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**CONSUMER EMPOWERMENT IN SUSTAINABLE CHOICES.  
THE INTERSECTION OF INFORMATION, EDUCATION  
WITH CORPORATE RESPONSIBILITY**

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**Abstract**

This paper explores the inter-relationship between Corporate social responsibility and sustainable consumer behaviour. This paper analyses the ways in which CSR initiatives positively influence the psychological purchasing behaviour of consumers. The objective of this study is to shed some light on the issue by reviewing literature on the relationship between Corporate Social Responsibility and Sustainable customer behaviour. CSR helps the company to increase efficiency, and profitability further gain trust and loyalty of the consumers. Generally, sustainable consumption can be divided into two categories, consuming less and consuming right through the purchase of green products. Furthermore, consumers who express concern about environmental issues are unaware of the detrimental impact of unsustainable choices in their purchases. CSR can bridge the gap between customer and sustainable consumption patterns by providing new ideas, information and possibilities of Green Consumption. The value of this paper is the study of consumer centric CSR activities which could have a beneficial impact on the environment by encouraging sustainable consumption practices. With the help of such data, we can identify the areas in which a company can achieve its social and environmental objectives, build a stronger brand and satisfy consumer wants with minimal detrimental impact on the environment. Although CSR has become an attractive research topic, the attention is still drawn on CSR's effect on the company's financial performance. There has been little research focusing on how a company's CSR initiatives lead to positive social outcomes such as raising consumers' awareness of sustainable issues and encouraging behavioural change in consumers that benefits society as a whole. The implementation of CSR principles helps effectively use the instruments of

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sustainable consumption to meet the sustainable development goals. The study includes a detailed discussion of the strategic approaches to sustainable consumption.

Key words: Sustainable consumption, CSR, Consumer, Sustainability.

## **Introduction**

Sustainability is based on the fact that resources are finite should be used conservatively and wisely with a view to long term priorities and consequences of the ways in which resources are used. In the charter for the UCLA Sustainability Committee<sup>1</sup>, sustainability is defined as: “the integration of environmental health, social equity and economic vitality in order to create thriving, healthy, diverse and resilient communities for this generation and generations to come. In the context of consumerism, a consumer facilitates sustainability by making informed choices while buying and using goods and products. A consumer being the at receiving end of the supply chain is required to be well informed about the goods and products, this is the responsibility of the companies and brands which are involved in the manufacturing of such products. In India, corporate social responsibility (CSR) mandates that companies provide eco friendly products and encourage consumers to make sustainable decisions, in addition to their moral obligations. It is not an easy task to change the rigid daily choices of an Indian consumer but in the current time we are currently witnessing a move away from the regular usage of polythene bags and toward more environmentally friendly paper bags. This has become a possibility due to the cumulative efforts of the Indian Government and the big companies who dominate the market in India. Companies must classify customers into three groups in order to address more specific issues related to consumerism: those who are already making sustainable decisions, those who wish to but are unable to do so because of limitations, and those who don't care about sustainability. In each of these cases companies must understand the psychology behind the buying behaviour to specifically address the needs of the consumers.

## **Responsibilities of a Company-In Lieu of Sustainable Growth**

According to Justice James company is defined as an association of persons united for a common object and that object is to carry out business in order to make profit. Traditionally,

the primary objective of any business has been to maximize profits. This financial element of the business addressed economic demands, which are distinct from social needs, which also include environmental protection. However, corporations are being forced to reevaluate their goals due to the environmental and social concerns of today, including income disparity, resource scarcity, and climate change. Sustainability and profitability are closely related over the long term. A company that ignores its social and environmental obligations may make money in the near term, but it will probably suffer negative effects in the road. Companies today understand that sustainability and profitability are not mutually exclusive and that profitability cannot exist without sustainability.

Now that they are aware of their obligations to the environment, the corporations define their goals with sustainability and profitability in mind. They work on long-term environmental goals in addition to short-term business goals. Businesses such as Unilever have realized how critical it is to strike a balance between sustainability and profitability. They have promised to double their size while lessening their environmental effect as part of their Sustainable Living Plan<sup>3</sup>. CSR, or corporate social responsibility, is the idea that unites a company's drive to turn a profit with its environmental responsibilities. Corporate Social Responsibility (CSR) encompasses ethical company conduct, employee-focused human resource management, cost effective utilization of natural resources, preservation of the climate and environment, authentic dedication to the local community, and global responsibility.

### **What is CSR and its implications?**

A self-regulating business model known as "corporate social responsibility" (CSR) assists an organization in being held socially responsible by the public, its stakeholders, and itself. By practicing corporate social responsibility, also referred to as corporate citizenship, businesses can become conscious of their influence on the social, economic, and environmental aspects of society. A company that engages in corporate social responsibility (CSR) does so by conducting business in a way that adds to rather than subtracts from society and the environment.

The UN Global Compact<sup>4</sup>, ISO 26000<sup>5</sup>, the OECD Guidelines for Multinational Enterprises<sup>6</sup>, the UN Guiding Principles on Business and Human Rights<sup>7</sup>, the fundamental ILO declaration

on multinational enterprises and social policy, and other internationally recognized reference documents on CSR, among others, outline social, environmental, and economic aspects of CSR. More precisely, corporate social responsibility (CSR) includes, among other things, ethical business conduct, employee-focused human resource management, cost-effective use of natural resources, preservation of the environment and climate, genuine community involvement, and accountability throughout the global supply chain.

Corporate Social Responsibility (CSR) is a business practise that centres on the impact an enterprise has on society, which includes its customers, staff, and the local community in which it operates. In light of this, a company may adopt a corporate social responsibility (CSR) strategy in an effort to improve the working conditions for its staff, lessen their pollution footprint, or assist charitable causes that benefit the community.

Under Indian context Section 135 of the Companies Act 2013<sup>8</sup> is a groundbreaking law that holds Indian corporations accountable to the government for their corporate social responsibility (CSR) expenditures. The requirement for eligible enterprises to incorporate Corporate Social Responsibility (CSR) activities is a first for India. It is unquestionably a noteworthy stride toward humanity's advancement and general growth.

Generally speaking, corporate social responsibility comes in four areas. Financial, philanthropic, ethical, and environmental responsibility. The environmental social responsibility shall be the main topic of this paper.

However, all businesses that successfully integrate CSR share one trait i.e., CSR must be ingrained in all aspects of the organization. Organizations run the danger of losing clients, tarnishing their brand, and running afoul of laws and regulations if they don't embrace corporate social responsibility. Negative effects on the environment, workers, and communities may arise from neglecting social and environmental issues, which may also cause a loss of legitimacy and confidence. Different organizations handle corporate social responsibility (CSR) in different ways. While some perceive CSR as a sort of reputational or branding management, others may invest in a CSR plan to simply be good stewards for the environment and society surrounding their business.

### **Environment responsibility – In Reference to CSR Activities**

One of the cornerstones of environmental, social, and corporate governance (ESG) is environmental responsibility. All business activities that a company employs to have a minimal impact on the environment are collectively referred to as environmental CSR. It seeks to lessen any negative environmental effects brought on by corporate operations. Environmental CSR is significant because it acknowledges that companies have an obligation to solve environmental challenges that goes beyond just generating a profit. Organizations must think about and accept responsibility for their influence on the environment as they have a big one. It entails effective handling of emissions, recycling of wastewater, efficient use of energy and water, waste management, eco-friendly corporate operations, and office and business travel regulations. In accordance with Indian legislation, one can contribute to environmental sustainability through engaging in activities that support the preservation of the natural ecosystem, the preservation of flora and fauna, the welfare of animals, the conservation of natural resources, and the upkeep of the quality of the soil, air, and water. One such activity is making a donation to the Central Government's Clean Ganga Fund<sup>9</sup>.

### **Sustainability and CSR – An Interlinked Connection**

Although they are connected ideas, CSR and sustainability are not the same. While sustainability looks forward and is more focused on the company's potential to exist far into the future, corporate social responsibility (CSR) is more concerned with looking back and reporting on what an organization has done. It's a broader perspective on business and society that considers longer-term social, economic, and environmental challenges as well as how the organization may effectively handle them in the future. Both short- and long-term objectives are covered by sustainability, which includes investments in innovative business practices, new product creation, and sustainable growth. The three primary areas that CSR and sustainability address are the environment, society, and economy. Sustainability focuses on taking action in these areas, whereas CSR is more concerned with reporting on them.

Corporate beach clean-ups are a fantastic idea that may assist a company improve its brand reputation while supporting local charities and raising staff morale. This is an example of a CSR activity that an organization might carry out. But sustainability differs from corporate social responsibility in that it considers any long-term gains from this kind of work.

### **CSR- A Beneficial Strategy for Companies**

Many customers choose to do business with companies that engage in corporate social responsibility (CSR) because they view these organizations as superior and more responsible. CSR may lower corporate risk, enhance reputation, and present cost-saving options. Simple energy-saving initiatives can have a positive impact on a business and produce savings. A company's reputation is enhanced by CSR, which eventually boosts sales by increasing consumer satisfaction and brand loyalty. Showcasing a dedication to environmental and social problems can set a business apart from its rivals and draw in customers who care about the community. CSR programs aid in luring in and keeping workers who are drawn to the company's socially conscious culture and shared values. Businesses that are dedicated to corporate social responsibility (CSR) can strengthen their bonds with investors, suppliers, consumers, and the community.

CSR assists businesses in identifying and reducing model-related risks, such as environmental, social, and governance (ESG) concerns that may have an impact on their operations. Corporate Social Responsibility (CSR) stimulates innovation by motivating businesses to create novel products and services that align with social and environmental standards. Companies that embrace CSR can also find new markets to enter, understand customer preferences better, and keep ahead of regulatory changes. Corporate social responsibility (CSR) activities, such cutting back on waste, energy use, and water use, can save businesses money. Businesses can eventually save operating costs and their environmental impact by implementing sustainable practices.

ESG considerations are becoming more and more important to financial institutions and investors when they make investment decisions. Businesses with a solid track record of corporate social responsibility may find it easier to obtain funding, pay less for loans, and find more options for investment in the expanding sustainable finance sector.

By generating shared value for businesses and society, encouraging sustainable growth, and attending to stakeholders' changing expectations in a world that is changing quickly, corporate social responsibility (CSR) can support long-term commercial success.

### **Significance of a Consumer**

The consumer is a key component of CSR initiatives because, in the end, it is the consumer who will use the product. Therefore, a company's responsibility extends beyond minimizing the negative environmental effects of its manufacturing processes to include encouraging the final consumer to use goods and products in a way that minimizes environmental impact.

As consumers' understanding of the environment and the globe has grown, they are making better decisions in their daily lives to lessen their carbon impact. Customers, especially Millennials, are expressing a growing need for brands that prioritize sustainability and purpose.

In fact, a recent study found that several product categories with sustainability claims grew at a rate twice as fast as their conventional counterparts. However, a small percentage of customers who express favorable opinions about environmentally friendly goods and services really open their wallets. In a recent survey, 65% of respondents stated they would like to purchase companies with a purpose that support sustainability, yet only roughly 26% of them do so. In order to better understand how sustainability affects consumers' purchasing patterns and how businesses are responding, Capgemini Research Institute conducted a study titled *Consumer Products and Retail: How Sustainability is Fundamentally Changing Consumer Preferences*. The study was based on surveys of 7,500 consumers and 750 large organizations. The study discovered that sustainability has a big influence on customer preferences. In fact, even with the COVID-19 pandemic casting a long shadow, eight out of 10 consumers are choosing their purchases based on sustainability. Nevertheless, customers aren't always able to follow through on their good intentions or conscious of the environmental impact of the things they buy. Companies, on the other hand, are out of step with what customers think and don't realize how quickly customer loyalty and tastes are changing. Additionally, they are failing to scale sustainability, which means they are losing out on important advantages including growth, staff retention, loyalty, ESG performance, and sales protection. For this reason, businesses should put technology at the center of their sustainability efforts, empower staff members and customers to deeply integrate sustainability, implement strong governance for sustainability, and work with the larger ecosystem.



### **Impact of customer choices on the Environment**

A consumer is a person who consumes; consumption in and of itself is not harmful, but over consumption is endangering the environment. We use more resources and emit more greenhouse gases when we consume more. We can choose more wisely in order to prevent overconsumption. According to a study conducted by associate research scientist Christoph Meinrenken of the Sustainability Policy and Management Research Program at the Earth Institute. Energy-saving technologies can help fight climate change, but during the past few decades, "consumption (and to a lesser extent population) growth have mostly outrun any beneficial effects of changes in technology<sup>10</sup>."

### **Understanding Consumers**

A business can impact a customer's purchasing decisions by assisting them in making informed and responsible choices that benefit our society and the environment. To encourage consumers to make sustainable decisions even when sustainability is not their primary motive, businesses must first pinpoint the gaps and other factors that presently prevent them from doing so.

Companies can influence more consumers to choose sustainable goods and services by considering what will pique the interest of three consumer categories: those who have adopted sustainable behaviors, those who are acting by acquiring some sustainable goods and services, and high-potential silent stakeholders in long-term sustainability. Companies can greatly improve sustainable results by comprehending the basic wants of their customers. For example, two to four times as many consumers can be motivated when sustainability is linked to other requirements, like health, that serve as their main determinants of choice.

Both of these requirements are going to increase the adoption of sustainable lifestyles.

#### **1. Make it locally relevant to consumers**

Make it relevant to customers locally. Companies may increase consumer participation in

sustainability by highlighting the verifiable, fact-based sustainability claims that most align with customer perceptions and motivate consumers to take more action. This will increase the number of consumers who are paying extra for sustainability or taking action through sustainable purchases. Customers are leery of statements that appear to be greenwashing. Instead of speaking to their internal staff, regulators, or investors, a firm needs to communicate to its customers. It is important for firms to employ nuanced claims and language across markets, as this can vary depending on the country. For example, Japanese consumers are particularly concerned about packaging; they are likely to favor products that are recyclable, reusable, and made of compostable or plastic-free packaging. Similarly, Indian consumers will be drawn to product claims that speak to the preservation of forests and biodiversity.

## 2. Extend the conversation to cover the needs of the customers.

As per the global consumer research survey<sup>11</sup> on sustainability and climate change. Sustainability is highly valued by consumers as a top selection factor; a comparatively small percentage of consumers stated that sustainability was one of their top three requirements when making their most recent purchase. However, if businesses highlight how these goods or services also meet other important and connected requirements, a much higher percentage of customers (20–43%) may be convinced to make sustainable decisions.

For example, just 7% of consumers list sustainability as one of the top three factors they take into account when making a purchase in the beverage category. However, a higher percentage of customers up to 43% have top-three criteria that don't particularly include sustainability. These customers look for beverages that meet their needs all of which are generally associated with sustainability and that are high-quality, guilt-free, socially conscious, and healthful.

Simply put, this indicates that because sustainable beverages provide additional benefits, customers prefer them. Through expanding the conversation to highlight these associated qualities in product design and marketing, businesses can draw customers to sustainable products even if they are not specifically looking for sustainability. As a result, they can increase the consumer base for which their products are relevant.

### **Products that Influence Eco-friendly consumer choices**

Prior to exerting influence on customer decisions, companies should think about producing products that meet sustainability standards. These goods possess the following qualities.

- o Durable: Provide products that are long-lasting and can be used again to reduce the frequency with which consumers feel the need to replace them.
- o Recyclable: Create goods and products that are composed of recycled materials in addition to being recyclable. Recycling lowers the quantity of raw materials used to create new goods. Recycling materials on a large scale is made possible by new designs and technology.
- o Packaging: Businesses must produce goods with little to no packaging, and it is preferable to utilize recyclable or reuse packaging materials for things that need extra packaging.

### **Practical Endeavours A Company can pursue:**

For consumers to make wise decisions, they need information. According to research done by the IBM Institute for Business Value<sup>12</sup> Better quality, better value, and more knowledge, according to 83% of consumers questioned, would encourage them to purchase more sustainably produced goods. To ensure that consumers are not left wondering what to use a product for, companies should be more transparent by giving them comprehensive information on each of their ingredients. In order to highlight sustainability and eco-friendliness, a business can work in partnership with recycling and eco-friendly businesses to encourage consumers to recycle products that a typical waste disposal company won't take, in order to redeem for charity donations. Several e-commerce companies can transform their websites into integrating such software, which gives consumers a sense of pleasure and success by informing them of their eco-friendly effect details following each

transaction.

Additionally, brands should try to inform consumers about the harmful substances that are frequently found in personal care products and support sustainable products by consulting with medical professionals. The business could potentially develop a list of dangerous substances that are generally accepted but never are found in its goods. For readers who would like more information about components they should stay away from, it would be a useful resource.

### **Conclusion**

A key component connecting sustainability and CSR is the consumer. Through CSR programs, a company can exploit this relationship to solve its environmental responsibility. A business can influence consumer choices by comprehending and altering their purchasing patterns, which will encourage them to select sustainable goods. The topic of climate change and environmental degradation is one that is frequently discussed both inside and outside of national borders, such as at G20 summits. People have been witnessing the effect of climate change in the form of unnatural heat in the summers, rapid melting of glaciers, absence of snow in Kashmir in the 2024 winter and frequent flood occurring in many states all over India. All of such factors have sparked a debate within the populace. At today's date consumers are ready to make sustainable choices yet they lack the knowledge necessary to do so. Businesses and brands are essential to the goal of empowering customers. There is currently a dearth of research on the ways in which businesses can impact consumer choices. Therefore, businesses must recognize the potential of consumer choices to serve two purposes: first, to support their own corporate social responsibility (CSR) initiatives; and second, to protect the environment from the long-term negative effects of unsustainable consumer choices.