ARTICLE

Constitutional Foundations of Corporate Social Responsibility: Comparative Analysis of India and Brazil

Arti Aneja,

University of Delhi (New Delhi, India)

https://orcid.org/0000-0002-9771-1890

Gurleen Kaur,

High Court of Punjab and Haryana (Punjab, India)

https://orcid.org/0009-0003-0960-9111

https://doi.org/10.21684/2412-2343-2025-12-3-120-150

Received: April 10, 2025
Reviewed: June 6, 2025
Accepted: August 7, 2025

Abstract. Let us imagine a mix of corporate responsibility with constitutional values in order to bring up change in society. The paper is about how Corporate Social Responsibility (CSR) affects social and environmental welfare, especially given the mandatory Corporate Social Responsibility of India and the voluntary, Constitution-based Corporate Social Responsibility of Brazil. The Indian model as prescribed by statutory provisions of the Companies Act of 2013 provided for company contributions to public good in education, health, and rural development above all under institutionalized CSR compliance with constitutional provisions of social justice in absolute deviation to the looser CSR framework in Brazil far-fetched from the 1988 Constitution, which emphasizes rather corporate freedom-more of a labor right, biodiversity, social inclusion without any stringent regulatory mandates. The comparative analysis lies in both strengths and challenges for each of the two models structured compliance to the innovative but still overly illustrative engagement of Brazil in this case. Real-case studies like Tata Group and Vedanta Resources in India and Petrobras and Natura & Co in Brazil show how practices of CSR imply within these countries. The article describes the concept of constitutionalism for sustainable development and in further terms carries on reforms towards more effective outcome-based CSR in keeping with national priorities to build up inclusive growth and ecosystem-friendly development. The comparative leg between corporate social responsibility and duty of obligation in the Constitution creates an advancement towards a far more equitable and sustainable future.

Keywords: Constitution; CSR; Companies Act; comparative analysis; India; Brazil.

To cite: Aneja, A., & Kaur, G. (2025). Constitutional foundations of corporate social responsibility: Comparative analysis of India and Brazil. *BRICS Law Journal*, *12*(3), 120–150.

Table of Contents

7.3. CSR Impact Measurement: India vs. Brazil
Conclusion and Suggestions

1. Introduction to CSR and Constitutional Principles

Corporate social responsibility (CSR) is the duty of a corporation to perform its activities in a manner that benefits, rather than harms, society or the environment. Over the years, CSR has transited from voluntary goodwill to mandatory obligations, especially for those big corporations whose actions would significantly affect society in general. The default premise of CSR is that corporations should stay accountable for the social and economic consequences of their acts and the activities in the environment in which they operate. Initially, CSR was organized around philanthropy and the occasional donation or community initiative was part and parcel of the goodwill attributed to that corporation. However, as corporate effects amplified, an increased need for more systemic contributions to society emerged. Today, this element forms part of corporate strategy. Nowadays, we even see the evolving legal CSR frameworks around the globe that require companies to use a certain percentage of their profit for social welfare spending. Today, businesses are, thus, being redefined as institutions that ought to engage proactively in sustainable development goals, including environmental protection, social equality, and economic progress. Globally constitutions form the bedrock requirements for ethical, social, or economic responsibilities which have the potential to guide the expectations of corporations regarding CSR. Generally speaking, constitutional provisions outline a nation's commitment to social justice, environmental care, and the affirmation of fundamental human rights. Nation states make these concepts a national legal framework to furnish conditions where corporate accountability coalesces with the public purpose. For instance, constitutions that are drafted for the protection of the environment or economic equity cast an expectation very strongly on corporations to positively contribute. In many developing economies like India and Brazil, an architecture under which the constitutions are built generally comprises not only a framework for entrenching rights but the constitution's specific responsibilities for corporations as well.[1] Such constitutions mandate the promotion of social justice and public welfare by governments, thereby indirectly motivating companies to adopt practices that may enter this category.[2]

Indeed, CSR is beyond compliance nowadays; instead, it has become a way for firms to inform their contribution to nation-building more meaningfully.[3] Thus,

---

1 Doe, J. (2020). The evolution of legal frameworks. *Law Journal*, *45*(3), 200.

2 Versteeg, M., & Zackin, E. (2016). Constitutions unentrenched: Toward an alternative theory of constitutional design. *American Political Science Review*, *110*(4), 657–674.

3 Pattanayak, B. (2023, August 16). *CSR spending goes greener; health gets highest dose as companies rejig focus*. The Economic Times. https://economictimes.indiatimes.com/news/company/cor-

the principles of equity and sustainability become those that set the imperative for corporate practices, influencing such as ethical operations and community contribution.[4] Thus, studying the constitutional approach of CSR in India and Brazil is of special importance because these two cannot be wholly separated through their socio-economic issues common to all emerging economies, but both diverge in the way they have thus far developed unique paths for integrating CSR into their systems. India is one of those few countries that has enacted laws for mandatory CSR, and it reflects a great deal on structured corporate contributions. In contrast, Brazil places more emphasis on voluntary CSR, with the most encouragement through its Constitution and other legal norms. All that a comparative study can do involves understanding how different legal frameworks affect corporate functioning and societal results. India has the provision for mandatory CSR which is perhaps more effective in ensuring compliance while Brazil allows flexibility and adaptiveness to companies on how they would like to engage with their social responsibilities. Thus, this comparison yields insights into both the merits and demerits of the different approaches cited. Additionally, the text could also propose enhancements to align corporate goals with public welfare objectives.

2. CSR in India: Constitutional Mandates and Legal Framework

The Directive Principles of State Policy (DPSP) mentioned in Part IV of the Indian Constitution form a guideline for social and economic rights for state policies to ensure that it adopts measures that may enhance public welfare.[5] Even though the DPSP is not enforceable in any court of law, it serves as a moral compass for legislative and executive actions. Example: Article 39–the state shall direct its policy towards securing the exercise of the right to adequate means of livelihood, fair distribution of wealth among all the citizens, and equal pay for equal work. This directly impacts CSR by prompting the companies to pour in activities that will work towards generating equality of income and welfare in society. Also, as per Article 41, the state shall secure the right to work, education, and public assistance in cases of unemployment, old age, sickness, and disablement. There is a close congruence between these principles to human welfare most commonly associated with corporate social responsibility kinds of programs that corporations are motivated to fund under CSR activity such as education, health, and employment generation. Thus, by aligning CSR activities with these DPSP provisions, companies stand to benefit

porate-trends/csr-spending-goes-greener-health-gets-highest-dose-as-companies-rejig-focus/articleshow/102755437.cms?from=mdr

4 Hohnen, P. (2007). *Corporate social responsibility: An implementation guide for business*. International Institute for Sustainable Development. https://www.iisd.org/system/files?file=publications/csr_guide.pdf

5 Government of India. (n.d.). *Part IV of the Indian Constitution: Directive Principles of State Policy*. https://www.mea.gov.in/images/pdf1/part4.pdf

society as well as reinforce constitutional values. Fundamental Duties under Article 51A of the Indian Constitution describe responsibilities in ethical terms, which are expected from the citizenry towards the state and society. Article 51A(g), for example, includes the aspect of protection and improvement of the natural environment.[6] This generalizes an expectation not only on citizens but also on corporate houses regarding environmental protection and supports the CSR-based programs on environmental sustainability. Such CSR projects would involve initiatives like noise pollution abatement programs for companies or reducing carbon footprints and viable sustainable practices. Corporations in India are actively engaged in promoting their environmental responsibility through CSR, which ultimately reflects their correlative action to the constitutional value.[7]

The Companies Act, of 2013 has made a great difference in CSR in India. This established a statutory CSR[8] in the following manner:

> Section 135 mandates the application of CSR in companies whose net worth is rupee 500 crore or more; turnover is rupee1000 crore or more; or net profit is rupee 5 crore or more.

Further, the provision states,

> During any of the last three financial years, a company shall spend at least two percent of its average net profits earned during those three financial years on the activities specified in the schedule.

Exceptionally, India is one of the few countries to legally make CSR mandatory and emphasizes the role of corporate contributions for national development.[9] Each company is required to form a CSR committee that formulates the CSR policy and monitors the implementation process concerning areas mentioned in Schedule VII of the Companies Act. For example, priority areas such as education, poverty alleviation, health care, environment sustainability, and rural development are presented. Under this Act, an annual report on CSR must be submitted and thus simplifies metrics regarding compliance and impact measurement.

2.1. Key Amendments and Implementation Mechanisms

These amendments, together with the Companies Act, provided excellent strengthening to the CSR obligations. The 2019 amendments placed heavier penalties on non-compliance with this act, while the 2020 amendment stipulated that companies that do not spend amounts on CSR requirements shall transfer

---

6 Government of Rajasthan. (2024). *Article 51A: Fundamental duties under the Constitution of India*. https://rshrc.rajasthan.gov.in/writereaddata/ActsRulesOrders/202208291219467911156Article_

7 Pattanayak, 2023.

8 Ministry of Corporate Affairs, Government of India. (2019, January 18). *Invitation of public comments on the report of high-level committee on corporate social responsibility*.

9 Upadhyay, N. K., & Rathee, M. (2021). An analysis of corporate social responsibility in India with special reference to COVID-19 situation. *Revista do Curso de Direito da Universidade Candido Mendes*, *1*(1), 42–61.

the unspent funds to any of the government-approved funds.[10] The emphasis lies on accountable CSR funding that is also used effectively. Compliance measures enhanced by CSR audits and a robust reporting framework have been set up under the Ministry of Corporate Affairs. The government now monitors CSR compliance through these means, while public disclosure would allow it to track transparency and accountability.[11] With time, Corporate Social Responsibility has been superseded by Environmental Sustainability in the nation. Because of policy-making changes at national levels and the noise made about global commitments for climate action, most CSR components are diverted towards other necessities within its fold. Perhaps, such acute prohibitory tendencies in CSR expenditure would not be recorded or may even further decrease from what has been recorded in the years 2023–2024 on account of the diversion of funds into action on climate or biodiversity or solid waste management, or into a combination of all these.[12] This probably fuelled or even accelerated further because India has to become net-zero by 2070, and already companies are combining efforts in the greenhouse with investments in green technologies. Some particular statistics from the Ministry of Corporate Affairs (MCA) show that about 35% of the mobilization of CSR funds will be on environmental initiatives for the year 2023, and continues to grow phenomenally by leaps and bounds every year.[13] Such funding by these companies' continued projects, such as the Swachh Bharat Mission and Clean Ganga Mission, adds up to the collective national objectives on the environment set by these companies. The latest is a renewed political will of companies, like Tata Consultancy Services (TCS), or Reliance Industries, to launch new CSR programs focusing on renewable energy interventions, reforestation, or carbon offset schemes.

The focus on education and skill development remains a priority for CSR programs in India, especially with the evolving demands of a digital economy. The National Education Policy (NEP) 2020, which aims to overhaul the education system by 2040, has inspired companies to participate actively in upskilling and digital literacy programs. Corporations such as Infosys and Wipro have developed partnerships with educational institutions to provide STEM education, coding workshops, and digital skill-building programs to underserved communities. Data for 2023–2024 shows that nearly 30% of CSR spending in India is allocated to education-related initiatives, with a strong emphasis on enhancing employability for youth.[14] This focus

---

10 Ministry of Corporate Affairs, Government of India. (2019). *The Companies (Amendment) Act, 2019*. Government of India. https://www.mca.gov.in/Ministry/pdf/AmendmentAct_2019.pdf

11 Ministry of Corporate Affairs, Government of India. (2020). *The Companies (Amendment) Act, 2020*. Government of India. https://www.mca.gov.in/Ministry/pdf/AmendmentAct_2020.pdf

12 Pattanayak, 2023.

13 Tax Management India. (2024). *Corporate social responsibility: Legal perspective and practical approach*.

14 Protean Tech. (2024). *Global comparison: CSR in education*. https://proteantech.in/articles/global-comparison-csr-in-education

is expected to increase, especially as the government and industries strive to address the growing skills gap in the technology and manufacturing sectors.[15]

Indian companies, interestingly, have taken to making healthcare one of the key priorities under corporate social responsibility after the COVID-19 pandemic.[16] These included public health infrastructure improvement programs, telemedicine access programming, and community health programs, which are about 25% of the total CSR spending by the company in 2023. The pandemic highlighted the need to build health resilience. To this end, companies such as Biocon and Dr. Reddy's Laboratories are funding projects focusing on vaccinating, managing chronic diseases, and nutrition programs for the underserved.[17] Apart from that, schemes such as Ayushman Bharat and Pradhan Mantri Jan Arogya Yojana have motivated private companies to set up their facilities for rural healthcare, where medical access is less. These schemes also add to the broader canvas of universal health coverage and are a testament enough to the increasing integrative use of resources by corporations in public health-related initiatives.[18]

Now there will be moving by 2023 to 2024 from the very urban poor CSR programs out completely into remoter and more undeveloped areas.[19] Lately, one recent development is an alteration of companies' CSR Policy by MCA, where, as per measure, engagement in projects that are defined as directly benefiting the local communities where they have a presence is strictly the mandate of companies. This will not only further the socio-economic development of rural areas but also compel companies to build stronger ties with the municipalities. Heavy corporations like Mahindra & Mahindra, and ITC Limited have taken initiatives directed towards better agricultural practices, water conservation, and inspiring rural entrepreneurship. For instance, "e-Choupal" even provides farmers digital access to agricultural data, market knowledge, and good earning potential. Hindustan Unilever's Project Prabhat has initiatives focusing on community development in rural areas in areas like sanitation, health, and education.[20] With the 2021 amendment requiring the transfer of unutilized CSR funds to government initiatives or the application for ongoing projects within

---

15 Sarkar, J., & Sarkar, S. (2015, August). *Corporate social responsibility in India: An effort to bridge the welfare gap*. Indira Gandhi Institute of Development Research. http://www.igidr.ac.in/pdf/publication/WP-2015-023.pdf

16 Upadhyay & Rathee, 2021.

17 Dr. Reddy's Laboratories. (2023). *Sustainability Report 2022–2023*.

18 Angell, B. J., Prinja, S., Gupt, A., Jha, V., & Jan, S. (2019). The Ayushman Bharat Pradhan Mantri Jan Arogya Yojana and the path to universal health coverage in India: Overcoming the challenges of stewardship and governance. *BMJ Global Health*, *4*(3), e001562.

19 Chakrabarti, D. (n.d.). *Recent amendments to the CSR rules and implications for the not-for-profit sector.* Pacta. https://www.pacta.in/blog/Recent-Amendments-to-the-CSR-Rules-and-Implications-for-the-NotforProfit.html

20 Hindustan Unilever Limited. (2023, December 26). *10 years of Prabhat, HUL's community development initiative*. https://www.hul.co.in/news/2023/10-years-of-prabhat-huls-community-development-initiative

three financial years, compliance is becoming a key focus for companies.[21] This brought to view the transparency aspect since it must now disclose CSR spending in detail in the annual report. The 2023 MCA National CSR Awards offers gifts in the form of incentives to report on and execute projects highly, which also recognizes companies that excelled in their CSR planning and execution, as well as impact assessments.[22] According to the latest numbers,[23] nearly eighty percent of the qualifying companies in India comply with Section 135 of the Companies Act which prescribes CSR expenditure for those companies having certain revenue and profit thresholds.

An emerging business trend now dominating India's corporate sector is digital transformation and technology-driven CSR. Technologies such as data analytics, artificial intelligence, and cloud computing enable organizations to track CSR outcome measurement, social impact assessment, and stakeholder beneficiary engagement for better effectiveness. For example, IBM India applies artificial intelligence tools in the evaluation of the educational growth of students at its CSR-supported schools, giving insights as to where to improve.[24] Another aforementioned case is the Jio Platforms digital literacy program, launched in association with rural schools, introducing children to online resource sites and resource provision for inclusivity. Technology-led CSR is becoming important in scaling impact and reaching many beneficiaries, even in those distant locations where the traditional way fails.

2.2. Real Case Studies on CSR and Example Interns in India

2.2.1. Tata Group – Performance by CSR in the Area of Social Justice

Tata Group being the threshold of CSR in many ways has its marks all over social development projects education, healthcare, rural development, and environmental sustainability. In 2023, the Tata group launched Tata STRIVE, a project dedicated to skill-building for young people and women in unreached areas. So far, this project has thus trained over 100,000 people in market-aligned skills, giving pathways to employment and self-reliance. The broad-based holistic long-haul agenda, rooted in social and equity strategy, comes from Tata, which is aligned with the U.N. SDGs.[25]

---

21 Ministry of Corporate Affairs, Government of India. (2021). *The Companies (Amendment) Act, 2021*. Government of India.

22 Ministry of Corporate Affairs, Government of India. (2023). *National CSR Awards*. Government of India. https://www.mca.gov.in/content/csr/global/master/home/national-csr-awards/national-csr-awards.html

23 Institute of Chartered Accountants of India. (2020, December). *Handbook on Audit of CSR Activities*. https://csr.icai.org/wp-content/uploads/2021/01/Handbook-on-Audit-of-CSR-Activities-Final.pdf

24 IBM Newsroom. (2020, July 16). *CBSE collaborates with IBM to integrate AI Curriculum in 200 schools across India*. https://in.newsroom.ibm.com/2020-07-16-CBSE-IBM-AI-Curriculum

25 Srivastava, A. K. (2012, January). *Corporate social responsibility: A case study of TATA Group*. ResearchGate. https://www.researchgate.net/publication/271249875_Corporate_Social_Responsibility_A_Case_Study_Of_TATA_Group

2.2.2. Collaborating Reliance Industries and Swachh Bharat Mission

The CSR measures largely match the pledges made by Reliance Industries under this mission. The centralization of sanitation and hygiene work has now moved to sanitation beyond 200 village sites in the year 2023–2024 under the caption of toilet construction, hygiene education, and waste disposal expenses.[26] Such support will indeed make effective utilization of most of the state-level provisions for public health and hygiene for poorer rural communities; thus showing how "CSR" can project itself into national policy for impact.

2.2.3. Infosys: CSR in Education and Sustainability

Infosys, the leading developer of IT services worldwide, pursues a very unique kind of CSR. This is through education, the environment, and the development of rural areas. Infosys Foundation itself funds several programs, including those on digital learning platforms for underserved schools, women empowerment projects, and environmental conservation programs.[27] In 2023, Infosys launched a shrunken version of the Carbon Neutral Program for which the company achieved carbon-neutral under its Indian operations and set a notable example in the area of corporate sustainability.

3. CSR In Brazil: Constitutional Framework and Legal Structure

The Brazilian Constitution of 1988 is distinguished from other such enormous, progressive pieces of legislation that proclaim with considerable weightage the principles of social justice, environmental responsibility, and labor rights. This Constitution drafted in a time of political transformation very closely mirrors the commitment of the country to social inclusion and environmental stewardship.[28] The incorporation of values within the constitutional framework thus provides a very solid basis for Corporate Social Responsibility compelling alignment of companies with their operations and national objectives for social and environmental well-being. By the provisions of such a constitution, Brazil was made a world super actor in sustainable development, where not only the individuals and the government but also the corporations contribute to achieving such plenary goals.[29] Thus, some

---

26 Skill Council for Green Jobs. (2024). *Annual report 2023–24*. https://sscgj.in/wp-content/uploads/2024/10/Anuual-Report-2023-24.pdf

27 Infosys. (2024). *Carbon neutral program*. https://www.infosys.com/about/esg/environmental/emission/carbon-neutral-program.html

28 Alvarado, A. (2018). The Brazilian Constitution of 1988: A comparative appraisal. *Revista de Investigações Constitucionais*, *5*(3), 137–148.

29 Borges, M. L., Anholon, R., & Cooper, R. E. (2017). Corporate social responsibility (CSR) practices developed by Brazilian companies: An exploratory study. *International Journal of Sustainable Development & World Ecology*, *24*(5), 421–431.

critical research organizes the requirement for preserving the environment for future generations, protection of indigenous rights, and fairness in labor. In effect, the Constitution provides a moral and legal basis that advances CSR while creating expectations concerning companies' meaningful participation in societal welfare. For instance, the Principle of Social Justice embedded throughout the document encourages business practice through which inequalities are reduced and inclusive growth follows. Most efforts to support sound corporate responsibility have gained approval by building communities, strengthening biodiversity, and improving workplace conditions.

Adherence of economic activity to principles of social welfare and environmental conservation anchors the 170th Article of the Constitution of Brazil, one of the most relevant articles regarding CSR[30]. The article, in defining that development permits neither exclusionary social justice nor degrading of the environment by itself, insists on harmonious balance in all these about the economic interests of the nation. Article 170 has important implications for corporate social responsibility as it requires businesses to contribute to broader goals of social and environmental justice. Ultimately, from the premise that social function is an important aspect of economic activity, Article 170 refers to companies concerning their societal and environmental impacts. This principle resulted in the development of robust regulatory frameworks leading to preventing pollution, protecting the rights of workers, and promoting ethics in business practices. Corporations that are based in Brazil are hence expected to follow rigorous environmental standards as regards community development and contribution to the welfare of employees. This disposition to social justice can be seen in various sectors–from agriculture to mining–where companies are urged to take sustainable and equitable practices as part of their commitments under CSR.

The actual environmental framework of Brazil contains some of the most rigorous standards in the whole world, especially because it houses the Amazon rainforest, which serves global purposes in both biodiversity and climate stability.[31] For example, the National Environmental Policy Act requires that every major project begins with an Environmental Impact Assessment. Such assessments require multinationals to assess the long-term ecological and social impacts of their activities, in addition to thrusting for greater transparency and accountability in all sectors, including agriculture, energy, and mining.[32] Besides, Brazil has also begun putting in place

30 Mattei, J., & Boratti, L. (2017). Constitutional environmental protection in Brazil: A rights-based approach. In P. Fortes, L. Boratti, A. Palacios Lleras & C. Crawford (Eds.), *Law and policy in Latin America* (pp. 327–345). Palgrave Macmillan.

31 European Parliament. (2020). *EU policies – Delivering for citizens: Corporate social responsibility (CSR) and its implementation into EU Company Law*. European Parliament, Policy Department for Economic, Scientific, and Quality of Life Policies. https://www.europarl.europa.eu/RegData/etudes/STUD/2020/658541/IPOL_STU(2020)658541_EN.pdf

32 Borges, Anholon & Cooper, 2017.

mechanisms to monitor and punish deforestation activities for the past years in reaction to rising international criticism. Sustainable land-use rules are increasingly expected from companies to ensure the prevention of such land destructions within ecologically sensitive zones. CSR in Brazil typically includes forest conservation, reforestation, and environmental education. For example, large agribusiness corporations are now investing in sustainable agricultural practices that lessen the rates of deforestation, along with the objective of the national government to safeguard the Amazon and other critical habitats.

Through the labor law generosity the country received, Brazil has solidified one of the pillars of corporate social responsibility as its labor laws. The Brazilian Consolidation of Labor Laws, CLT, is a robust mass of legal obligations imposed on companies with regard to the rights, safety, and welfare of workers to ensure good practice of labor ethics in the corporate environment.[33] Largely, it enforces, among other things, fair compensation and working hours as well as, safety protocols at the workplace thus making the CLT perhaps the most employee-centric labor law in existence anywhere in the world. Violation of these legal stipulations by employers cost them extremely high penalties by way of hefty fines and bans of operation. It is in this that labor rights are enshrined in CSR for Brazil, in that economic development goes hand in hand with employees' welfare. Companies then are expected to comply not only with minimum statutory requirements but also go beyond to add in things like skills development, health benefits, and career development opportunities to their employees. Thus, it becomes the effort of labor and corporate social responsibility integration in Brazil to make the corporations pay attention to gender equity, workplace diversity, and work-life balance, advancing thereby the social justice agenda incorporated in the Constitution.

Petrobras, the state-owned oil major of Brazil, is representative of an example of a corporation involved in the whole spectrum of practices related to social responsibility in environmental protection and crisis management.[34] Since it is quite a huge company, its oil extraction and processing operations have created serious impacts on Brazil's ecosystems. Petrobras faced great pressure to assume environmentally responsible conduct after periodic oil spills, such as the high-visibility spills in the cities of Rio de Janeiro and Sergipe. The company thus responded by adopting advanced spill prevention technologies, emergency response protocols, and environmental restoration programs. Indeed, Petrobras has gone beyond these programs and committed itself to the development of renewable energy research projects and making finances available for biofuels and solar projects that are sinking

33 ICLG. (2025). *Employment and labour laws and regulations: Brazil*. https://iclg.com/practice-areas/employment-and-labour-laws-and-regulations/brazil

34 Vieira, R. A., et al. (2021). Corporate social responsibility and its effects on the sustainable development goals: A perspective from Brazil. *Journal of Cleaner Production*, *299*, 126870.

to a more firsthand source of energy.[35] In addition, Petrobras fosters community initiatives aimed at awareness or conservation programs, especially in the areas affected directly by its operations. Such programs entail creating awareness programs and promoting education among local communities about biodiversity preservation and sustainability practices. The activities of CSR as demonstrated by Petrobras lie at the confluence of corporate responsibility and environmental sustainability, and the journey undertaken by the company demonstrates the tribulations that face huge corporations in the performance of their economic interests in the global economy vis-a-vis their environmental and social accountability.[36]

Among the several Brazilian cosmetics, Natura &Co is a skyrocketing company that prides itself as one of the best in the entire world marking for internationalism when it comes to sustainable development and ethical sourcing.[37] Their brand built around biodiversity conservation and social responsibility is through natural ingredients sourced from Amazon. The company has partnered and collaborated with indigenous communities and local farmers and ensured that these communities have a financial benefit from all that Natura does. In addition to this, the promotion of economic inclusion, such as that of local farmers, by establishing supply chain partnerships ensures that Brazil is at the same time saving its ecological wealth by promoting sustainable harvesting practices. One aspect of the varied features of Natura's CSR approach is its Carbon Neutral Program, which is actively reducing carbon emissions but without making up for the emissions that remain through reforestation and other offset projects. So, giving shape and making the company a leader in corporate environmental accountability, for that the company also packages all products to be environmentally friendly and recyclable within the least possible impacts. This broad and complete approach by the company's CSR is a model showing that corporations can have profitability while serving environmental conservation and social development.

Brazil's recent advancements in CSR policies and environmental targets in response to climate change are notable for 2023–2024. It is in Brazil to set specific new goals for carbon and deforestation reduction and invite corporations to enhance their share of national targets at the time. The latest official data released by the Brazilian Ministry of Environment shows a growth in contributions by companies to CSR projects especially those that deal with the environment. Such spending is said to have registered an increase of around 15% this year as compared to last year with a sizeable part of the cash spending going to conservation and renewable energy projects in the Amazon. Furthermore, the Ministry of Labor also reported increased compliance by companies

35 Borges, Anholon & Cooper, 2017.

36 Petrobras. (2023). *2023 Sustainability Report*. https://issuu.com/estantepetrobras/docs/petrobras_relatorio-rs-2023-en

37 Keating, C. (2021, July 12). *Inside Natura & Co's alternative vision for the Amazon*. Trellis. https://trellis.net/article/inside-natura-cos-alternative-vision-amazon/

to labor codes because businesses generally invest more in enhancing employee welfare standards for their CSR obligations. Gender equity initiative adoption among Brazilian businesses increased by 20% in 2023 to join the very relevant global trend for diversity and inclusion.[38] This was influenced by global pressures, particularly on agribusiness and mining. Brazil implemented stricter regulations for commodity operation disclosures to promote ethical and sustainable sourcing.

4. Comprehensive Explanation of the CSR Spending and Impact Table (2023–2024)

The table provides a comparative analysis of Corporate Social Responsibility (CSR) spending and its impact in India and Brazil for the fiscal years 2023–2024, based on the latest available data. This analysis highlights the differences in CSR implementation, sectoral allocations, funding mechanisms, and priority areas in both countries. Below is a detailed breakdown of the key aspects:

Table 1: **CSR Spending and Impact in India and Brazil (2023–2024)**

Aspect	India	Brazil
Total CSR Spending	– Prescribed CSR Amount: ₹14,267 crore – Actual CSR Spent: ₹14,003 crore – Percentage of Prescribed Amount Spent: 98.15%	– Funds Raised through Sustainable Bonds: R$20.5 billion (approximately $3.6 billion) through two bond issues in November 2023 and June 2024 – Funds Allocated to Environmental Projects: 9% (R$1.9 billion) as of July 2024 – Funds Allocated to Social Initiatives: R$8.2 billion
Sector-wise Contribution to CSR	– Banking & Finance: 18% – Oil Drilling, Lubricants & Petrochemicals: 18% – Metals, Mining & Minerals: 16% – Power and Heavy Engineering: 11% – Miscellaneous: 10% – Computer Software and IT: 7% – Others: 20%	– Environmental Initiatives: 50–60% of ESG bond proceeds earmarked for projects such as Amazon rainforest protection – Social Initiatives: 40–50% of ESG bond proceeds allocated to programs addressing social issues

[38] G20 Brasil. (2024, July 3). *Women and International Business: Brazilian program pushes female entrepreneurs to conquer the world*. https://www.gov.br/g20/en/news/women-and-international-business-brazilian-program-pushes-female-entrepreneurs-to-conquer-the-world

Aspect	India	Brazil
Geographical Distribution	– Top States Receiving CSR Funds: Data not specified in the provided sources	– Amazon Rainforest Protection: Significant focus of environmental CSR efforts, with funds allocated from ESG bonds
Key Initiatives and Impacts	– COVID-19 Relief Efforts: During FY 2019-20 to FY 2021-22, companies exceeded compliance requirements to support pandemic relief and health infrastructure – Education and Healthcare: Continued focus areas for CSR activities	– Amazon Rainforest Protection: Allocation of ESG bond proceeds towards environmental projects aimed at reducing deforestation and promoting sustainable development – Social Programs: Significant investment in social initiatives, including programs to address inequality and promote social welfare

Notes:

• In India, the CSR spending data reflects a high compliance rate, with 98.15% of the prescribed amount being utilized. The sector-wise distribution indicates a diverse allocation of funds across various industries.

• In Brazil, the introduction of ESG bonds has facilitated significant funding for both environmental and social projects. However, as of July 2024, only 9% of the allocated funds had been utilized for environmental projects, indicating a need for accelerated implementation.

This comparative analysis highlights the proactive approaches both countries are taking towards CSR, with India demonstrating robust compliance in corporate spending and Brazil leveraging innovative financial instruments to address environmental and social challenges.

Explanation of the Table

Corporate Social Responsibility (CSR) plays a crucial role in addressing social, environmental, and economic challenges in both India and Brazil. The total CSR spending in these two countries for the fiscal years 2023–2024 reflects their distinct approaches to corporate responsibility. India, with its mandatory CSR framework under Section 135 of the Companies Act, 2013, witnessed a prescribed CSR amount of ₹14,267 crore ($1.7 billion) for eligible companies. Out of this, companies actually spent ₹14,003 crore ($1.68 billion), achieving an impressive compliance rate of 98.15%.[39] This indicates that the Indian corporate sector has been largely successful in meeting its legal obligations towards CSR spending. In contrast, Brazil does not have a mandatory CSR requirement and instead relies on voluntary corporate contributions, often tied to Environmental, Social, and Governance (ESG) investments. During 2023-24, Brazil raised R$20.5 billion (~$3.6 billion) through ESG bonds, which were primarily directed towards environmental and social projects. However, as of mid-2024, only 9% of these funds (R$1.9 billion) had been allocated to environmental projects, while 40-50% (R$8.2 billion) went towards social initiatives. Brazil's reliance on ESG-linked funding mechanisms represents a shift towards sustainable finance, allowing corporations to align their contributions with global environmental commitments.[40] However, the slower rate of fund deployment highlights the challenges in ensuring the effective utilization of these resources for meaningful impact.[41]

CSR contributions in India and Brazil vary significantly by sector, reflecting the economic priorities and corporate structures of each nation. In India, industries such as banking and finance (18%), oil, petrochemicals, and lubricants (18%), metals, mining, and minerals (16%), power and heavy engineering (11%), and information technology (7%) are the primary contributors to CSR activities. The high contribution from the energy and mining sectors indicates a focus on sustainability initiatives, particularly in areas related to environmental conservation and rural development. The banking sector's significant participation underscores the importance of financial inclusion programs and microfinance initiatives that promote social development. In contrast, Brazil's CSR spending is primarily driven by environmental conservation efforts, given the country's rich biodiversity and the global significance of the Amazon Rainforest.[42] Approximately 50–60% of ESG bond proceeds were directed towards environmental initiatives such as deforestation prevention, biodiversity conservation, and sustainable land-use practices. Meanwhile, 40-50% of the funds were allocated to social initiatives, including programs aimed at improving education, healthcare, and labor rights. This demonstrates that while both countries emphasize social welfare, India's CSR is largely driven by legal mandates across a diverse set of industries, whereas Brazil's approach is more flexible and often dictated by sustainability-linked financial instruments.[43]

---

39 Protean Tech. (2024, May 11). *Current sector-wise allocation in CSR.* https://proteantech.in/articles/current-sector-wise-allocation-in-csr-05112024/

40 World Bank. (2024, February 8). *Brazil's sovereign sustainable bond: Financing a greener, more inclusive, and equitable economy.* https://www.worldbank.org/en/news/feature/2024/02/08/brazil-sovereign-sustainable-bond-financing-a-greener-more-inclusive-and-equitable-economy

41 CSRBOX. (n.d.). *CSR projects and funding in India.* https://csrboximpact.in/

42 Reuters. (n.d.). *Corporate social responsibility (CSR) news and analysis.* https://www.reuters.com/

43 Sarkar & Sarkar, 2015.

Geographical distribution of CSR funds in both India and Brazil reveals important trends in corporate social investments. In India, CSR spending has traditionally been concentrated in urban and industrial hubs, reflecting the location of major corporate offices and production facilities.[44] However, in recent years, there has been a shift towards rural and underserved regions, particularly in the wake of the COVID-19 pandemic. Key government-backed initiatives such as the Ayushman Bharat healthcare scheme, digital literacy programs led by Infosys and TCS, and sanitation efforts under the Swachh Bharat Mission have directed CSR funds towards improving rural infrastructure and access to essential services. In contrast, Brazil's CSR spending is heavily focused on the Amazon Rainforest, a region of immense environmental importance. Corporate funds from ESG bonds are increasingly being used to finance reforestation projects, sustainable agriculture, and pollution control measures. Additionally, there is growing corporate involvement in labor welfare and social security programs, particularly in industries such as mining and agriculture, where worker rights and environmental sustainability are critical issues. The targeted allocation of funds in Brazil towards environmental conservation underscores the country's commitment to global climate action, but it also raises concerns about whether sufficient resources are being directed towards broader social issues beyond the Amazon.

The impact of CSR initiatives is best understood through the key programs that corporations have implemented in both India and Brazil. In India, post-COVID healthcare initiatives have seen high levels of corporate investment, with companies contributing to the development of public health infrastructure, telemedicine expansion, and vaccination drives. Education remains a core focus area, with corporations actively investing in digital literacy and skill development programs. Companies such as Tata Consultancy Services (TCS) and Infosys have played a significant role in expanding access to technology-based education in underserved communities. In the energy and environmental sectors, large conglomerates such as Reliance Industries have continued to channel CSR funds into renewable energy projects, reforestation, and carbon offset programs. Meanwhile, Brazil's CSR landscape is deeply influenced by its environmental commitments.[45] The government has leveraged ESG bonds to encourage private sector participation in sustainability programs, with companies increasingly investing in Amazon Rainforest protection and sustainable development projects. Social programs aimed at addressing inequality, labor rights, and public health have also received substantial funding, with corporations playing a key role in supporting marginalized communities. However, one of the key challenges in Brazil remains the effective and timely deployment of funds, as delays in utilizing ESG bond proceeds could undermine the intended impact of CSR initiatives.

---

[44] CSRBOX. (n.d.). *CSR projects and funding in India*. https://csrboximpact.in/

[45] Reuters. (n.d.). *Corporate social responsibility (CSR) news and analysis.* https://www.reuters.com/

Overall, the CSR landscape in India and Brazil reflects two distinct models of corporate responsibility.[46] India's structured and mandatory CSR framework ensures high compliance rates and systematic allocation of resources to key social and environmental sectors. However, challenges remain in terms of ensuring the meaningful impact of CSR spending, as some companies may focus more on compliance rather than long-term social transformation. In contrast, Brazil's voluntary and ESG-driven approach allows corporations greater flexibility in defining their CSR priorities, particularly in relation to environmental sustainability. While this model fosters innovation and corporate engagement in sustainability, it also presents challenges in ensuring consistent and equitable distribution of CSR benefits across different sectors and regions. The evolving nature of CSR in both countries highlights the need for continuous policy refinement, stronger monitoring mechanisms, and increased corporate accountability to maximize the social and environmental benefits of corporate contributions.

5. Comparative Analysis of CSR in India and Brazil

5.1. Mandatory Compulsion vs. Voluntary Commitment

The CSR in India additionally differs from Brazil's with regard to regulatory framework out of which the social responsibility shapes its practice within the corporate structure in both countries. India Mandatory CSR Model: Among a handful of laws constituting CSR for companies obligations, Section 135 of the Companies Act, 2013 prodded the organization or corporation to part a portion of its profit to CSR expenses by mandating that such companies allocate at least 2 percent of the average net profits in the three preceding financial years for CSR activities. According to this statutory provision, companies must spend profits out of such voluntary goodwill contributions, irrespective of what they might profess in their public relations endeavors regarding philanthropy. It's systematic corporate involvement: Corporations have matched their inputs into national development programs with regulatory CSR programs and matched their input with priorities of government. Mandatory CSR creates pools of resources that become huge in terms of population for education, health care, and rural development all of which touch upon areas very critical to the socio-economic future of India.

Nevertheless, the model has its drawbacks:

1. Superficial Compliance. Some entities simply treat CSR as a financial obligation with little consideration for meaningful impact. Such cases abound, and an even more pronounced presence of tick-box initiatives still prevails.

2. Fund Diversion. CSR programs have been condemned by companies that alleged having constructed a brand personality through improving their reputation rather than actual social uplifting as per the intent of social responsibility.

---

46 Protean Tech. (2024, May 11). *Current sector-wise allocation in CSR.* https://proteantech.in/articles/current-sector-wise-allocation-in-csr-05112024/

CSR in Brazil is primarily voluntary, with constitutional principles emphasizing social justice, labor rights, and protected environments. The basic social liabilities of a company are defined in *Article 1 of Brazil's 1988 Constitution* in very broad terms. It stresses that economic activities should indeed do positive things in terms of welfare and conservation through even greater enhancement. But, of course, it has not made CSR a compulsory financial obligation under that Constitution. It has left to the corporations themselves the analysis of what and how far there has been involved in beholding social responsibility.[47]

There are merits to the Brazilian voluntary model: contributes to the freedom and flexibility of the corporation; an open workplace may freely evolve a specific CSR policy, a two-variable one that pursues the objectives and under their core values, therefore leading to more innovative and sustainable initiatives. In turn, most are from states where the legal mechanisms and policy commitments to environmental and labor rights are stronger. This voluntary commitment has allowed for mostly non-controversial initiatives, which otherwise relate to the preservation of the Amazon rainforest, ethical employment, and community benefits. The disadvantages of the voluntary model in Brazil are as follows: 1. There is no legal foundation for CSR, it usually varies a lot from industry to company. 2. CSR is supposed to be voluntary; that is why companies make short-term profits over social investment priority, leading to an insufficient state of budget for really urgent problems relating to society or the environment.

5.2. CSR Focus Areas

In India and Brazil, different areas are accorded priority in terms of CSR investment, keeping in view the socio-economic divergences and developmental aspirations of both countries. India's priority areas: The CSR framework of India prioritizes education, health, sanitation, and rural development. The Companies Act of 2013, prescribes certain thematic areas under which, as far as possible, CSR spending ought to relate. During 2023–2024, very large proportions of CSR funds were expected to go toward education and skill development, especially in rural and other underserved places. Other significant public health programs, sanitation (notably falling under the Swachh Bharat Mission), and poverty alleviation are priorities that stem from India's aim to better living standards and socio-economic equity.

1. Educational Programs: Many multi-national companies like, Infosys and Tata Consultancy Services (TCS), are basically introducing skill development and digital literacy programs which go well in tandem with India's NEP to further close the gap in skills.

2. Health Initiatives: Most companies have turned to developing health infrastructure and designing public health programs after COVID-19 to build resilience from pandemic facilities and go further to improve access in distant regions.

---

[47] Organisation for Economic Co-operation and Development. (2022, January 1). *OECD responsible business conduct policy reviews: Brazil*. https://www.oecd.org/en/publications/oecd-responsible-business-conduct-policy-reviews-brazil_19232c6a-en.html

3. Rural Development: Mahindra and Mahindra continue to invest their resources into rural upliftment through innovations in the agricultural sector as well as better water management initiatives targeting the agricultural base of India.

Brasil's Priorities-CSR initiatives mainly revolve around environmental conservation, sustainable development as well as labor rights. Because of the ecological significance of the Amazon rainforest, it is always presumed that Brazilian firms will gather and organize multiple initiatives to protect the environment and biodiversity. Labor rights also take precedence, as the Brazilian Constitution emphasizes, ethics adopt welfare for workers.

Prominent examples include:

1. Environmental Upholding: By actions that threaten the communities and biodiversity of the area, most companies, like Natura &Co, adopt a green policy towards the Amazon. Such a way of Natura is often perceived as revolutionary in the context of corporate social behavioral responsibility to the world's environmental goals in sustainable sourcing from the Amazon.

2. Employment and Social Welfare: The legislation also determines the employment practices in the company, since the Brazilian labor laws advocate for adequate standards of labor within the companies. There are strict labor policies to ensure a safe working environment and just working conditions for employment which echo the relevant constitutional provisions regarding rights to labor in Petrobras.

5.3. Monitoring and Compliance

There are diverse ways of doing things: India has a mandatory structured model while Brazil has much more informal one and some advocacy models. Monitoring Mechanisms in India: CSR activities are subject to rigorous scrutiny in India with the Ministry of Corporate Affairs (MCA) and as per enforcement of requirements for reporting as per provisions of the Companies Act of 2013. In their annual report along with stating the nature, impact, expenditures, and outcomes, companies report CSR programs and activities therein. The National CSR Awards then give a prize for adherence through recognition of companies with benchmark CSR programs. One such mandated requirement set in place through the latest provisions is that all unspent CSR amounts should go to a fund notified by the government or have it spent on CSR activities within the timeframe of three years. Such measures add to accountability. All of these factors contribute to maintaining transparent systems while also encouraging often superficial compliance by promoting the principle of financial impact on companies.

Brazil's Advocacy-Based Monitoring: In Brazil, as a matter of fact, CSR compliance entirely depends on environmental and social advocacy groups, and it is through them that corporations can be held accountable to the constitutional principles of social justice and environmental responsibility. In particular, non-governmental organizations and civil society groups are attempting to monitor corporate activities as far as environment-related issues in the Amazon are concerned. Thus, Brazil's National Environmental Council (CONAMA) has laid guidelines towards which corporate CSR, especially concerning sustainable development, can be set, but the enforcement of it is quite softer than in India.[48] This softer regulatory environment would promote very innovative CSR programs, but it may also cause the kind of unevenness in standards and reliance on voluntary goodwill by corporations.

5.4. Challenges and Criticism

Each country has its unique challenges in establishing and maintaining successful CSR initiatives.

India: Mandatory corporate responsibility scheme of India has directed public resources for welfare initiatives, but has faced several criticisms: 1. Enforcement Issues: Genuine implementation of CSR is recognized as a problem area. Most companies do at least minimum requirement compliances with very little or no impact in some areas. 2. Cosmetic Compliance: Mandating corporate social responsibility sometimes encourages a check-the-box approach whereby companies interpret it as more of a financial tributary rather than an ethical tributary. 3. Resource Misdirection: There are misuse complaints regarding CSR funds like spending for branding instead of effective projects.

Brazil: Like many other countries with a voluntary CSR regime, Brazil also has its share of issues that include: 1. Inconsistent Engagement: Voluntary CSR leads to many inequalities among industries, ranging from some that invest heavily in social welfare and others with almost no investment. 2. Difficulties in Implementation: The absence of legally bound, uniform CSR standards tends to create dual-impact niches in the corporate sector.[49]

Comparative analysis between CSR in India and Brazil arguably introduces two entirely different approaches to understanding corporate responsibility, one in the legal and the other in the economic context. India has made its CSR institutionalized and mandatory, while enforcing rigid contributions this framework misses points where real corporate dedication needs to be manifested. Brazil differs, although it encourages voluntary adherence, the most disparate model of all taking shape with regard to its industrial sectors. However, as with both countries, CSR covers the arena concerning social justice, environment, and economic development; thus, they clearly shed light on CSR as applicable in emerging economies. Over time, as the global evils evolve, their permutations with the smart compulsion of mandates and voluntary acceptance will certainly define CSR in India and Brazil, and perhaps well beyond.

---

48 França, A. M. S. de, & Maia, P. (2024). Corporate social responsibility in Brazil and China: A (not so) contrasting regulatory framework. In *Proceedings of the 2024 8th International Seminar on Education, Management and Social Sciences (ISEMSS 2024)* (pp. 808–814).

49 Borges, Anholon & Cooper, 2017.

6. Case Studies on Legal and Compliance Challenges in CSR

6.1. India

6.1.1. Infosys Foundation: Education and Environmental Programs

Being the backbone of corporate social responsibility in India, the Infosys Foundation has certainly excelled in education and environment.[50] It has set a precedent in India's corporate social responsibility landscape as it emerges with the mandatory recognition of CSR under the Companies Act of 2013. Since then, the activities have primarily been in fulfilment of CSR and alignment with national priorities.

1. Educational Initiatives: Infosys Foundation has undertaken specific educational initiatives aimed at the underprivileged. This comprises infrastructure funding for schools, scholarships, and even contributing to efforts aimed at digital literacy which eradicates the educational gap between rural and urban areas. For example, the Foundation took the initiative to launch in partnership with the National Digital Literacy Mission a countrywide digital literacy program to enable skill development for rural youth and women in the areas of digital to have an accessible future. In this regard, Infosys is complementing its CSR activities with that of the Government to bring about "Digital India."

2. Environmental Sustainability: A further bunch of programs by the Foundation is aimed at water conservation, reforestation, and sustainable energy. Infosys is one of the few Indian companies that committed themselves to carbon neutrality at the very start of the trend and continues to support PDs such as rainwater harvesting and solar energy installations in backward areas. These environmental initiatives are consistent with a larger vision of sustainability as the CSR expenditure of Infosys on any of these activities would directly identify a surefire pressing ecological requirement.

There-up, there were successes; but then there were obstacles which merited the assertion that the Infosys Foundation could do more than it was doing to communities across India. As dissimilar income levels exist in populous India, some critics would say that, though impressive, CSR initiatives of Infosys are less than required and leave out too many communities that are both varying and resource-deficient. The compliance challenge also lies in directing funds for measurable and sustainable impacts, especially in areas where the roots of social issues run deep.

6.1.2. Vedanta Resource Controversy: Mining Activities and Environmental Violation Compliance

Despite all the numerous legal cases and public uproar against Vedanta's alleged environmental crimes and its purportedly callous approach towards local communities, the most likely lay open the country-specific profile of business ethics between ethical duties and business interest. One of the largest mining companies

---

[50] Mudda, S., & Laxmana, P. (2019). Corporate social responsibility: A study on Infosys Ltd. *International Journal of Research in Engineering, IT and Social Sciences*, *9*(5), 379–385.

has managed to position itself in India with its possible frequent clashes with law and society, like Vedanta. And, if talking about corporate social responsibility failures, the mining giant faced in its operations in the areas of bauxite mining in Odisha and the copper smelting plant at Thoothukudi, Tamil Nadu. In the protests of 2018, while Vedanta claimed damages to the environment, violence broke out due to skirmishes at Thoothukudi. Environmental activists accused Vedanta of contaminating water bodies and harming public health; as a result, the government shut down the factory, thus demonstrating the power of local communities and environmental laws to save social responsibility.[51] Legal Implications and CSR Disruptions: The company sustained legal repercussions in the form of fines and orders from the courts. Additionally, extensive negative media coverage almost condemned the company; this affected it even more adversely than what penalties had done. There had been intervention from the National Green Tribunal (NGT) and the Supreme Court of India in some cases that severely bound the companies on environmental and social parameters. These legal skirmishes show the need for robust CSR policies consistent with environmental and community welfare to mitigate reputational and financial risks. The case of Vedanta is an all-legal reminder of the necessity of CSR in environmentally sensitive industries. It reminds a corporation that failure to comply with CSR in India not only brings legal repercussions but also destroys people's trust, necessary for long-term business sustainability.

6.2. Brazil

6.2.1. Vale SA and the 2019 Brumadinho Dam Collapse

The disaster of the Brumadinho dam stands out as one of the foremost examples of a CSR failure by Brazil, causing serious economic, social, environmental, and legal impacts on Vale SA, the largest mining company in Brazil. It reflects how the inability to comply with CSR principles causes widespread harm in dire need of a better regulatory eye.[52]

1. The Disaster and its Immediate Effects: In January of 2019, more than two hundred and seventy people died due to toxic sludge released by the dam collapse in Brumadinho; which was accompanied by very severe environmental destruction to the area. The dam burst had been spewing sensational headlines on Vale's failure to comply with safety and environmental standards, throwing concerns over negligence and lack of ethics in corporate affairs of the mining industry.[53]

---

[51] Das, S. (2018, September). *Vedanta's billions: Regulatory failure, environment and human rights*. ResearchGate. https://www.researchgate.net/publication/350790045_Vedanta%27s_Billions_Regulatory_failure_environment_and_human_rights

[52] Primo, P. P. B., Martins, C. A., & Araujo, J. M. (2021). Mining dam failures in Brazil: Comparing legal post-disaster decisions. *International Journal of Environmental Research and Public Health*, *18*(21), 11346.

[53] Fornero Aguiar, A. C., et al. (2022). Business, biodiversity, and innovation in Brazil. *Perspectives in Ecology and Conservation*, *20*(4), 215–223.

2. Legal and CSR Implications: Millions of dollars in fines and legal actions against Vale followed the tragedy. The provision in the 1988 Constitution that required corporate compliance with environmental and social welfare became the basis for the Brazilian government to hold Vale legally accountable. Vale should not have been responsible for compensating the victims alone but also for the environmental rehabilitation of the affected areas. The legal framework, bolstered by the norms of social justice and environmental protection, enabled the Brazilian courts to sentence Vale with heavy punishment, very indicative of the commitment Brazil has made in principle toward CSR, even if not as stringent in regulatory terms.

3. Long-Term CSR Commitments: As a company, Vale has had a firm commitment: the improvement of activities concerning corporate social responsibility following the investment in advanced security technologies coupled with investments in the environmental restoration program.[54] This misfortune is but a reminder of how poorly done CSR can lead to severe consequences, thus forcing the companies to have business practices in line with constitutional values.

6.2.2. Social and Environmental Programs by Ambev

Ambev, the biggest company in the beverage industry in Brazil, sets an example for other companies in CSR by adhering to its activities of sustainability and social responsibility, which fits into the constitutional expectations of responsible corporations in Brazil.

1. Water conservation and sustainable packaging: Ambev invests a lot in water conservation as part of the CSR strategy in the sense of viewing water as an invaluable treasure for its operations and that of local communities. Under the pledge that Ambev has made, recycling technologies and water treatment plants have been incorporated into the production process so that it can help reduce used water. In addition, Ambev has sustainable packaging solutions, such as recycled and biodegradable materials, and ties related business goals to environmental sustainability.[55]

2. Community Development Programs: Ambev participates in community development projects too in rural areas and under-served communities. These include the funding of educational programs and healthcare initiatives expected to help living standards while also promoting social equality as seen in how a corporate initiative can shift away from simply making profits as a priority towards national welfare goals.

Environmental and social responsibility benchmarks put by Ambev to the score of CSR compliance in Brazil.[56] In touch with Article 15 principles, this weight of the

---

54 Borges, Anholon & Cooper, 2017.

55 Martins, M. B., Ferreira, M. C., & Costa, C. S. (2021). Sustainability and green marketing challenge: Brazilian brewing industry case study. *Brazilian Journal of Operations & Production Management*, *18*(4), 1–16.

56 Fornero Aguiar et al., 2022.

company in a corporate sense regarding socially and environmental just matters in the solely positive image of the company has laden its burden by any movements that can lead to a body of law against it in legal contexts.

Major CSR Projects and Their Impact

This table will present *real case studies* of successful CSR initiatives from major corporations, demonstrating their real-world impact.

Company	Country	CSR Initiative	Impact (2023–2024)
Tata Group	India	Tata STRIVE (Skill Development)	100,000+ youth trained in vocational skills
Reliance Industries	India	Swachh Bharat Mission Support	Sanitation improved in 200+ villages
Infosys Foundation	India	Digital Learning for Rural Students	1 million+ students benefited
Petrobras	Brazil	Amazon Rainforest Protection	Invested $100 million in reforestation
Natura & Co	Brazil	Sustainable Sourcing from Amazon	Direct economic benefits for 3,000+ Indigenous families
Vale S.A.	Brazil	Environmental Disaster Recovery (Brumadinho)	$7 billion allocated for compensation and ecosystem restoration

7. Challenges and Future of CSR in Both Countries

7.1. India

One of the major issues concerning corporate social responsibility in India is the allocation of funds. India Companies Act of 2013 mandates certain companies to spend at least 2% of their average net profits on CSR. In practice, that money is most often spent in urban or semi-urban dirt where infrastructure is close to non-existent. The sheer number of perks denies coverage to yet-to-be-heard areas. Recent data from the Ministry of Corporate Affairs show how much CSR money gets spent by metropolitan areas while much less flows to its rural realities when it comes to hospitals and schools. Transparency in CSR activities remains a major challenge. Even as legislation mandates the companies to report on CSR activities, the disclosure whether or not the funds have been put into use or impact base measures is inconsistent. Some companies, opting for surface compliance, do not reflect meaningful contributions to society. Without standardization of methods to measure and disclose CSR results, the effectiveness of CSR as a tool in being an agent of change is otherwise limited, as companies now take compliance to be more important than impact. Also, transparency and monitoring need to be improved to address these concerns. One such measure is adopting outcome-based reporting with a focus on measurable impacts, like improvements in literacy rates, access to health care, and sanitation, to ensure that the CSR funds really benefit communities. In addition, closer cooperation with local governments and NGOs can improve the reach and relevance of CSR initiatives, so that they can capture rural and underserved areas fairly in CSR contributions. One of India's most intense issues concerning CSR is accessibility, as many companies strive to carry any effective CSR value to remote/tribal territories, which have severe logistics, culture sensitivity, and even infrastructure difficulties as they stand to approach value.[57]

For example, while the Northeast and parts of Chhattisgarh and Odisha are relatively disorganized by accessibility, there is a poor understanding of local acceptance and experimentation with CSR activity-related alternative resources, eventually being the more needful for social investments.[58] Many organizations may find these barriers substantially effective in not allowing companies to allocate per resource even though these areas are mostly in greatest need of social investments. In such cases, the corporation could go for a decentralized CSR policy to cope with the problem. By such means of local CSR offices or grassroots organizations, corporations would extend their outreach and at the same time customize their project to address regional requirements. This also has a public involvement side that can be topped by ensuring that the proposed activities are discussed and accepted by the local population. The more physically practical approach, of course, by adopting digital platforms for education, health, and financial inclusion, can draw in these remote communities so that CSR activities will yield many immediate and real consequences. There are several reforms and programs that can be undertaken to transform the way CSR works in India.

To induce companies into baloney-less rapprochements with the public, it could be held that first of all creating a performance package based on social outcomes for CSR programs would encourage them to consider long-term impacts instead of short-term compliance. Healthcare, Education, and Environmental Protection, among others, could be given tax incentives or recognition from government agencies if they show significant contributions in those areas. For example, social impact assessments could be integrated into CSR reports for the assessment of the effectiveness of various interventions so that CSR investment can really reflect national development priorities. India may also consider the establishment of a centralized CSR fund that can pool resources from various companies into gigantic but very focused interventions that are otherwise not received well by areas. The

---

57 Gao, Y., & Li, L. (2019). The impact of corporate social responsibility on firms' financial performance: Evidence from China. *Journal of Corporate Social Responsibility and Environment Management, 26*(3), 665–674.

58 NITI Aayog. (2018). *Strategy for New India @75*. Government of India. https://niti.gov.in/sites/default/files/2019-01/Strategy_for_New_India_0.pdf

Ministry of Corporate Affairs could collaborate with local governments to manage this fund so that properly targeted applications of the CSR initiatives could be made by channelling their activities toward priority areas. Thus, companies would also attain mega-project feasibility on the CSR front.

7.2. Brazil

The CSR challenges are quite specific to Brazil: the economic instability and illegal enforcement of environmental laws make these quite unique challenges in the field. Most countries are voluntary in CSR frameworks, with very few being based on mandatory regulations. High levels in some industries can be found while not in others. While some companies are aggressive towards environmental and social activities, many neglect them during economic downturns when budget constraints force corporations to displace social commitment for profitability. Much of the economic uncertainty brought by the features of high inflation and rapidly changing GDP growth rates over the years does not allow companies to implement efficient and organized CSR programs. There are other problems in Brazil, one being continuous inconsistency in the enforcement of environmental laws. The Amazon rainforest and rich biodiversity make Brazil a point of attention in global environmental matters because illegal deforestation and mining activities persist within the ecosystems. Though it is included in the Brazilian constitution, the emphasis on the environment and social responsibility becomes quite meaningless in the absence of a cohesive, enforceable CSR policy, as most companies can operate under the radar in remote areas where regulators can hardly patrol. Brazil could do with stronger legal frameworks that made CSR mandatory for high-impact industries such as mining, agriculture, and manufacturing. Clear guidelines and tougher punishment for fines on environmental pollution could encourage adherence by many other companies. In addition, there could be increased governmental supervision with partnerships with international environmental organizations, thereby taking Brazil to a more balanced and responsible level of CSR.[59]

Voluntary CSR makes it possible for corporations to define their social impact, but it does have its downsides, particularly in a diverse country like Brazil, where those disparities regionally influence the distribution of CSR benefits.[60] For example, some companies may decide to focus their CSR programs only on cities where they have a presence–thus developing an uneven distribution of CSR resources, which leaves rural and indigenous communities disadvantaged. Sector-specific CSR mandates that make it obligatory for corporations in critical sectors, such as energy, agriculture, and infrastructure, to adopt sustainable practice initiatives would make voluntary CSR more effective. Tax incentives for affected companies

[59] Fornero Aguiar et al., 2022.

[60] Borges, Anholon & Cooper, 2017.

that participate in environmental and social initiatives can promote more robust CSR participation. Additionally, public-private partnerships can be very prominent in addressing some of the gaps created by healthcare, education, and infrastructure within disadvantaged regions.

7.3. CSR Impact Measurement: India vs. Brazil

This table will *compare how CSR impact is measured*, giving insights into the effectiveness of corporate contributions.

Impact Area	India (Measurement Method)	Brazil (Measurement Method)
Education	Student Enrollment, Digital Literacy Growth, School Infrastructure Data	Literacy Rates, University Partnerships, Scholarships Funded
Healthcare	Number of Patients Treated, Vaccination Drives, Hospital Infrastructure	Community Health Centers, Public Health Index
Sanitation & Water	Rural Sanitation Coverage, Waste Management Projects	Water Quality Monitoring, Waste Reduction Metrics
Environmental Sustainability	Carbon Emission Reduction, Reforestation Initiatives	Deforestation Rate, Biodiversity Conservation
Labor Rights & Social Welfare	Workforce Diversity Reports, Wages & Benefits	Employment Rates, Workplace Safety Compliance

From now on, India can strengthen its CSR efforts through outcome-based reporting and further accountability. Given that CSR will be an integral part of corporate strategies, it should not too be far-fetched for them to think and move towards an objective outcome-based evaluation of CSR as outcome measurement rather than cost and expense-based accountability. Such an important direction guarantees accountability from enterprises not only for expenses but also for the impacts created by such initiatives within communities. Such a shift could include reforming CSR guidelines to become data-driven impact assessments, resulting in a better accountability mechanism and producing better ways of evaluating the effects of CSR programs India can achieve a more transparent and efficient CSR environment by encouraging companies to measure and report the socioeconomic impacts of their activities. Further, technology-driven solutions like blockchain for transparent reporting and AI-powered monitoring systems may also help corporations measure the real-time impact of CSR activities and change strategies accordingly.

In Brazil, the future of CSR would incorporate its practices in the legal requirements, especially in sectors with severe environmental damage and social impacts, such as mining and agriculture.[61] An example would be the provision of CSR requirements for

---

[61] Fornero Aguiar et al., 2022.

those sectors by government mandate to establish in their licensing requirements such as reforestation, biodiversity conservation, or community development. It might also explore a system of withholding tax incentives for companies that show consistent CSR commitment, especially in areas of high impact like Amazon. The incentive would urge more companies to adopt CSR practices and could thus drive a shift from a voluntary model to one only motivated by fiscal benefits. Brazil, however, could also strengthen its environmental and labor regulations to ensure operation by companies in their extractive industries with clearly defined social and environmental dimensions.

The recognition of the possible cross-sector partnerships between corporations, governments, and these organizations is one of the most valuable trends that can be attributed to the future of CSR in India and Brazil.[62] In both countries, synergies of this nature can be established between large CSR projects that will include efforts from all stakeholders concerned. For instance, partnerships with international environmental groups can help Brazilian companies put into practice sustainable operational practices. Such partnerships may not be the same for Indian companies because their counterparts can partner with local governments to extend the CSR footprints into the rural and tribal areas of the country. Another emerging trend is the incorporation of CSR into the ESG (Environmental, Social, Governance) criteria. With many global investors tapping into companies having good ESG ratings, CSR will be predominant in corporate sustainability strategies in both India and Brazil. Coupling CSR activities with ESG will enable companies to attract foreign investments while demonstrating a commitment to ethical practices.

Conclusion and Suggestions

CSR has been ingrained into the advancement of sustainable development and social justice in India and Brazil. Each specific country, however, has unique constitutional foundations and regulatory frameworks guiding corporate responsibility. The principle of constitutionalism, that is, governmental authority defined, limited, and governed by law, serves as a backdrop against which the CSR enactment would take place in both countries. CSRs derive their sustenance in building wider, generally public welfare, environmental conservation, and social equity interests that assure that businesses are not profit-oriented only but work to meet public welfare under constitutional mandates for societal advancement. By embedding CSR in constitutional values, both India and Brazil emphasize the role of corporations as stewards of the public good and environmental custodians.

In India, CSR is much in tune with the constitutional values in a notable respect, which defines the role of the state with regard to social welfare, in the corresponding

62 Jäppinen, T., Maula, M., & Piekkari, R. (2016). Enhancing the impact of cross-sector partnerships: Four impact loops for channeling partnership studies. *Journal of Business Ethics*, *135*(1), 1–20.

Directive Principles of State Policy, as stated in the Indian Constitution. It requires by Companies Act of 2013 CSR expenditure on certain companies to adopt constitutionalism, whereby it ensures that corporate profits will benefit public welfare and national development goals. Here, constitutionalism will ensure that corporate actions are in line with a country's democratic principles which advocate for equitable growth and social justice. In India, the constitutional principle of social justice recognizes the needs the corporations must fulfil: education, healthcare, sanitation, and environmental protection. Hence, making it compulsory in law, from the Indian government's perspective, could enforce the corporations' constitutional accountability in acting in the public interest. Over time, CSR in India was aiming beyond just spending on profits and coming to represent a basic obligation of corporations reflecting the fundamental constitutional values of equity and social welfare. Adhering to these principles can enable Indian corporations to bridge socioeconomic gaps and economies in channelizing government efforts towards inclusive development for disadvantaged sections. Thus, to rein in this effect, CSR in India would need to carry forward with the required integration of outcome-based assessments beyond monetary compliance measurement into social benefits. This would improve accountability as well as ensure that social advancement is indeed contributed by the CSR activities. Further, while embedding CSR in constitutionalism, Indian corporations would further contribute to the democratic ideals of public accountability and equitable resource redistribution.

CSR has basically everything to do with environmental protection and social welfare in Brazil owing to its constitutional commitments in these two aspects. The Brazilian Constitution of 1988 lays down sustainable development principles, social inclusion, and rights at work, framing CSR as one more constitutional mandate supplementing voluntary compliance. To fulfil this constitutional value of environmental conservation demands that Brazilian companies, especially those related to high-impact areas like mining and agribusiness, should adopt sustainable practices and decrease their environmental footprints. Brazilian CSR is generally voluntary but occurs under a framework of constitutionalism which makes national value of social responsibility. This perspective empowers civil society organizations, community groups, and environmental advocacy movements to hold corporations accountable to constitutional principles. For instance, constitutional laws were cited to hold corporate accountability and environmental restoration after incidents like the Brumadinho dam collapse of Vale SA. Thus, the application of constitutional values underscores the involvement of the public in Brazil's CSR practice because it ensures that what corporations do is aligned with environmental justice and social equity. Brazil could move into integrating other mandatory features pertaining to industries whose corporate action is of great environmental or social consequence into the CSR practice; thus, this would cement CSR as a dimension of Brazil's constitutional commitment to public welfare alongside corporate freedom against public accountability. Moreover, providing incentives for high-impact CSR projects would encourage a wider embrace of constitutional values and also make corporations active stakeholders in sustainable development.

Thus, given below is an example of how a CSR approach can be directed towards constitutionalism: A strong foundation is being built for CSR under constitutionalism in that it relates sustainable businesses to the national objectives of welfare and democracy. Even in India and Brazil, there are such corporeal definitions of expectation from corporations under constitutionalism, giving a somewhat specific shape to the contributions expected to be made by them toward social welfare and environmental viability. This is because India's whole model of mandatory CSR makes corporations responsible under the law, whereas Brazil's takes it to the constitutional stature as a way of motivating voluntary compliance and community-centered development. Again, one could proclaim that in the future both countries may integrate their approaches further, as far as CSR is concerned, with constitutional mandates. Having said that, India could further increase the impact of its application under CSR by emphasizing more outcome-based evaluations and making it important for such initiatives to yield measurable social benefits. Thus, CSR, moored in constitutionalism, carries the prospect of being a backbone of sustainable development and social equity within the territories of India and Brazil. Each of the two democracies has its own distinctiveness in its prescription and dealing on the part of social investment, telling lessons on the possibility of weaving constitutional values into the fabric of civic obligation for corporations rendering such organizations stewards of public welfare and guardianship of the environment. It is in the principle of constitutionalism that CSR becomes fiduciary on the democratic ideals and the greater good and transforms it from just being an enterprise tool into including growth and social equity. With the constitutional frame embedded in CSR, India and Brazil point out the very need for public accountability and ethical governance. The future of CSR lies in producing a corporate mentality that treats CSR as a constitutional duty and not a business obligation or even voluntary. However, the more such countries include evolving their CSR architecture to reflect constitutional values, the greater possible transformity will be injected into societies becoming more justly and resilient.

References

Bajpai, A. (2021). Corporate social responsibility in India: Legal and regulatory framework. *Journal of Corporate Law Studies*, *12*(3), 123–139.

Nath, P., & Basu, S. (2020). Impact of CSR initiatives on community development in India. *Journal of Business Ethics*, *34*(5), 563–578.

Information about the authors

Arti Aneja (New Delhi, India) – PhD Senior Assistant Professor, Campus Law Centre, Faculty of Law, University of Delhi; Fellow, Tashkent State University of Law, Uzbekistan (Delhi, 110007, India; e-mail: artianeja@clc.du.ac.in) – **corresponding author**.

Gurleen Kaur (Punjab, India) – Advocate, High Court of Punjab and Haryana (Punjab, 1410021, India; e-mail: gurleenkaur0980@gmail.com).