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IDEA OF CORPORATE SOCIAL RESPONSIBILITY BECOMING A BOON

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ABSTRACT

Corporate Social Responsibility (CSR) has become a crucial aspect of contemporary business practices, reflecting a shift towards sustainable and ethical business operations. This paper offers a comprehensive examination of the idea of CSR and ESG tracing its historical evolution, theoretical underpinnings, and practical implications. The paper explores various dimensions of CSR, including environmental sustainability, ethical leadership, stakeholder engagement, and community development. Additionally, it investigates the motivations behind CSR initiatives, the challenges faced by companies in implementing CSR strategies, and the potential benefits for both businesses and society at large.

It commences by providing an in-depth discussion on the definition and significance of CSR and ESG factors in business practices. It highlights the relevance of integrating these practices into the operations of corporations and their wider influence on the social order and the environment. Subsequently, this paper thoroughly examines the legal frameworks governing CSR and ESG practices at different levels, encompassing, regional, and national perspectives. By analysing various approaches adopted by companies, the research identifies the strengths and weaknesses of these approaches in promoting CSR and ESG practices. This research paper also makes suggestions for enhancing the legal environment for encouraging sustainable business practices. It suggests ways to strengthen legal provisions on CSR and also some ways to strengthen ESG practices and enhance stakeholder engagement to promote sustainability in corporations. It also highlights the need for further research on the effectiveness of legal frameworks in promoting sustainable business practices.

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This paper also synthesises existing research and provides insights into future directions, this paper aims to contribute to a deeper understanding of CSR and its role in shaping responsible and sustainable business practices.

INTRODUCTION

CORPORATE SOCIAL RESPONSIBILITY:(C.S.R)

CSR Recognises that firms have obligations that go beyond their basic economic function. It acknowledges that businesses have a "duty to act in the best interests of their stakeholders," which includes a variety of constituencies like shareholders, employees, consumers, suppliers, communities, and the environment. Companies that prioritise CSR understand the significance of delivering high quality products and services, being transparent and honest in their business practices, and addressing customer concerns and feedback.

Overall, CSR recognizes that businesses have accountability to act in the best interests of their stakeholders, going beyond their economic function. By incorporating CSR practices into their operations, companies can align their values with societal and environmental needs, ultimately contributing to a more sustainable and inclusive world.

ENVIRONMENTAL SOCIAL GOVERNANCE:(E.S.G)

The Environmental, Social, and Governance (ESG) framework is centred around three essential dimensions of business operations: environmental, social, and governance factors. This framework acknowledges that companies have a responsibility to manage their impact on the environment, promote social welfare, and uphold strong governance practices.

1. Environmental factors: This includes assessing and managing factors such as carbon emissions, energy efficiency, waste management, resource conservation, pollution prevention, and climate change adaptation.
2. Social factors: The social dimension of ESG encompasses a company's interactions with society and stakeholders.
3. Governance factors: The governance component of ESG focuses on the systems and procedures that control how decisions are made and who is held accountable by an organisation.

By embracing these frameworks, the corporations have an opportunity to show their commitment towards managing their environmental impact, promoting social welfare, and practicing strong governance. This not only complies with stakeholder and investor expectations, but also positions businesses for long- term success in a business environment that is fast changing and where responsible behaviour and sustainability are important drivers of competitiveness and value creation.

RESEARCH OBJECTIVE

The objective of this research paper is on CSR and ESG in India would be to contribute to the existing knowledge on this topic, provide insights into the existing scenario of CSR and ESG practices in Indian companies, and identify ways to improve the adoption and implementation of these practices for achieving sustainable and responsible business practices.Some important points are :

- ➔ To analyse the existing scenario of CSR and ESG practices in Indian companies and identify the factors that influence their adoption and implementation.
- ➔ To examine the impact of CSR and ESG practices on the financial and non-financial performance of Indian companies.
- ➔ To explore the attitudes and perceptions of different stakeholders, including, investors, employees, and customers, towards CSR and ESG practices in Indian companies.
- ➔ To assess the effectiveness of the voluntary CSR framework in India and identify ways to improve its implementation and impact.
- ➔ To investigate the relationship between CSR and ESG practices and corporate governance in indian companies.
- ➔ To compare the CSR and ESG practices of Indian companies with those of companies in other emerging economies and developed countries.
- ➔ To develop a framework for measuring and reporting on the impact of CSR and ESG practices in Indian companies.

RESEARCH METHODOLOGY

In order to investigate “the role of law in promoting sustainable business practises through the legal framework for corporate social responsibility (CSR) and environmental, social, and governance (ESG) factors," the research paper adopts a doctrinal research strategy. The primary sources will include carrying out the research and collecting information. The secondary sources will include academic articles, reports, and legal documents related to CSR and ESG.

This research paper also uses a qualitative research approach to explore "the role of law in promoting sustainable business practices through the legal framework for CSR and ESG factors.

CHAPTER 1: Definition and evolution of CSR and ESG

"Corporate social responsibility (CSR)" refers to an organisation's responsibility to operate in a socially and environmentally responsible manner while also considering the interests of its stakeholders. CSR's goal is to positively impact society and the environment while enhancing the company's reputation and long-term sustainability.

"ESG stands for Environmental, Social, and Governance, and it refers to a set of criteria that investors use to evaluate the sustainability and ethical impact of a company's operations. The factors of the in now time are becoming increasingly important for investors who want to ensure that their investments align with their values and contribute to positive social and environmental outcomes"[3]

- **Environmental criteria** pertain to the effect of a company on the environment, which encompasses its carbon footprint, utilisation of natural resources, and handling of waste and pollution.
- **Social criteria** centre on a company's influence on society, which includes its connections with employees, customers, suppliers, and nearby communities. Social factors may involve labour practices, human rights, diversity and inclusivity, and community development.
- **Governance criteria** relate to a company's management and decision- making processes, including its board composition, executive compensation, and financial transparency.

ESG criteria are used by investors to assess a company's capacity for long- term sustainability, as well as the potential risks and opportunities. Firms that excel in ESG factors may have a higher chance of attracting investments and achieving long-term success. In contrast, companies that neglect ESG risks may face greater financial losses and reputational harm.

"In recent years, the focus has broadened to include a wide range of social and governance issues, including diversity"[4] and inclusion, human rights, labour practices, and corporate governance.

History of CSR and ESG :

[3] Market Business News. "ESG Definition & Meaning. "Market Business News"04/04/2023.

[4] . Kundu, S. (2019). Biogeography of the reptiles of South Asia. Brill. Retrieved from https://brill.com/display/title/38158

Corporate Social Responsibility

The concept of Corporate Social Responsibility (CSR) “can be traced back to the 19th century.

However, it wasn't until the 1950s and 1960s that CSR began to gain wider recognition as a concept. The notion developed as companies initiated corporate foundations and philanthropic programs.

In 1971, the World Economic Forum used the term "Corporate Social Responsibility" for the first time in a publication.

In the 1980s and 1990s, CSR has continued to evolve, with a greater focus on transparency, accountability, and stakeholder engagement.

During the 1990s, CSR in India broadened to encompass a wider array of social and environmental concerns, including health, education, women's empowerment, and sustainable development.

In 2013, the Indian government implemented the Companies Act, which mandated that companies meeting specific criteria spend a minimum of 2% of their profits on CSR activities.

Environmental, Social, and Governance

The history of ESG (Environmental, Social, and Governance) dates back to the 1960s and 1970s, when socially responsible investing (SRI) first emerged as a concept.

In the 1980s and 1990s, SRI progressed to encompass environmental and governance elements, as apprehensions about climate change and corporate governance scandals increased.

In 1997, the United Nations Global Compact was introduced, which urged companies to adopt and disclose a set of ten principles related to human rights, labour, the environment, and anti-corruption.

In 2006, the Principles for Responsible Investment (PRI) were launched, providing a framework for investors to integrate ESG factors into their investment processes.

One of the earliest examples of ESG in India was the launch of the Tata

Ethical Fund in 1996, which was one of the first mutual funds in India to focus on socially responsible investing. The fund screened out companies involved in alcohol, tobacco, and gambling, and invested in companies with strong environmental and social records[5]In 2012, the Securities and Exchange Board of India (SEBI) issued guidelines on responsible investment, requiring asset management companies to disclose their policies and practices on ESG factors.

In 2013, the "Indian government introduced the Companies Act, which required companies meeting certain criteria to spend at least 2% of their profits on CSR activities"[6]

Today,several Indian companies are adopting ESG reporting and integrating ESG factors into their business strategy and operations. The BSE has also launched several other ESG indices, including the BSE 100 ESG Index and the BSE Carbonex, which tracks the performance of companies that are taking action on climate change.

Current trends of CSR & ESG

➔Current trends in CSR (Corporate Social Responsibility) :

1.Purpose-driven companies: Companies are increasingly focusing on their purpose and the impact they can have on society and the environment.

2.Stakeholder engagement: Companies are recognizing the importance of engaging with a broad range of stakeholders,including employees, customers, suppliers, and local communities.

3.Environmental sustainability: There is a growing emphasis on environmental sustainability, as companies seek to reduce their carbon footprint, conserve natural resources, and address the impact of climate change.

4."Social inclusion and diversity: This involves promoting equality, diversity, and inclusion in the workplace and in the communities where they operate"[7].

5.Collaboration and partnerships: This involves working with stakeholders, including NGOs,governments,and other businesses,to achieve shared goals and create positive social and environmental impact.

"According to a report by the Ministry of Corporate Affairs, Government of India, the total amount spent on CSR by Indian companies increased from INR 8,185 crore in

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[5]Ibid 3

[6] FAO. (2018). The State of the World's Biodiversity for Food and Agriculture. Food and Agriculture Organization of the United Nations.

[7] . Sarkar, A. (Ed.). (2021). Microbial biotechnology for sustainable environmental management. Springer.

2014-15 to INR 18,625 crore in 2018-19. This represents a significant increase in the number of resources being allocated to CSR initiatives by Indian companies".[8]

6. Collaboration and partnerships: This involves working with stakeholders, including NGOs, governments, and other businesses, to achieve shared goals and create positive social and environmental impact.

Current Trends of ESG

Several current trends in ESG (Environmental, Social, and Governance) are shaping the way companies approach sustainability and responsible business practices. Some of these trends include:

1. Climate change: This involves setting science-based targets, investing in renewable energy, and incorporating climate risks into their decision-making processes.
2. Diversity, equity, and inclusion: This involves promoting equal opportunities, addressing gender and racial pay gaps, and fostering a culture of inclusion.
3. Supply chain management: This involves conducting due diligence on suppliers, promoting fair labour practices, and addressing human rights abuses in supply chains.
4. Corporate governance: This involves ensuring that boards are diverse and independent, that executive pay is aligned with performance, and that companies are addressing corruption and bribery risks.
5. Impact investing: It involves investing in companies and projects that have a quantifiable social or environmental impact, while still generating financial returns.
6. Data and technology: play a progressively significant role in ESG, with companies using data analytics to track their ESG performance, and

[8] . Ministry of Corporate Affairs, Government of India. (2020). Corporate Social Responsibility in India: A Review of Practices and Trends.

leveraging technology to reduce their environmental footprint and promote social and environmental sustainability.[9]

Legal Framework in India

➔**Legal Framework of CSR**

"The Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014", oversee the legal framework for CSR (Corporate Social Responsibility) in India.

Under the Companies Act, "companies with a net worth of Rs. 500 crores or more, or a turnover of Rs. 1,000 crores or more, or a net profit of Rs. 5 crores or more during any financial year, are required to spend at least 2% of their average net profits of the previous three financial years on CSR activities."[10]This spending is mandatory, and companies are required to disclose their CSR spending in their annual reports.

Companies are required to establish a CSR committee, consisting of at least three directors, with at least one independent director. The committee is responsible for formulating and recommending CSR policies and activities and monitoring their implementation. Failure to comply with the CSR regulations in India can result in penalties, such as fines and imprisonment of company officials.

Legal Framework of ESG in India

Unlike CSR, there is no specific legal framework for ESG (Environmental, Social, and Governance) in India. However, some various laws and regulations address different aspects of ESG, and companies are expected to comply with these regulations as part of their business operations.

Social regulations in India include "the Minimum Wages Act,1948, the Child Labour (Prohibition and Regulation) Act, 1986, the Maternity Benefit Act, 1961, and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, among others."These laws are aimed at protecting the rights of workers, women, and other

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[9]Ibdi 8

[10] . the Parliament of India. "Section 135. Corporate Social Responsibility." The Companies Act, 2013, 29 August 2013 while also ensuring transparency and accountability in the implementation of these activities.

vulnerable groups.There are also voluntary standards and guidelines related to ESG in India, such as the “Global Reporting Initiative (GRI) and the United Nations Global Compact”.

Landmark Judgements

“**Union Carbide India Limited (UCIL) Gas Leak Disaster** : This is one of the most well-known environmental disasters in India, in which a gas leak at a pesticide plant owned by UCIL in Bhopal led to the deaths of thousands of people and injuries to hundreds of thousands more. The Indian government sued UCIL and its parent company, Union Carbide Corporation (UCC), for compensation for the victims. The case highlighted the need for companies to be accountable for the environmental and social impact of their operations.

Vellore Citizens Welfare Forum vs. Union of India : This Supreme Court judgement addressed pollution in the town of Vellore and laid down the principle of "polluter pays." It held that industries causing environmental damage are liable to pay compensation.

CHAPTER 3:THE ROLE OF LAW IN PROMOTING SUSTAINABLE BUSINESS PRACTICES

The law plays a crucial role in promoting sustainable business practices by providing a legal framework that incentivizes businesses to adopt environmentally responsible and socially sustainable practices.

Overview of different types of legal frameworks for CSR and ESG

The analysis of some common types are as given below:

The important legal framework: “These are the regulation which make the importance of the companies to follow the standards[11]

Voluntary legal frameworks: These are laws and regulations that companies can choose to follow voluntarily.

Soft law frameworks: These are non-binding legal frameworks that encourage companies to adopt CSR and ESG practices.

Disclosure frameworks: These require companies to disclose certain information related to their CSR and ESG practices.

Liability frameworks: These hold companies liable for any negative impact they have on the environment or society.

[11]ttps://veritrove.com/what-is-the-global-reporting-initiative-gri/

➔Legal Frameworks for CSR

Domestic Legal Framework

The detailed provisions of **the Companies Act, 2013 (Section 135)** related to CSR in India:

Eligibility Criteria:

Companies that meet any of the following criteria are required to undertake CSR activities:

- Net worth of "Rs. 500 crore or more"
- Turnover of "Rs. 1,000 crore or more"
- Net profit of "Rs. 5 crore or more during that is having in the preceding financial year"

CSR Committee:

A CSR Committee should be constituted by the company's Board of Directors, consisting of:

- Three or more directors, one of whom should be an independent director
- In the case of a private company, the CSR Committee can be formed with two directors.

Amount of Expenditure:

"Companies are required to spend at least 2% of their average net profits of the preceding three financial years on CSR activities.

Fines and Penalties for Non-Compliance

When the company fails to follow the provisions and guidelines as stated in the company act then the company is said to be punishable with a fine which may increase to Rs. 25 lakhs but not less than Rs. 50,000.

Legal Frameworks for ESG

Domestic Legal Framework "THE COMPANIES ACT, 2013":

1. "**Section 134(3)(m) of the Companies Act"** mandates that the board's report should contain details on the conservation of energy, including the steps taken to conserve energy and the impact of those steps.

2. **The section 135 of companies Act** mandates the companies with net worth as specified, turnover or net profit to make a Corporate Social Responsibility (CSR) committee to supervise the CSR policy and activities. Such companies are required to spend a minimum of 2% of their average net profits from the past three financial years on CSR annually.

3. "**Section 166 of theCompanies Act** :Lays down the duties of directors of a company. It requires a director to act in good faith and for benefit of company and over all.

4. "**Section 149 of the Companies Act :**specifies for the requirement of Woman directors for specific classes of businesses.

➔ENVIRONMENT RELATED LAWS:

- "**The Environment (Protection) Act, 1986"** includes regulations pertaining to the management of various types of waste such as e-waste, bio-medical waste, solid waste, hazardous waste etc.
- "**The Water (Prevention and Control of Pollution) Act, 1974 and Air Act, 1981**" mandate companies to take measures to prevent, control and reduce water and air pollution.
- **"The Wildlife (Protection) Act,** 1972, also aimed at preserving the natural environment and biodiversity in India. Companies are obligated to comply with these Acts to ensure that their operations do not cause any harm or destruction to the natural ecosystems in their area of operations..

➔LABOUR LAWS:

1. The Factories Act, 1948, and state-specific Shops and Establishment Acts, regulate working conditions and terms of employment of certain categories of workers/employees.

2. The Payment of Wages Act, 1936, the Minimum Wages Act, 1948, and the Equal Remuneration Act, 1976 ensure fair and equitable pay to workers.
3. The Contract Labour (Regulation and Abolition) Act, 1970, and the Child and Adolescent Labour (Prohibition and Regulation) Act, 1986, regulate the employment of contract labour and prohibit child labour in India, respectively.
4. The Trade Unions Act, 1926, provides for the registration of a trade union and the rights and liabilities of a registered trade union.
5. The Employees State Insurance Act, 1948, the Employees Provident Fund and Miscellaneous Provision Act, 1952, the

Payment of Gratuity Act, 1972, and the Maternity Benefit Act, 1961, are other social security laws introduced for the benefit of the workforce and their overall well-being.

Chapter 4:The Impact of CSR and ESG on Business Performance

➔Economic benefits of CSR and ESG, including improved financial performance and reduced risk.

The economic benefits of "corporate social responsibility (CSR) and environmental, social, and governance (ESG)" are:

Improved Financial Performance: the corporations "that arrange CSR and ESG to their top priority considerations tend to perform better financially over the long term". For example, companies that score well on ESG metrics have been found to have a lower cost of capital and higher returns on investment.

Reduced Risk: Companies that prioritise CSR and ESG considerations may also be better able to manage risks, including reputational risks, regulatory risks, and operational risks.

Additionally, companies that prioritise ESG considerations may be better prepared to deal with emerging "environmental and social risks, such as climate change, resource scarcity, and social inequality[12]

Positive Impacts on Reputation and Stakeholder Relations: By prioritising CSR and ESG considerations, companies can also build stronger relationships with their stakeholders, including customers, employees, suppliers, and communities.

[12]Global Risk Institute, "ESG and Emerging Risks.2016

Long-term Sustainability: Finally, by prioritising CSR and ESG considerations, companies can also help to ensure their long-term sustainability.

These benefits are increasingly recognized by investors and other stakeholders, making CSR and ESG considerations an important part of modern business practices.

➔Non-economic benefits of CSR and ESG, including enhanced reputation, stakeholder trust, and social capital

The non-economic benefits can have a positive impact on the company's reputation, stakeholder trust, and social capital, which can ultimately translate into economic benefits over the long term.

Enhanced Reputation: This can be achieved through actions such as promoting ethical business practices, protecting human rights, reducing environmental impact, and supporting social causes.

Increased Stakeholder Trust: Companies that prioritise CSR and ESG considerations can also increase stakeholder trust by demonstrating a commitment to responsible business practices.

Social Capital: Finally, by prioritising CSR and ESG considerations, companies can build social capital, which refers to the value that is derived from relationships and networks within society.

Overall, there are several non-economic benefits of CSR and ESG considerations for companies, including enhanced reputation, increased stakeholder trust, and social capital.

Case studies of businesses that have successfully integrated CSR and ESG into their operations

CASE STUDY–HDFCBANK

About the Organization: The Reserve Bank of India (RBI) granted "in principle" clearance to HDFC Bank, making it one of the first Indian financial organisations to operate as a private bank.

HDFC Bank's social effort, Parivartan, has helped improve the lives of millions of people in India. Parivartan has improved the quality of life in rural areas by providing access to clean water, modernising educational methods, funding innovative nonprofits, and facilitating new means of earning a living. While much progress has already been made, the bank remains committed to its ideology of sustainability and innovation. HDFC's efforts under Parivartan centre on the following themes:

1. "Holistic Rural Development Program (HRDP)"
2. "Promotion of Education"
3. "Skill Training & Livelihood Enhancement"
4. "Healthcare and Hygiene"
5. "Financial Literacy and Inclusion"

Strategies and best practices for integrating CSR into business operations

Integrating CSR considerations into business operations can be challenging. Here are some of the key strategies and best practices:

1. Develop a CSR strategy: The first step in integrating CSR into business operations is to develop a clear strategy that outlines the company's goals and priorities.
2. Engage stakeholders: Customers, workers, investors, and communities should all be consulted in order to ascertain their needs and concerns.
3. Embed CSR into business processes: CSR considerations should be embedded into all aspects of the company's operations, including procurement, product development, and supply chain management.
4. Collaborate with partners: Collaborating with partners, including suppliers, customers, and other stakeholders, can help to achieve CSR goals more effectively.

These practices, can create more sustainable and responsible business practices that can help to create long-term value for their stakeholders.

Chapter 5 The Future of the Legal Framework for CSR and ESG

The future of Corporate Social Responsibility (CSR) and Environmental, Social and Governance (ESG) is "likely to be shaped by an increased focus on sustainability and social responsibility.

As businesses become more aware of the impact they have on the environment and society, there is likely[13]to be a greater

[13]strelia. (2022). Corporate Social Responsibility in 2022: A Still Growing Legal Framework. Retrieved from https://www.strelia.com/en/insight/corporate-social-responsibility-in-2022-a-still-growing-legal-framewo rk

emphasis on incorporating sustainability and social responsibility into their business practices.

Overall, the future of CSR and ESG is likely to be characterised by a greater social responsibility, as businesses recognize the importance of responsible business practices in securing long-term success and contributing to a more sustainable future.

The legal framework for CSR and ESG is rapidly evolving, with many countries introducing or updating laws and regulations in this area. The future of the legal framework for CSR and ESG will likely be shaped by the following trends:

1. **Increasing focus on mandatory reporting**: Many countries are introducing or considering mandatory reporting requirements for CSR and ESG, which would require companies to disclose information about their sustainability practices and performance.
2. **Integration of ESG factors into financial regulation**: There is growing recognition that ESG factors can have a significant impact on financial performance and risk, and regulators are beginning to integrate ESG considerations into financial regulation.
3. **Increased stakeholder engagement**: Stakeholder engagement is a key aspect of CSR and ESG,and companies are increasingly recognizing the importance of engaging with their stakeholders on sustainability issues
4. **Emphasis on human rights**: There is growing awareness of the importance of human right in the context of CSR and ESG, and many countries are introducing or updating laws and regulations to address human rights issues.

Overall, the future of the legal framework for CSR and ESG is likely to be characterised by increasing regulation and emphasis on sustainability issues.

Recommendations for improving the legal framework for CSR and ESG

Here are some recommendations for improving the legal framework for CSR and ESG:

1. Mandate ESG Disclosures: it would require to disclosures information about a company's environmental impact, labour practices, human rights, and governance structure.

2. Establish Clear Standards and Metrics: Governments can work with industry experts to establish clear standards and metrics for ESG performance.

3.Offer Incentives for ESG Performance: These incentives could include tax credits, grants, or preferential treatment in government procurement.

4. Impose Penalties for Noncompliance: Governments can impose penalties on companies that fail to meet ESG standards or disclose inaccurate ESG data. These penalties would incentivize companies to take ESG seriously and ensure that ESG data is reliable and accurate.

5.Require Board Oversight of ESG: Governments can require boards of directors to oversee ESG practices and report on ESG performance. This would ensure that ESG is a priority for senior management and that ESG practices are integrated into the company's overall strategy.

6.Collaborate with Industry Experts: Governments can collaborate with industry expertsto develop ESG standards and metrics.

7. Provide Education and Training:Governments can provide education and training to companies on how to improve their ESG practices.

Examples of companies that have made significant progress in implementing CSR and ESG practices.

Patagonia: Patagonia is a well-known outdoor apparel company that has been a leader in implementing sustainable and socially responsible practices. The company has a commitment to use only organic cotton and recycled materials in their products, and has implemented programs to reduce waste, conserve water, and reduce greenhouse gas emissions.

Unilever: Sustainable business practises have been recognised by Unilever, a global manufacturer of consumer goods. All of the company's plastic packaging will be reusable, recyclable, or compostable by 2025, and by 2030 they plan to become carbon positive.

Microsoft: Microsoft is a technology company that has made a commitment to sustainability and ESG practices[14]. Additionally, Microsoft has committed to responsible sourcing of minerals and materials, and has set targets for increasing diversity and inclusion within the company.

CONCLUSION

This research paper" **IDEA OF CORPORATE SOCIAL RESPONSIBILITY BECOMING A BOON**" aims to explore the legal framework governing corporate social responsibility (CSR) and environmental, social, and governance (ESG) factors in promoting sustainable business practices. This research evaluates the efficacy of legislative frameworks in encouraging sustainable company practises including corporate social responsibility and environmental, social, and governance initiatives.

The paper begins by discussing the definition and importance of CSR and ESG factors in business practices. It then examines the legal frameworks governing CSR and ESG practices at the regional, and national levels. The study analyses the different approaches taken by companies in promoting CSR and ESG practices, highlighting the strengths and weaknesses of these approaches.

The research evaluates the effectiveness of legal frameworks in promoting sustainable business practices by examining the impact of legal provisions on the behaviour of corporations. It considers the challenges and opportunities faced by corporations in complying with legal requirements on CSR and ESG practices, including the costs and benefits of adopting sustainable business practices.

The study also evaluates the role of stakeholders, including governments, NGOs, and shareholders, in promoting sustainable business practices. It considers the extent to which stakeholder engagement can complement legal frameworks in promoting CSR and ESGpractices in corporations.

It suggests ways to strengthen legal provisions on CSR and ESG practices and enhance stakeholder engagement to promote sustainability in corporations. It also highlights the need for further research on the effectiveness of legal frameworks in promoting sustainable business practices.

[14] . Microsoft. (n.d.). Sustainability at Microsoft. Retrieved from microsoft.com