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Research Article

The Role Of Corporates In Promoting A Sustainable Environment

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ABSTRACT

Corporate entities, as significant economic agents, play a pivotal role in achieving the Sustainable Development Goals (SDGs), especially concerning environmental sustainability. This research analyzes the contributions of corporations to environmental protection and sustainable practices using secondary data from global sustainability indices, corporate ESG disclosures, and institutional reports. The study explores regulatory initiatives such as SEBI's BRSR framework, the CSR mandate under the Indian Companies Act, and global initiatives like UNGC, GRI, and CDP. Corporates have emerged not only as polluters but also as catalysts for sustainable innovation through green technology, resource efficiency, and carbon neutrality pledges. While statutory frameworks have enforced compliance, voluntary actions by industry leaders demonstrate strategic alignment with environmental values. The paper concludes that the growing convergence of environmental performance with corporate competitiveness will continue to influence the sustainability landscape globally.

KEYWORDS: Sustainability, CSR, Environmental Governance, ESG Reporting, Corporate Responsibility

I. INTRODUCTION

Environmental sustainability has emerged as one of the defining challenges of the 21st century. The escalating threats of climate change, resource depletion, pollution, and biodiversity loss have placed immense pressure on global systems, demanding urgent and coordinated action from all sectors of society. Among the key stakeholders, corporate entities hold a uniquely influential position. Their vast resource consumption, expansive global operations, and deep integration into supply chains grant them considerable impact on the environment. Historically, businesses were often viewed as significant contributors to environmental degradation — prioritizing profit over planetary well-being. However, this narrative is undergoing a transformation. Increasingly, corporations are transitioning from being part of the problem to becoming part of the solution.

This shift is not accidental. It is driven by a combination of regulatory mandates, investor pressure, consumer expectations, and the growing realization that environmental stewardship is not just ethically imperative but also strategically advantageous. Concepts such as "green competitiveness" and "triple bottom line accountability" are reshaping how businesses view value creation. Environmental performance has become a key determinant of corporate reputation, financial health, and long-term viability.

In India, this evolution is particularly significant. The government and regulatory bodies have instituted a number of policy measures to encourage responsible corporate behavior. For instance, the Companies Act, 2013 introduced a path-breaking provision making Corporate Social Responsibility (CSR) spending mandatory for eligible companies. This provision mandates that companies with a certain net worth, turnover, or profit must spend at least 2% of their average net profit on CSR activities, with environmental sustainability explicitly included as a focus area.

Further, the Securities and Exchange Board of India (SEBI) has introduced the Business Responsibility and Sustainability Reporting (BRSR) framework. Applicable to the top 1,000 listed companies by market capitalization, BRSR replaces the older Business Responsibility Report (BRR) and aligns corporate disclosures with Environmental, Social, and Governance (ESG) performance indicators. This framework enables better assessment of how companies are integrating sustainability into their core operations and strategies.

Simultaneously, voluntary standards and international frameworks such as the Global Reporting Initiative (GRI), Carbon Disclosure Project (CDP), UN Global Compact, and Sustainable Development Goals (SDGs) are further encouraging corporates to align their practices with global benchmarks. Environmental transparency is no longer optional—it is expected.

A growing number of Indian corporates are rising to this challenge and embracing sustainability as a strategic imperative. Infosys, for instance, achieved carbon neutrality in 2020, well ahead of its peers, and runs all its India operations on renewable energy. Tata Group companies have embedded sustainability in manufacturing, mining, and urban development initiatives. ITC Ltd. is water-positive, carbon-positive, and solid-waste recycling positive for over a decade, integrating sustainability into every aspect of its value chain. Mahindra & Mahindra, through its "Rise for Good" vision, has focused on energy efficiency, electric mobility, and green buildings.

These corporations demonstrate that environmental sustainability and profitability are not mutually exclusive. Instead, when pursued strategically, environmental responsibility enhances brand reputation, reduces operational costs, opens new markets, and attracts sustainability-focused investors. Therefore, studying how corporates contribute to environmental sustainability—through both mandatory compliance and voluntary leadership—is not just relevant but essential for informing policy, investment, and public understanding.

II. STATEMENT OF THE PROBLEM

Environmental degradation, driven significantly by unchecked industrialization and corporate activities, has reached critical proportions. The consequences—rising global temperatures, extreme weather events, deforestation, water scarcity, pollution, and irreversible biodiversity loss—are being felt across continents, ecosystems, and communities. At the center of this crisis lies the complex relationship between economic development and environmental sustainability. While corporate enterprises have historically contributed to environmental exploitation, they also possess the potential to drive transformative change through innovation, capital investment, and scalable implementation of green practices.

The industrial and commercial sectors are among the largest contributors to global greenhouse gas emissions, resource extraction, and waste generation. The globalized economy and the pursuit of profit-driven growth have led many corporations to adopt production and distribution models that externalize environmental costs. These activities exacerbate climate change and ecological degradation, putting future generations at severe risk. However, the growing recognition of this unsustainable trajectory has triggered a paradigm shift, with corporations increasingly being held responsible for their environmental footprint by regulators, investors, consumers, civil society, and international organizations.

Governments, although pivotal, cannot single-handedly address these ecological challenges. Their efforts must be complemented by the private sector, which possesses the technological expertise, infrastructure, funding, and human capital necessary to develop and scale sustainable solutions. Corporates can play a leading role in transitioning to a low-carbon economy through the adoption of clean technologies, renewable energy, sustainable supply chains, and circular economy models. Hence, understanding how businesses are aligning themselves with environmental objectives becomes a question of both economic and ethical importance.

In this context, assessing corporate environmental initiatives is essential for multiple stakeholders. For policymakers, it provides insights into regulatory effectiveness and helps in designing more targeted environmental policies and incentives. For investors, it influences capital allocation decisions as Environmental, Social, and Governance (ESG) performance increasingly correlates with long-term financial sustainability. For consumers, it shapes purchasing behaviors and supports conscious consumption. Lastly, for academicians and researchers, it opens avenues for critical evaluation of environmental governance in the corporate sector.

Using secondary data such as annual sustainability reports, statutory filings, ESG disclosures, global sustainability indices (like DJSI, MSCI ESG Ratings), government and intergovernmental policy documents (such as India's BRSR or the UN's SDGs), and peer-reviewed academic studies offers a reliable, comprehensive, and cost-effective means of analysis. These data sources help track emerging trends, benchmark corporate performance, identify sectoral gaps, and evaluate the depth, transparency, and authenticity of corporate sustainability claims.

Therefore, the significance of this study lies in its potential to uncover the actual role of corporates in environmental sustainability, going beyond rhetorical commitments and green washing practices. In doing so, it contributes to the broader discourse on corporate accountability and offers meaningful recommendations for fostering more responsible and ecologically aligned business conduct in India and beyond.

III. LITERATURE REVIEW

Studies on corporate environmental responsibility have grown in recent years. According to Porter and Kramer (2006), strategic CSR allows firms to create both economic and societal value. Sharma and Henriques (2005) found that environmental strategy is shaped by stakeholder pressures. The KPMG Survey of Sustainability Reporting (2022) reported that 96% of G250 companies disclose sustainability metrics, with a growing focus on climate risks. In India, Sarkar and Searcy (2016) examined the quality of CSR disclosures in Nifty 50 companies and concluded that environmental initiatives are often linked to regulatory compliance rather than voluntary innovation. The GRI and CDP databases offer comparative insights into carbon disclosure and water risk strategies. Meanwhile, Bhattacharyya (2021) argues that Indian companies are increasingly integrating ESG goals into board-level discussions due to investor activism and SEBI's mandatory ESG disclosures under the BRSR framework. Overall, literature shows a steady shift from symbolic compliance to substantive engagement in sustainability.

IV. OBJECTIVES

☐ To explore the role of corporates in promoting environmental sustainability.
☐ To analyze corporate environmental initiatives based on secondary data.
☐ To examine regulatory and voluntary frameworks guiding corporate environmental practices.
☐ To assess the alignment of corporate actions with the UN Sustainable Development Goals.
☐ To identify gaps and suggest future directions for improved environmental governance.

V. RESEARCH METHODOLOGY

This study relies entirely on secondary data analysis, drawing from a diverse range of credible sources. Key data were obtained from public disclosures and sustainability reports of prominent Indian corporations, including Infosys, Tata Group, ITC, and Mahindra & Mahindra, which provide detailed insights into corporate environmental initiatives. Additionally, relevant regulatory frameworks such as the Companies Act 2013 (specifically Section 135 on Corporate Social Responsibility) and the Securities and Exchange Board of India's (SEBI) Business Responsibility and Sustainability Reporting (BRSR) norms were reviewed to understand the legal and policy context shaping corporate sustainability practices. The study also examined international sustainability indices and benchmarks, notably the Global Reporting Initiative (GRI) standards and the United Nations Sustainable Development Goals (SDGs), to assess global alignment and reporting standards. Supplementary data were gathered from academic journals, government publications, and industry analyses that focus on corporate environmental sustainability. The collected data were systematically collated, categorized, and subjected to qualitative analysis to identify emerging trends, regulatory impacts, and gaps in corporate sustainability efforts.

VI. ANALYSIS AND DISCUSSIONS

The growing involvement of corporates in environmental sustainability marks a significant shift in the global development agenda. Indian companies, in particular, have increasingly integrated environmental concerns into their business strategies, driven by regulatory mandates, investor expectations, and international sustainability commitments. The analysis is structured around four key dimensions: corporate initiatives, regulatory and voluntary frameworks, SDG alignment, and identified gaps in practice.

6.1 Corporate Environmental Initiatives

A review of sustainability reports and disclosures from major Indian corporations reveals proactive environmental initiatives. For instance, Infosys has achieved carbon neutrality ahead of its 2030 target, sources nearly 100% of its electricity from renewable energy, and operates one of India's largest buildings certified for energy efficiency. Tata Group, through Tata Power and Tata Steel, is investing heavily in clean energy projects and sustainable manufacturing practices. ITC Limited has adopted a triple-bottom-line approach, remaining carbon-positive, water-positive, and solid waste recycling positive for over 15 consecutive years. Mahindra & Mahindra is a leader in electric mobility, has reduced its water intensity by over 30%, and incorporates sustainability in its supply chain through green building certifications.
These initiatives indicate a clear trend: environmental stewardship is increasingly seen not just as a compliance requirement but as a strategic imperative that enhances brand value, reduces operational costs, and meets the growing expectations of environmentally conscious consumers and investors.

TABLE 1 Environmental Sustainability Practices of Selected Indian Corporations

Company	Key Environmental Practices	Reporting Standard Used
Infosys	Carbon neutrality, 100% RE, green buildings	GRI, UNGC, BRSR
Tata Group	Renewable energy, sustainable steel production	GRI, TCFD, CDP
ITC Ltd.	Water/Carbon positive, plastic waste reduction	GRI, SDGs, BRSR
Mahindra & Mahindra	Electric vehicles, energy efficiency, water conservation	GRI, CDP, UNGC

Source: Compiled by the author from publicly available sustainability reports (2022–2024) and official disclosures of respective companies.

Interpretation: These efforts showcase a growing maturity in how Indian corporates are addressing environmental concerns. However, the nature and depth of these practices vary significantly by sector, ownership structure, and international exposure.

6.2 Regulatory and Voluntary Frameworks

Regulatory frameworks in India have played a crucial role in nudging corporates toward sustainability. The Companies Act 2013, through Section 135, made Corporate Social Responsibility (CSR) spending mandatory for eligible companies, with specific emphasis on environmental sustainability. Additionally, the SEBI-mandated Business Responsibility and Sustainability Reporting (BRSR) has become a standardized tool for ESG disclosures by listed companies, ensuring greater accountability and comparability.

Voluntary initiatives such as the Global Reporting Initiative (GRI), the Task Force on Climate-related Financial Disclosures (TCFD), and CDP (formerly Carbon Disclosure Project**)** have further supported structured, comparable, and transparent disclosures. Some companies also align their sustainability strategies with the UN Global Compact and Science-Based Targets to manage climate risk and biodiversity impacts.

Interpretation: While regulatory frameworks ensure minimum compliance, voluntary reporting drives innovation and leadership in environmental sustainability. However, these mechanisms work best when integrated into corporate strategy, monitored rigorously, and disclosed transparently.

6.3 Alignment with UN Sustainable Development Goals (SDGs)

An important measure of corporate sustainability performance is the extent to which business practices align with the UN SDGs, particularly SDG 7 (Affordable and Clean Energy), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action). Many Indian companies have mapped their CSR and ESG efforts to these goals.

For example, Infosys and Tata have clear alignment with SDG 13 through emissions reduction and renewable energy adoption. ITC's waste management initiatives support SDG 12, and Mahindra's electric mobility strategy contributes to SDG 7. However, areas like SDG 15 (Life on Land) and SDG 6 (Clean Water and Sanitation) remain underrepresented in corporate strategies.

Table 2: Alignment of Indian Corporates with Selected UN Sustainable Development Goals (SDGs)

SDG Aligned	Percentage of Top NIFTY Companies Reporting (2023)
SDG 7 – Clean Energy	68%
SDG 12 – Consumption	74%
SDG 13 – Climate	81%
SDG 6 – Water	39%
SDG 15 – Biodiversity	22%

Source: Compiled from SEBI BRSR filings, corporate ESG reports (2022–2023), and UN SDG Tracker data for Indian listed companies.

Interpretation: There is clear progress toward SDG integration, but uneven attention across the goals. Most corporate strategies focus on climate and energy, with less emphasis on water, biodiversity, and sustainable land use.

6.4 Identified Gaps and Limitations

While a significant number of Indian corporates have made commendable strides toward environmental sustainability, a critical assessment reveals persistent gaps that hinder the overall impact and effectiveness of these initiatives. These limitations, if unaddressed, may dilute the transformative potential of corporate environmental action and undermine trust among stakeholders.

Firstly, there is considerable variability in the quality and consistency of sustainability disclosures, particularly among mid-cap and small-cap companies. Unlike large conglomerates that often follow global standards such as GRI or TCFD, many smaller firms provide incomplete, vague, or inconsistent data. This lack of standardization limits the ability of regulators, investors, and researchers to benchmark performance across companies and sectors. As a result, the comparability and credibility of ESG disclosures become questionable, weakening their utility for informed decision-making.

Secondly, the issue of green washing—where companies exaggerate or misrepresent their environmental performance—remains a pressing concern. Many organizations engage in selective disclosure, focusing on easily achievable or non-material metrics while ignoring more significant environmental impacts. This is particularly problematic in the absence of robust third-party verification mechanisms or audit standards, which allow unsubstantiated claims to go unchallenged. Such practices not only mislead stakeholders but also create an uneven playing field for companies genuinely investing in sustainability.

Thirdly, biodiversity conservation and ecosystem restoration receive limited attention in most corporate sustainability frameworks. While carbon emissions and energy use dominate ESG narratives, aspects such as soil degradation, afforestation, wetland protection, and wildlife conservation are often overlooked. This reflects a narrow and climate-centric understanding of environmental sustainability, potentially undermining holistic ecological balance.

Additionally, stakeholder engagement remains weak or tokenistic in many corporate sustainability strategies. Community involvement, collaboration with civil society organizations, and participatory governance are either underutilized or treated as peripheral activities. This results in missed opportunities for generating local impact, building trust, and leveraging indigenous knowledge for sustainable solutions.

Interpretation: Bridging these gaps requires a multi-pronged approach. Policymakers must enforce stricter compliance through sector-specific guidelines and regular audits of ESG disclosures. Regulatory agencies like SEBI could mandate third-party verification of sustainability data to curb greenwashing and improve disclosure integrity. Corporates should also be encouraged to broaden their environmental focus beyond carbon emissions to include biodiversity, water stewardship, and ecosystem resilience. Finally, meaningful stakeholder engagement, including partnerships with local communities, NGOs, and research institutions, is essential to ensure inclusive and context-sensitive sustainability outcomes.

VII. FINDINGS

The analysis of secondary data indicates a positive trajectory in the integration of environmental sustainability within corporate strategies among leading Indian companies. Over the past decade, corporations have shown increasing commitment to environmental concerns, driven by a combination of regulatory mandates, investor expectations, international commitments, and consumer awareness. This marks a substantial shift from earlier corporate paradigms focused primarily on profit maximization toward more holistic models that include environmental and social value creation.

The introduction of mandatory Corporate Social Responsibility (CSR) under Section 135 of the Companies Act, 2013, and the recent adoption of Business Responsibility and Sustainability Reporting (BRSR) by SEBI have significantly enhanced the transparency and accountability of corporate environmental practices. These frameworks have pushed companies to report on carbon emissions, energy consumption, waste management, and water usage. However, despite this progress, inconsistencies in the quality, depth, and frequency of disclosures persist—particularly among mid-sized and unlisted firms. Some companies provide only superficial or generic information, while others omit material environmental indicators altogether, suggesting the need for stricter reporting norms and third-party validation.

Moreover, the study finds increasing alignment of corporate strategies with global Sustainable Development Goals (SDGs), particularly SDG 7 (Affordable and Clean Energy), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action). Yet, the alignment is still fragmented and selective, with minimal engagement with goals like SDG 15 (Life on Land) and SDG 6 (Clean Water and Sanitation). This partial integration reflects a strategic focus on easily quantifiable targets, while complex or less visible goals such as biodiversity conservation and ecosystem restoration are often neglected.

The secondary data also reveals a notable shift toward renewable energy adoption, energy efficiency improvements, and reduction in carbon footprints. Industry leaders like Infosys and ITC have achieved carbon neutrality and have made significant progress in water and waste management. Nonetheless, initiatives related to biodiversity, ecological regeneration, and circular economy remain underdeveloped, indicating a need for broader and more diversified sustainability portfolios.

In addition, stakeholder engagement practices vary widely across companies, with limited community involvement in many sustainability projects. While some corporations engage meaningfully with local communities and NGOs, others treat stakeholder engagement as a compliance formality rather than a pathway to shared value creation.

These findings suggest that while the corporate sustainability landscape in India is maturing, several critical gaps remain. Enhanced regulatory oversight, improved disclosure mechanisms, broader goal integration, and multi-stakeholder collaboration are necessary to realize the full potential of corporate environmental responsibility.

VIII. CONCLUSION

This study underscores the transformative potential of corporate entities in shaping the environmental sustainability agenda in India. As economic powerhouses and resource-intensive institutions, corporates are uniquely positioned to drive large-scale environmental change. The evolving regulatory ecosystem—anchored in mandates such as the 2% CSR rule under the Companies Act, 2013 and the Business Responsibility and Sustainability Report (BRSR**)** framework mandated by SEBI—has played a pivotal role in institutionalizing sustainability within corporate governance and strategy.

These frameworks have helped mainstream environmental accountability, pushing companies to disclose their ecological footprints and adopt more sustainable practices. However, the analysis reveals that regulatory compliance alone is not sufficient. The depth, creativity, and long-term impact of environmental initiatives depend significantly on voluntary leadership, innovation, and a genuine commitment to sustainability principles beyond mandatory disclosures.

Moreover, the alignment with the United Nations Sustainable Development Goals (SDGs) provides a globally recognized and comprehensive benchmark for assessing corporate contributions to sustainability. Many Indian corporations have begun aligning their efforts with key SDGs, especially those related to clean energy, climate action, and responsible production. However, this alignment remains partial and inconsistent, with limited attention to interconnected goals like biodiversity protection (SDG 15) and water conservation (SDG 6). To fully capitalize on the SDG framework, corporations must ensure continuity, inclusivity, and transparency in reporting and implementation.

The study also highlights key challenges, such as uneven quality of disclosures, green washing risks, inadequate stakeholder engagement, and insufficient focus on biodiversity and ecosystem restoration. Addressing these challenges will require enhanced regulatory enforcement, third-party audit mechanisms, sector-specific guidelines, and sustained capacity-building efforts for sustainability professionals and corporate leadership.

In conclusion, Indian corporates are on a progressive but incomplete journey toward environmental sustainability. They have made notable strides in areas such as renewable energy adoption, carbon neutrality, and waste reduction, yet deeper engagement and system-wide integration are necessary to realize the full environmental potential of the corporate sector. Future research should focus on granular, sector-specific studies, evaluate the actual impact of sustainability initiatives on ecological outcomes, and explore the role of emerging technologies—such as AI and block chain—in enhancing transparency and traceability in corporate sustainability.

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