthropic, and ethical responsibility. It is based on the simple principle that if a corporation has taken resources from the environment, it must use them efficiently and give back to the environment. For example, in its 2022 Environmental and Social Impact Report, Starbucks highlights taking care of its workforce and the planet among its CSR priorities through stock grants and additional medical, family, and educational benefits. The

² [UNITED NATIONS], [<https://www.un.org/en/climatechange/what-is-climate-change>], (last visited March 2nd, 2025)

³ [NASA], [<https://climate.nasa.gov/vital-signs/global-temperature/#:~:text=Overall%2C%20Earth%20was%20about%202.65,change%20in%20global%20surface%20temperatures.>], (last visited March 2nd, 2025)

company's goals include achieving 50% reductions in greenhouse gas emissions, water consumption, and waste by 2030.⁴

As climate change has become a serious concern, many corporations have started taking cardinal steps to work for the same.

Climate Change: A Rising Concern

Climate change has become a significant mess with the melting of glaciers, hotter temperatures, loss of species, droughts leading to famine, and the rising ocean. Due to these, many people have had to relocate. Prioritizing development over taking care of the environment has led us to a pickle. It has led to a situation of Climate Risk.

Climate risk refers to the financial and operational disruptions caused by climate change, including physical risks from extreme weather and transition risks from policy shifts.⁵ Physical risks can damage infrastructure, supply chains and affect business continuity; these are caused by hurricanes, droughts, floods, etc.

To combat climate change, a legally binding international treaty on climate change was signed on 12 December 2015 by 196 countries which is called the Paris Agreement. It was adopted by 196 countries at the UN Climate Change Conference. Its overarching goal is to hold “the increase in the global average temperature to well below 2°C above pre-industrial levels” and pursue efforts “to limit the temperature increase to 1.5°C above pre-industrial levels.”⁶ Countries have been submitting their National Climate Action Plans also known as National Determined Contributors (NDCs) since 2020. In these NDCs, countries elucidate how they will cut down on greenhouse gas emissions for a better tomorrow. Countries are also supporting one another through financial and technical assistance.

India’s approach on mitigating Climate Change

1. NAPCC:

⁴ [GLOBAL ENVIRONMENTAL AND SOCIAL IMPACT REPORT], [2022 Starbucks Global Environmental and Social Impact Report], Pages 6 and 32.

⁵ [Will Basil Jones], [What is climate risk, and how can companies manage it?], [(December 4, 2024)], [<https://plana.earth/academy/climate-risk>]

⁶ [UNFCCC], [The Paris Agreement], [<https://unfccc.int/process-and-meetings/the-paris-agreement>], [(last visited March 10, 2025)]

The government of India launched a National Action Plan for Climate Change (NAPCC) in 2008. It was published under the guidance of Prime Minister's Council on Climate Change. It had 8 sub-missions:

- National Solar Mission
- National Mission for Enhanced Energy Efficiency
- National Mission on Sustainable Habitat
- National Water Mission
- National Mission for Sustaining Himalayan Ecosystem
- Green India Mission
- National Mission for Sustainable Agriculture
- National Mission on Strategic Knowledge for Climate Change.

This was an ambitious initiative towards Climate Change. However, it has been difficult to keep track of its progress. Due to a lack of financial resources, most of the goals could not be met and the living standards of farmers also deteriorated because of Climate Change.

2. The Companies Act, 2013

Section 135 of the Companies Act, 2013 requires companies to spend a minimum 2% of their net profit made during the previous financial year, in the preceding 3 financial years. It is subject to projects or programs relating to activities specified in Schedule VII and activities which are undertaken by the Board of Directors of a company. 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

However, every company should be contributing even a minimal percentage to CSR to speed up the process of mitigating climate change. Exploiting resources from the environment and not giving back is an unhealthy practice which should be ceased immediately.

How Companies Contribute to Climate Change

Companies are one of the biggest contributors to Climate Change. From their day-to-day operations, and manufacturing products to incorrect advertising, there are various ways in which these companies cause Climate Change. Some of them are elucidated as follows:

1. Emission of greenhouse gases

The gases that trap heat and create a greenhouse effect are called greenhouse gases.⁷ These include Carbon dioxide (CO₂), Methane (CH₄), Nitrogen Oxide (N₂O), and other fluorinated gases like hydrofluorocarbons. These gases remain in the atmosphere for a few years to even a thousand years. In the process of manufacturing goods, fulfilling day-to-day operations, and transportation, companies require electricity and generation of power which requires the burning of fossil fuels. This burning of fossil fuels releases these harmful gases in the environment.

Manufacturing leads to emission of greenhouses gases in the following two ways:

- Combustion emission: the gases and particles made by burning any fuel, such as wood, natural gas, kerosene, charcoal, or tobacco. They can cause fatigue, headache, poor vision and concentration.
- Industrial process emissions: the emissions from industrial activities and sectors, including construction, manufacturing, and the electricity and heat utilized by the industry are called industry emissions. They constitute around one-third of global greenhouse gas emissions.⁸

⁷ [EPA UNITED STATES ENVIRONMENTAL PROTECTION AGENCY], [<https://www.epa.gov/ghgemissions/overview-greenhouse-gases>] (last visited, 4th March 2025)

⁸ SINAI, [Reducing Industrial Emissions], [SINAI], [(August 6, 2022)], <https://www.sinai.com/post/reducing-industrial->

practice is harmful for the environment as well as goes against the consumer protection norms.

Corporate Social Responsibility for Mitigating Climate Change

“With great power comes great responsibility.” – Voltaire

Companies have been contributing to climate change from their day-to-day operations to production processes. With climate change becoming a genuine concern, many corporations have started taking measures to mitigate it. These measures are both preventative and corrective.

1. **Cutting Emissions:** Companies require power consumption for most operations. Cutting down on emissions by using less energy, proper waste management, and using renewable sources can help cut down carbon emissions.
2. **Carbon Pricing:** Carbon pricing curbs greenhouse gas emissions by placing a fee on emitting and/or offering an incentive for emitting less.¹⁰ It shifts the burden of the cost of climate change from the public to the companies that are causing it. Carbon pricing is set by the government; however, some companies do internal carbon pricing where they set a monetary value to their carbon emissions.
3. **Smart Planning:** Companies can plan their operations in a climate-friendly manner. These plans include using renewable sources of energy, setting internal carbon pricing, generating minimum waste, and following the 5 Rs: “Reduce, Reuse, Recycle, Repurpose, and Refuse”. For example, using a Circular Economy Model that emphasizes resource efficiency, reduction of waste, and decline in carbon footprint.
4. **SMART energy efficiency goals:** SMART refers to “specific, measurable, accountable, realistic, and time-bound”. Companies should plan for SMART goals to promote effective and efficient energy consumption.
5. **Reduce Packaging and Printing:** Companies should cut down on packaging their products and printing or switch to biodegradable sources for the same; going digital

¹⁰ [UNFCCC], [<https://unfccc.int/about-us/regional-collaboration-centres/the-ciaca/about-carbon-pricing#What-is-Carbon-Pricing->], [(last visited March 10th 2025)]

(wherever it is feasible) in invoices, terms and conditions, and directions to use is the way to go.

6. **Climate Consultants and Spreading Awareness:** Engaging Climate experts and advocates to educate people in the company, from employees and managers to stakeholders, shareholders, and directors on being climate-friendly can help inculcate good practices in the company.
7. **Transparency:** Companies should be transparent and accountable about their contribution to carbon emissions. This should be a business imperative. It helps in maintaining a fiduciary relationship with customers, employees, stakeholders, and shareholders.
8. **Climate Tech Startups:** Many companies are working whole and sole for battling climate change. These companies work on batteries, aviation, and the calculation of emissions. E.g., Mahindra Electronics, Cruise, etc.
9. **ESG framework:** ESG stands for Environmental, social and governance. It is used to measure the sustainability and ethical practices of business organizations. It focuses on health and safety issues, corporate philanthropy, and the reduction of carbon footprints.
10. **Sustainable Development Goals:** 17 SDGs aid in creating a sustainable future; goal 13 focuses on Climate Change. SDGs help companies to align business sustainability goals with society's goals. Companies should incorporate SDGs for a sustainable future and to remain environmentally relevant. In today's day and age, businesses that do not participate in SDGs will lose out on business opportunities and might also be affected by the "Cancel Culture".

Climate-Conscious Companies

Many companies are extremely climate conscious. While some of them integrate their business goals with environment-friendly goals, others are solely based on combating climate change. A few of them are discussed as follows:

(I) Banyan Nation

Banyan Nation is one of the finest companies recycling plastic bottles in India. It recycles plastic bottles generated by FMCG companies. It has enabled many companies to switch from linear to circular manufacturing. Banyan produces human contact safe, traceable rPE and rPP resins at consistent technical, color and odor performance.¹¹

Waste Management by Banyan Nation:

Banyan Nation aims to follow the 4Rs of waste management i.e.,

- Refuse: saying “NO” to single-use plastics (SUPs) and avoiding excess packaging.
- Reduce: consciously reducing waste by using durable products, and biodegradable and renewable resources.
- Recycle: converting paper, plastic, metal, and glass products into different usable forms instead of disposing them to reduce waste in landfills.
- Reuse: using clothes, durable storage, electronics, etc again to reduce generation of resources from scratch.

(II) Love, Beauty and Planet

Love, Beauty and Planet is a haircare and body care brand owned by Hindustan Unilever Limited. It was started by a group of like-minded people who believe that looking good and doing good should go hand-in-hand. It was launched in the year 2019. It believes in sustainable beauty and has been true to its beliefs since the beginning.

How Love, Beauty and Planet is sustainable?

Love, Beauty and Planet follows its sustainable goals in the following ways:

- Product Composition: The ingredients used in the products are natural. They

¹¹ [BANYAN NATION], [<https://www.banyannation.com/about-us/>], [(last visited 10th March 2025)]

are sourced via ethical farming practices from around the world, without disturbing the natural ecosystem.

- Cruelty-free: Their products are free from cruelty, certified by PETA, and 100% vegan. They only use plant-based ingredients.
- Carbon Conscious: Love, Beauty and Planet are extremely climate conscious. They quantify their CO2 emissions along every step of production and tax themselves for going over their goals. This money supports third-party programs that help reduce landfill waste and overall carbon emissions.
- Packaging: They only use 100% PCR (post-consumer recycled) plastic in their packaging. This has led to the reuse of 12,000 kilograms of recycled plastics in the production of bottles and jars.¹²
- Transparency: They maintain a fiduciary relationship with their customers by displaying every ingredient.
- Employment: They source fair-wage jobs, subsequently following SDG 8. Hence, Love, Beauty and Planet promotes self-care and beauty along with being planet-friendly. Unlike companies that prioritize profitability over being environmentally friendly, love, beauty and planet work on the motto “Looking good and doing good”. This perspective is extremely important in today’s time and age to protect our environment and beat climate change.

(III) Starbucks

Starbucks, a well-known multi-chain of coffee and roastery is also a very environment-friendly corporation. Its environmental promise is “Give more than we take”. Its approach is to build a sustainable, equitable and resilient future for coffee, farmers, communities and the planet. Starbucks combats climate change in the following manner:

1. Net Zero: It is one of the founding members of Transform to Net Zero, which

¹² [LOVE, BEAUTY AND PLANET], [<https://lovebeautyandplanet.in/pages/our-story>], [(last visited March 10th 2025)]

aims to become a zero-carbon entity by 2050.

2. 2030 Goals: 50% reduction in greenhouse gas emissions across all chains, 50% replenishment of water withdrawals, and 50% reduction in waste sent to landfills from stores and direct operations; customer-facing packaging to be 100% compostable, recyclable, or reusable.
3. Sustainable Future of Coffee: The production of good coffee requires a healthy climate; Starbucks aims to reduce carbon emissions and recycle water at “the first ten feet”.
4. Cups: Starbucks is trying to assign cups to its customers so that they can be reused by them instead of disposing of them. It conducted a returnable cup test in more than 25 markets around the world.
5. Business Coalition for Global Plastic Treaty: Starbucks joined this coalition which is led by World Wildlife Fund (WWF) and the Ellen MacArthur Foundation. It is supporting the development and negotiations of a United Nations Global Plastics Treaty to accelerate progress around the world.
6. Greener Stores: A Starbucks store is certified as a “Greener Store” when it has water stewardship, partner engagement, energy efficiency, waste diversion, renewable energy, responsible materials and sites and communities. This is judged by a third-party auditor.

Conclusion

“The greatest threat to our planet is the belief that someone else will save it.”— Robert Swan

Environmental concerns like Climate Change affect everyone on different levels. However, no individual can be spared from the ill effects of Climate Change. Humans will have to face the consequences of their actions. Better late than never, we must focus on saving our planet as it cries for our help.

Corporate social responsibility should be a mandate for every company irrespective of their turnover and net profits. Companies should at least compensate for the environmental damage

they are causing. They are accountable for their actions.

Even though in India, NAPCC could not bring much of a difference, it is important to begin somewhere and put plans into implementation. It is good to see that many companies are working towards a healthier environment along with their business operations. Corporate social responsibility adds to the social standing of a business. As consumers, one should switch to products and services that are environmentally sustainable.

Along with the environment, companies should take accountability for their social actions as well. they should diligently follow Sustainable Development Goals as they provide a framework for the holistic development of society. Our world requires more start-ups that are solely based on fixing the environment and making our planet a healthy place to live. We should not be selfish enough to exhaust resources for our own needs as our future generations also have a life to live and flourish.

Together, we should strive to decrease carbon footprints, improve AQI, practice afforestation and follow SDGs.