


# Chapter 5


## Assess the Challenges and Incentives for Companies to Incorporate Green Financing Into Their CSR

**Leelawati Leelawati**

 <https://orcid.org/0009-0005-2675-1720>

*St. Andrews Institute of Technology and Management, India*

**A. V. Senthil Kumar**

 <https://orcid.org/0000-0002-8587-7017>

*Hindusthan College of Arts and Science*

### **ABSTRACT**

*It is becoming more widely acknowledged that businesses can support economic growth and environmental objectives by incorporating green finance into their corporate social responsibility (CSR) programs. This study evaluates the incentives and obstacles that businesses face when implementing green funding into their CSR frameworks. Furthermore, businesses may be deterred from undertaking these efforts by the scarcity of green funding sources and the possible harm to their brand that comes with green washing. The move toward green finance is being propelled by a number of incentives in spite of these obstacles. The chapter highlights the significance of strategic frameworks that can assist companies in overcoming obstacles and strengthening their commitment to sustainability through green financing in corporate social responsibility by analysing these incentives and challenges. The chapter employs a conceptual approach. Various websites, journals, and research*

DOI: 10.4018/979-8-3373-0887-6.ch005

*articles provide the pertinent information.*

## **INTRODUCTION**

Green financing has become a crucial component in coordinating business strategy with social and environmental objectives as the world economy moves toward sustainability. Corporate Social Responsibility (CSR) programs that include green financing present a range of incentives and problems for businesses. This chapter examines these relationships, offering a thorough understanding of the obstacles businesses face and the factors that encourage them to use green financing techniques.

Corporate social responsibility has developed extensively since its first conception. In the past, it was considered primarily in terms of philanthropy and community relations, but today the CSR involves a complete philosophy to deal with the influences of a firm on society and environment. This development indicates transfer of expectations about business work by society, as stakeholders keep the corporations rapidly for stringent expectations that they have to fix their environment and social impacts. The development of CSR can be detected through many different stages. In the early 20th century, CSR was largely philanthropic, which featured charitable donations and community support. The 1960s and 1970s emerged a more formal approach to CSR, in which companies began to develop specific policies and practices. By the 1990s, CSR had developed into a strategic view, in which companies recognized the ability to align between social responsibility and commercial success. The most important development of CSR has been observed in the 21st century, the idea has become the mainstream in more and more business strategies. The century is characterized by raising awareness about global issues such as climate change, natural resources and social injustice. As a result, CSR has gone beyond its traditional boundaries to incorporate environmental stability, supply chain management, human rights and moral leadership issues. The latest development of CSR is its convergence with financial decision making and capital distribution-*ie*, green financing. This is a dramatic change for CSR to increase a cost center or reputation that is to look at it as a source of financial performance and long -term value construction.

### **Emergence of Green Financing**

Green Financing has emerged as an important component of the global reaction, especially to environmental challenges, especially climate change. This includes a series of financial devices, products and services designed to support environmentally durable activities, projects and businesses. The growth of green financing has been operated by increasing the opportunities presented by the increasing recognition of

30 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: [www.igi-global.com/chapter/assess-the-challenges-and-incentives-for-companies-to-incorporate-green-financing-into-their-csr/383035](http://www.igi-global.com/chapter/assess-the-challenges-and-incentives-for-companies-to-incorporate-green-financing-into-their-csr/383035)

## Related Content

---

### Adoption of Microfinance in Entrepreneurship Development Amongst Rural Women in Vhembe District

Mavhungu Abel Mafukata (2023). *Research Anthology on Microfinance Services and Roles in Social Progress* (pp. 133-150).

[www.irma-international.org/chapter/adoption-of-microfinance-in-entrepreneurship-development-amongst-rural-women-in-vhembe-district/314748](http://www.irma-international.org/chapter/adoption-of-microfinance-in-entrepreneurship-development-amongst-rural-women-in-vhembe-district/314748)

### The Correlation of Non-Performing Loans Between the Four Greek Systemic Banks Before and During the Recent Crisis Based on Accounting Information

Kanellos Stylianou Toudas, Apostolos Christopoulos, Petros Kalantonis and Stylianos Kravaritis (2017). *International Journal of Corporate Finance and Accounting* (pp. 23-40).

[www.irma-international.org/article/the-correlation-of-non-performing-loans-between-the-four-greek-systemic-banks-before-and-during-the-recent-crisis-based-on-accounting-information/204426](http://www.irma-international.org/article/the-correlation-of-non-performing-loans-between-the-four-greek-systemic-banks-before-and-during-the-recent-crisis-based-on-accounting-information/204426)

### Financial Evaluation of the Greek Port Authorities Operating as GOPC

Mihail N. Diakomihalis, Anastasia Droulia and Evangelia Kasimati (2017). *International Journal of Corporate Finance and Accounting* (pp. 59-84).

[www.irma-international.org/article/financial-evaluation-of-the-greek-port-authorities-operating-as-gopc/204428](http://www.irma-international.org/article/financial-evaluation-of-the-greek-port-authorities-operating-as-gopc/204428)

### Historical Development and Restructuring of CAP Towards a Sustainable Agriculture

Esin Candan Demirkol (2020). *Handbook of Research on Social and Economic Development in the European Union* (pp. 231-241).

[www.irma-international.org/chapter/historical-development-and-restructuring-of-cap-towards-a-sustainable-agriculture/242874](http://www.irma-international.org/chapter/historical-development-and-restructuring-of-cap-towards-a-sustainable-agriculture/242874)

## Analyzing the Existence of the Day of the Week Effect in Selected Emerging Country Stock Exchanges

Murat Çinko, Emin Avci, Asl Aybarsand Mehtap Öner (2014). *International Journal of Corporate Finance and Accounting* (pp. 33-43).

[www.irma-international.org/article/analyzing-the-existence-of-the-day-of-the-week-effect-in-selected-emerging-country-stock-exchanges/119401](http://www.irma-international.org/article/analyzing-the-existence-of-the-day-of-the-week-effect-in-selected-emerging-country-stock-exchanges/119401)