

# “ENVIRONMENTAL CHALLENGES AND CORPORATE ENVIRONMENTAL RESPONSIBILITY”

<sup>1</sup>Shalini Dalat, <sup>2</sup>Dr. Radhika Dev Varma Arora

<sup>1</sup>Student, LL.M., Chandigarh University

<sup>2</sup>Associate Professor, Chandigarh University

## Abstract

In this article we've critically reviewed the environmental challenges and corporate environmental responsibility. Sustainable development is a financial swelling strategy designed to pacify efficient and shared development without endangering the biological equilibrium of the planet. Environmental sustainability is the need of the hour. It has the making to effect general profitability of organization. The group is supposed to guide answerability for the impacts of their operations on environment. The devoted stake of the expectations is the evading of environmental degradation through budding of dependability intuits mutually of citizens as well as companies for the persistence of success a calm sustainable development.

## Introduction

Everything that surrounds or leaves an effect on creatures during their life span is known as its environment. The term environment can be defined as the result of influences and events of living and non-living components that surrounds the creatures. All creatures are mandatorily dependent on the other creatures and environment because every creature needs food, energy, water, oxygen, home and other useful resources for living.<sup>1</sup>

In the present era, the concept of “Corporate Social Responsibility” (CSR) is the most complex and misunderstood matter. However, CSR has brought several concepts into existence such as, “Corporate Citizenship”, “Corporate Responsibility”, “Corporate Culture”, “Corporate Stewardship” and “Corporate Sustainability”.

“Corporate Environmental Responsibility” is an inevitable role and part of duty of corporate for the adoption of eco-friendly technology, restoration of environment, green management of resources and welfare of the community. Since the establishment of corporate these are the points which are getting affect directly or indirectly. Although, development is the purpose of every business and the development has been sturdily recommended at both national and international spheres. However the desired goals have not been yet achieved fully to make life enduring and business more responsive.<sup>2</sup>

“Corporate Environmental Responsibility” is an instrument of business commitment, conscientiousness and remedial action. It refers to every company's duties to restrain from harming unaffected environment. The Corporate Environmental Responsibility procures its relevance from corporate social responsibility (CSR).<sup>3</sup>

It is expected from corporates to manage their operations in such a manner that they do not harm the environment and achieve their sustainable development goals under the Environmental Responsibilities. Business benefits can be derived by going beyond business actions and taking care of the environment. At present corporate companies realized that multinational occupation in an environmentally conscientious route is not no more than a official job but additionally a officially permitted duty.<sup>4</sup>

**Meaning of Corporate Social Responsibility:** The concept of “Corporate Social Responsibility” (CSR) means that companies are equally as responsible for the social and environmental impact of their actions as for their economic

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<sup>1</sup> Shankar IAS Academy Book Publications, *Environment 3*,(Shankar IAS Academy Book Publications, revised edition, 2018).

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*

<sup>4</sup> Niraj Kumar, Corporate Environmental Responsibility, *available at:* <https://www.insightsuccess.com> (visited on 12 October 2019).

consequences. This is also called “Triple Bottom Line” (TBL) approach, which means, economic, social and environmental side of corporate activity.<sup>5</sup>

### **Essential Elements of Corporate Environmental Responsibility**

“Corporate Environmental” accountability covers the environmental implications of a company’s operations:-

- Eradicate waste & emissions
- Take full advantage of the specialized draw on of assets and output
- Reduce motion that influence damage the pleasure of means by future generations
- Develop operational performance
- Develop value chain performance
- Relay to all intents with purpose to internal as well as external stakeholders.<sup>6</sup>

### **Environmental Issues**

Environmental issues are exceptionally hurtful on individual action and furthermore on biophysical condition. Conservationism is a communal and environmental lobby assemblage and its acts on environmental issues. To drive down or shot in the bloom apprehend of environmental issues sustainability is the weighty key. Consent to analyses in orders the various environmental issues that are plaguing our undercurrent planet as source as the harmful property of these issues on the human population.

- “Loss of Biodiversity”
- “Overpopulation”
- “Public Health Issues”
- “Household and Industrial waste”
- “Deforestation”
- “Climate Change”
- “Global Warming”
- “Acid Rain”

### **Corporate Environmental Responsibility**

“Human survival is menaced by another equally homicidal missile euphemistically described as environmental pollution”.

**-V.R. Krishna Iyer<sup>7</sup>**

From last two decades, there has been a massive transform in the nature of the triangular bond among state, corporation and the civilization. No longer has a firm resumed acting as an autonomous entity unless it defends the interest of common community. This is due to the statement that a company is a replica of the society in which it functions. Companies chase diverse schemes to make sure that they can attain goodwill among their stakeholder. One of such schemes used is corporate social responsibility.<sup>8</sup> The sense of CSR is dual: first, it shows the principled manners that an organization displays in the direction of its internal and external stakeholders; next and second, it recognizes the accountability of a business in the

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<sup>5</sup>Arun Kumar, Corporate Governance in India: what it means and what it needs? *The Indian Journal of Commerce*, Oct-Dec (1998), page 154.

<sup>6</sup> Adrian Gaskell, Essential elements of CER (2009), *available at*: <http://www.ingentaconnect.com>, (visited on 13 October 2019).

<sup>7</sup> V.R. Krishna Iyer, *Environmental Pollution and the law 2*, ( vedpal law house, indore, 1984)

<sup>8</sup> Chhaya Gupta, Environmental Aspects of corporate social responsibility in India, volume 1, *Company law journal*, page no 112, 2012.

direction of the environment and society in which it functions.<sup>9</sup> Corporate environmental responsibility is not a new notion in India.

Corporations like Birlas, Tatas and Reliance Industries have long been helpful of the reason of the good in their processes. The CER comprises a quantity of areas as human rights, consumer security, and protection at work, gentle for the environment, climate protection, and sustainable management of natural resources.<sup>10</sup>

### **Environment as a human right**

Every solitary individual has the fundamental remedy to a domain satisfactory for their well-being and prosperity. States will save and consume the environmental natural funds for promote of offer and imminent generations. Environmental guard and human civil liberties were seen as isolated regions by lawmaking institutions and non- lawmaking organizations alike at in cooperation nationwide and global levels. The central foundation of the enlightened notion of human rights is the 1948 Universal Declaration of Human Rights.<sup>11</sup>

The Stockholm Declaration established out 25 normal main values for the conservation and expansion of the human condition. In 1983, the general make collected casted a ballot to make the earth job on circumstance and advancement, an autonomous mass U.N. framework and later on acknowledged as the Brundtland Commission.

1992 Rio Environmental Summit, 2002 earth conference on Sustainable increase and Millennium Summit, mirror the association between human civil rights and condition. 1999, United Nations General Assembly attested so as to precisely to fodder as well as unsoiled stream are primary human civil liberties in addition to their encouragement constitutes a ethical imperative equally for nationwide governments and for the worldwide society.<sup>12</sup>

### **Environmental Impact Assessment (EIA)**

The purpose of EIA is to predict the possible ecological troubles that would occur elsewhere a suggested growth in addition to tackle them in the scheme preparation plus propose phase. The “Ministry of Environment & Forests” has taken a number of policy proposals as well as enacted various environmental and pollution control legislations to stop abuse of natural assets and to support incorporation of environmental concerns in developmental assignments.<sup>13</sup>

In “Environmental Protection Act 1986” the central government released a number of notifications, which connected to environment impact evaluation. They are:-

- In 1989 Prohibiting areas of ventures with the exclusion of individuals identified with sightseeing in a belt of 1 km from great flood blot from the Revdanda arroyo up to Devgarh goal bring to a close shrivardhan in a minute as in 1 km belt alongside the banks of Rajpuri Creel in Murud Janjira zone in the Raigarh state of Maharashtra.
- In 1989 restricting corner of enterprises, mining odd jobs and calculating discrete exercise in Doon Valley.
- In 1991 adaptable behavior in the coastal stretches of the country by ordering them as seashore look onto guideline zone and denying definite exercises.
- In 1991 restricting theme of businesses and directing other actions in Dahanu Taluka in Maharashtra.
- In 1992 restricting accurate exercises in indicated zones of Aravalli reach in the Gurgaon neighborhood of Haryana and Alwar subject of Rajasthan.
- In 1996 modifiable modern and other activities, that may perhaps timely pollution and congestion in a section north west of Numaligarh in Assam.<sup>14</sup>

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<sup>9</sup> *Id.* at 113.

<sup>10</sup> *Ibid.*

<sup>11</sup> Legal essays, “Right to Environment of Human Right” (2013), *available at:* <https://www.lawteacher.net> ( visited on December 14, 2019).

<sup>12</sup> *Supra* note 24, at 17.

<sup>13</sup> Shanker, *Environment* 110, (shanker IAS academy book publications, 6<sup>th</sup> revised edition, 2018).

<sup>14</sup> *Supra* note 29, at 110.

**Judicial pronouncements on EIA**

- **“M.C. Mehta v. Union of India”<sup>15</sup>**

The Supreme Court was commerce with entitlements rising from the escape of Oleum gas on December 4 and 6 in year 1985 from a division of “Shriram Foods & Fertilizers Businesses”, in the town of national capital, fit in to “Delhi Cloth Mills Limited”. As an effect of it numerous persons died. The act was carried over a written request in “Article 32 of the Indian Constitution” as PIL. The law-court seized a valiant judgment and evolved the law of Complete Obligation and declared that the novel law didn’t have any exceptions.<sup>16</sup>

- **“Bhopal Gas Leak Disaster”<sup>17</sup>**

The tragedy of Bhopal, besides mentioned to as the “Bhopal-gas-tragedy”, was a gas escape event in our country, measured the globe’s worst business tragedy. It happened in night of December 2, 1984 at the “Union Carbide India Limited” insecticide division in Bhopal, MP. Over 50000 persons were uncovered to the gases and other compounds. The poisonous affluence made its way through the shanty townships situated nearby the division. Approximations differ on the demise numbers. The authorized instant demise numbers were two thousand two hundred and fifty nine.<sup>18</sup>

The administration of state stated the entire 3,787 demises related to the gas discharge. Additional estimation says 8,000 expired in 2 weeks and an extra 8,000 or more have since deceased from gas connected illnesses. An administrative affirmation in 2006 stated the leak triggered 558,125 damages counting 38,478 impermanent incomplete damages and about 3,900 severely and forever incapacitating damages. The Supreme Court laid down the rule of ‘Absolute Liability’ so that no one might flee the liability on the ground disrupt, which it was annoying to implore as a defence.<sup>19</sup>

- **“Narmada Bochco Andolan v. Union of India”<sup>20</sup>**

For this situation Bharucha J featured the significance of EIA of the Narmada Sagar undertaking without which he made a result about that the happening deal with the dam be supposed to stop. Maybe, this is one of the primaries unequivocal and expands legal acknowledgment of EIA in which it passes on that EIA must not be stream on the attentiveness of managerial parts of command since it gets its quality from the law itself.<sup>21</sup>

The EIA procedure in India faces a only some basic difficulties the essential living being the prerequisite, for other striking straight forwardness, guaranteeing accountability of controllers and civilizing the quality of open participation. The court’s mediations in unusual cases have looked to address every one of these difficulties. The ongoing call to park up an autonomous national environmental controller to administer the EIA course of action is a depression of the judge’s disappointment with the piecemeal idea of approach change and an endeavor to go a clearly identifiable institutional system for addressing the free challenges.<sup>22</sup>

**Laws Protecting the Environment**

- “The Companies Act, 1956”
- “Clean Air Act, 1970”
- “National Environmental Policy Act, 1970”
- “Coastal Zone Management Act, 1972”

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<sup>15</sup> AIR 1987 SC 1086

<sup>16</sup> Case laws, *available at*: -<https://www.legalservice.com>, (visited on December 24, 2019).

<sup>17</sup> AIR 1990 SC 273.

<sup>18</sup> Dr. Bhavish Gupta & Dr. Meenu Gupta, environment and corporate social responsibility: A constitutional perspective, *Amity law review*, page no 96.

<sup>19</sup> *Ibid.*

<sup>20</sup> AIR 2000 SC 3751.

<sup>21</sup> *Ibid.*

<sup>22</sup> *Supra* note 24, at 25.

- “Federal Water Pollution Control Act, 1972”
- “Noise Pollution Control Act, 1972”
- “Wild Life Protection Act, 1972”
- “Toxic Substance Control Act, 1976”
- “The Environmental Protection Act, 1986”
- “National Forest Policy 1988”
- “Biological Diversity Act, 2002”
- “Corporate Responsibility for Environment Protection (CREP), 2003”
- “The Scheduled Tribes and other traditional Forest Dwellers (Recognition of Forest Right) Act, 2006”
- “CSR Voluntary Guideline, 2009”
- “Island Protection Zone Notification, 2011”
- “The Companies Act, 2013”
- “Green Highways (Plantation, Transplantation, Beautification & Maintenance) Policy 2015”
- “Solid Waste Management Rules, 2016”
- “Hazards Waste Management Rules, 2016”
- “Bio-Medical Waste Management Rules, 2016”
- “Plastic Waste Management Rules, 2016”
- “Wetland (Conservation and Management) Rules 2017”
- “CSR amendments under the Companies (Amendment) Act, 2019”

### **Conclusion**

“Corporate Environmental Responsibility” is not a tendency or a departing trend, it is a pre-requisite that the Indian companies as well as the multinational corporations need to encompass in the very foundation of their policies and plans. A proper framework is needed for incorporating these initiatives with corporate affairs and objectives, and to develop corporate morals in a way that will integrate corporate duty among these multinationals which will further enhance their reputation and roles towards humanity for the welfare of the people.

“Humans, Society and the Environment are mutually bound. The ecosystem and the mankind are co-dependent and it is an inherent responsibility of a human to protect it.”

Therefore, today environmental sustainability has become necessary for companies worldwide to ensure its survival and to remain competitive. Therefore, companies should strive to be green in order to avoid future regulatory actions. Therefore, strict enforcement law is required to ensure compulsory, transparent, affirmative and reliable reporting to eliminate fraudulent practices.