

**CSR & FUNDING PRACTICES
FOR SUSTAINABLE DEVELOPMENT**

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Sustainable Development***

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CLIMATE CHANGE AND CORPORATE SOCIAL RESPONSIBILITY

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ABSTRACT

Climate change is the real challenge of today's world, as it would be posing several different challenges to our current as well as the future generation. Some programs are taken up by various recognized bodies to combat the same, yet most of them are not successful, because there is always opposition to it. Corporate Social Responsibility is an integral part of every company, which makes the company focus itself on the betterment of society. When corporate social responsibility is linked to climate change, the result would be outstanding. As a part of their CSR activity, if every company is made to think about the environment and climate changes, it will act as a better strategy and helps the world to combat the climate changes. This paper focuses on the aspects of how climate change and CSR are related to each other.

INTRODUCTION

Corporate Social Responsibility is an important aspect of any particular company. CSR is the part of a company's profits that are given away for the welfare of the company. It helps society not only to receive the benefit from the company but also builds a bonding in the mind of the stakeholder towards the company. Corporate social responsibility was considered as an aspect that makes the company and stakeholders feel oneness amongst each other.

Climate change refers to long-term changes in the temperatures and weather patterns which is causing an unusual change in the environment and harming the living beings present in the environment. Intern, it is causing irreparable damage to animals as well as human health. Human activities have been the main driver of climate change, primarily due to the burning of fossil fuels (like coal, oil, and gas), which produce heat-trapping gases.

Humans and wild animals face new challenges for survival because of climate change. More frequent and intense drought, storms, heatwaves, rising sea levels, melting glaciers, and warming oceans can directly harm animals, destroy the places they live, and wreak havoc on people's livelihoods and communities.

When both climate change and corporate social responsibility are clubbed together it would result in a better way to find the solution to the challenge of climate change. Corporate social responsibility plays a very important role in bringing about change in society. It helps the company to work toward the requirements of society. When the responsibility and environmental requirements are addressed together it will change the way how companies work for the betterment of the world. CSR can be an effective tool for mitigating climate change. Corporations have to redress climate change through environment-friendly manufacturing techniques, adoption of a green, transparent policy, and environmental disclosure.

Climate change has been speeded up because of man's activities. It is the result of emissions of carbon dioxide (CO₂) and other greenhouse gases (GHGs) from anthropogenic activities like the large-scale use of fossil fuels, deforestation, and rapid industrial growth. All these factors can be ascribed to growing consumerism and population explosion.

Agricultural yield will be affected directly because of changes in temperature and rainfall pattern and indirectly, through degradation of soil quality and an increase in the variety of pests and diseases. The rise in sea level will lead to loss of land and severe floods. Global warming will harm human and animal wealth. Also, wildlife and marine life will find it difficult to adapt to the rapidly changing ecosystem.

Climate change is a universal problem. It has been happening since time immemorial, gradually giving ecosystems time to adapt. Some of the prominent natural factors are gradual drift of landmass, volcanic eruptions, direction change of ocean currents, and the earth's tilt. But the concern is the way the change has been happening over the last hundred years.

Many affirmative actions and recommendations that had been formulated at the national and international level to combat climate change include eco-vigilance, conservation of the flora and fauna, zero-tolerance for gas flaring, adoption of environment-friendly manufacturing techniques, socially responsible investment (SRI), and carbon emission reporting and disclosures. Despite all these laudable policies, environmental abuses engendered by industrial plants and manufacturing companies continue unabated.

A self-regulating approach that makes manufacturing organizations socially responsible and responsive to environmental issues in their operating countries/communities can be expedient in climate change mitigation, and strengthen existing governmental policies on climate change. Measures taken as part of corporate social responsibility (CSR) as a voluntary obligation for enhancing the social, economic, and environmental wellness of society could reflect CSR in its true spirit.

Objectives of the study

- To understand the features of CSR in Indian legislation
- To evaluate the influence of CSR on the climate change

Scope of the study

- The study is limited to secondary data.
- It is a generic study on CSR, no particular company is considered

To understand the features of CSR in Indian legislation

In India, the Ministry of Corporate Affairs notified Section 135 and Schedule VII of the Companies Act 2013 as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 with effect from April 1, 2014, under which every company, whether private or public, with a net worth of INR 500 crore or a turnover of INR 1,000 crore or net profit of INR 5 crore, needs to spend at least 2 percent of its average net profit for the immediately preceding three financial years on CSR activities.

The CSR activities should not be undertaken in the normal course of business and must be concerning any of the activities mentioned in Schedule VII of the 2013 Act which enumerates activities related to poverty alleviation, education, healthcare, environmental sustainability, among others. Contribution to any political party is not considered to be a CSR activity.

This has seen many huge corporate entities plunge overnight into CSR activities, a lot of them dubious. Where projects related to environmental sustainability go, it is all the more so. There are paper manufacturing companies that plant trees on acres of land. But these plantations are monoculture projects, and although increasing the green cover, can hardly qualify as environmentally sustainable. Similarly, we have many companies financing the planting of trees like eucalyptus or jatropha in monoculture plantations. Neither of these plants is an environmentally sound investment, with eucalyptus particularly prone to cause groundwater levels to plunge to dangerously low levels while interfering with the food cycle and food security in forest environments.

This is not to say that there are no environmental initiatives to date. Bharat Petroleum's Project Boond, which involves the setting of rainwater harvesters in rural India, Tata Power's energy conservation and 'Act for Mahseer' conservation initiative for Mahseer fish, Larsen, and Toubro's initiative to set up check dams in Palghar, Maharashtra, and Mahindra and Mahindra's Project Hariyali to provide a green cover in Araku Valley have won them laurels. However, each CSR initiative ought to be matched with sustainable business practices.

An attempt to refocus CSR as a mitigation tool for climate change has led to the postulation of the green theory. Green thinking raises an alarm about the side effects of economic growth on climate change. According to Eckersley, the green theory is a novel thinking which articulates the concern for people's rights, justice, citizenship, good governance, and the environment. In a sequel to the emergence of green theory, nuances such as green marketing, green products, green policies, green consumerism emerged to convey green lifestyles as well as warning corporations against remaining unresponsive to climate change and environmental degradation which have precipitated crises across the globe.

Similarly, environmentalists and ecologists have advocated green thinking for industrialists and manufacturing companies to be accommodated in the processes of production, to have a sustainable positive impact on the consumer and the environment in the long run.

To evaluate the influence of CSR on the climate change

Corporate social responsibility (CSR) is based on the assumption that, at any given point in time, there is a social contract between an organization and society in which the organization has not only economic and legal responsibilities but also ethical and philanthropic responsibilities

As the impact of climate change is increasingly felt, the environmental part of CSR is becoming increasingly important. With each day that passes, it's clearer that simply reducing carbon emissions is no longer enough: we need emergency measures that go much further.

The three P's of sustainability are People, Planet, and Profit. Corporate social responsibility should be planned in such a way that it helps people and the planet from the profits earned. In that context, the planet should be taken care of. Because only when the planet on which we live is cared about, then we will be able to carry out our business as well as make profits! It is through CSR activities that we can find a solution to the problem of climate change. The company will have to think from the point of solving the problem of climate change.

The companies will have to think from the point of "Green-environment". The word green means to attain sustainability. When climate change is addressed properly, it will become easy to expand the business. The company should monitor the proper disbursement of waste, better recruitment practices to avoid the wastage of money, etc. Through the various practices, the company will be able to address the needs of society as well as the environment around us.

The alignment of corporate social responsibility and climate change is very much important for the well-being of society and the environment. Hence it should be noted that when climate change is addressed the world becomes a better place to dwell in and thereby gives peace of mind to the people in the organization as well.

Findings, suggestions, and conclusion:

Findings:

Every company must take up corporate social responsibility after attaining a certain level of turnover, according to the amendments made in the Companies act of 2013.

Companies do spend a certain amount of their profits on social responsibility.

The amount spent on social responsibility is according to the decision of the company.

Suggestions

Companies should be directed to spend their profits on sustainability and thereby reducing the impact of climate change.

There should be definite instructions given to the company towards using the profits to address the climate change problem.

The companies will have to focus on the sustainability measure to reduce the impact of climate change on the people and animals

It can be concluded that the companies will have to focus on the betterment of the planet, only when the planet is taken care of then we will be able to utilize the resources available to make profits out of them. Corporate social responsibility which an integral part of any company, hence the companies will have to plan their social actions for the betterment of society and thereby help themselves to do better than expected. If planned properly then the solution to climate change is not far!

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