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## **CSR 2.0 in Digital India: Role of AI, Blockchain, and Big Data in Reshaping Corporate Ethics and Accountability**

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### **Abstract**

India's Corporate Social Responsibility (CSR) landscape is entering a "CSR" phase in which there will be increased statutory corporate social responsibility (CSR) spending and ESG reporting, as well as increased scrutiny from shareholders, being influenced by digital governance. Major Companies Act CSR framework (Companies Act, Section 135), must comply with various regulations (such as SEBI's Business Responsibility and Sustainability Reporting), which lead companies to show the tangible, verifiable, and comparable sustainability results from their operations and therefore have an impact on shaping their operating methods. In this changing landscape, new technologies will play an important role in enhancing the ethical nature of business by enabling companies to better measure their impact, improve traceability of supplies and products within their supply chain, enhance detection of fraud within their organisation, improve the handling of complaints from stakeholders and provide greater assurance that the disclosed information is accurate and fair. However, these technologies also create new ethical risks such as algorithmic bias; increased surveillance; invasion of privacy; exclusion of vulnerable individuals; greenwashing through "data theatre" and trade-offs between energy use and the carbon footprint or the impact on the environment. The primary purpose of this research is to develop a new theoretical framework for Corporate Social Responsibility (CSR) 2.0 with an emphasis on Digital India by outlining how technology can be used to enhance ethical decision-making, transparency and stakeholder trust in CSR while also outlining the necessary governance mechanisms to support the responsible adoption of these technologies. The research proposes a set of testable research propositions, as well as a measurement model of Digital CSR Accountability, and describes an

implementation roadmap that includes compliance (CSR regulations and CSR reporting), assurance (BRSR; BRSR core) and an ethical-by-design approach.

**Keywords:** CSR 2.0, Digital India, AI Ethics, Blockchain Traceability, Big Data Governance, BRSR, CSR-2, Accountability, Corporate Ethics, ESG Assurance.

## Introduction

Corporate social responsibility (CSR) has come to represent an evolution for businesses in India, moving away from compliance-based and charitable activities towards establishing a record of governance through stakeholder engagement, transparency, and accountability. The legal requirement of Section 135 under the Companies Act of 2013 positions India as one of the few countries in the world that mandates a legally binding requirement (a minimum of 2% of overall net profit) on corporation to spend to fulfil their corporate social responsibilities thus enabling CSR to be implemented well within the larger remit of corporate governance. Despite the existence of these mandatory requirements, meeting the minimum prescribed spending does not provide the corporation with sufficient impact-related measures such as ethical behaviour on behalf of the board or shareholders, "greenwashing", or credibility of their disclosures. Furthermore, developing formal sustainability reporting processes (such as the Business Responsibility & Sustainability Reporting (BRSR) process recently developed by SEBI) has raised the bar for interested stakeholders in measuring, verifying and other results associated with CSR. Therefore, as the regulatory and stakeholder environment continues to evolve, Indian businesses have started to experience a significant shift towards what could be termed "CSR 2.0," providing digitally-enabled, data-driven, and accountable approaches to fulfill their corporate social responsibilities.

Through the expansion of the Digital India plan, there has been a rapid digital transformation of corporate decision-making and governance that has enabled more advanced technology to be used to integrate advanced technologies into the process in a much quicker fashion than previously thought possible. AI, Blockchain, and Big Data have not only been used to improve efficiency and effectiveness of business operations and reduce the levels of risk involved in business operations; they are increasingly being used by companies to enhance how they operate in a social and environmentally responsible way. The use of AI technologies allows companies to leverage real-time analytics, fraud detection, and intelligent allocation of CSR resources, which provide valuable insight into how their CSR activities are performing. Using Big Data technologies also allows for the ability to conduct real-time monitoring of positive social and environmental impacts across all possible projects and

geographies. Also, Blockchain technologies, because of their characteristics as a distributed and immutable ledger, are creating an opportunity for companies to provide greater traceability of their CSR funds, provide greater accountability for the companies involved in the production of their products, and create greater ability to substantiate claims of impact to the broader community. When these three technologies are used together, they create new opportunities for companies to enhance their ethical behaviour and accountability by decreasing the information asymmetry between stakeholders and enhancing the level of stakeholder confidence in the actions of a company.

Nevertheless, adopting digital technologies within CSR presents certain ethical challenges. For example, algorithmic bias, the lack of transparency in AI-based decision-making, concerns around data privacy, monitoring the workplace or the workplace's beneficiaries, all generate significant ethical concerns regarding responsible use of technology. In India, many CSR activities are directed toward beneficiaries in vulnerable and marginalized populations; therefore, if ethical challenges exist in a digital environment, the ability to achieve the goals of inclusive and sustainable development will be compromised. As such, CSR 2.0 needs to be viewed not simply as a technological enhancement of CSR-related activities, but rather as a governance transformation where ethical considerations, human oversight, and accountability mechanisms are incorporated into the digital system.

This paper will discuss how Artificial Intelligence (AI), blockchain technology, and big data are changing the way that organizations think about ethical behavior and accountability in India. CSR 2.0 will be used to bring together an integrated approach to technology enabled transparency and outcome measuring, combined with ethical design principles. This paper will also discuss the link between technology and the evolution of Corporate Social Responsibility (CSR) and sustainability reporting in India and adds to the ongoing debate surrounding the responsible use of technology, corporate governance and sustainable business model practices. Additionally, this paper will note that there are a number of regulatory requirements, stakeholder trust and creating value for society in the long-term that must all be considered in the development of digital CSR initiatives.

**Table 1: Role of Digital Technologies in Advancing CSR 2.0 and Corporate Accountability in India**

<b>Technology</b>	<b>Contribution to CSR 2.0</b>	<b>Ethical and Accountability Implications</b>
Artificial Intelligence (AI)	Enhances predictive analysis, risk assessment, impact evaluation, and grievance redressal in CSR initiatives	Raises concerns related to algorithmic bias, transparency of decisions, and exclusion of vulnerable groups

Blockchain	Ensures traceability, transparency, and immutability of CSR funds, supply chains, and impact records	Improves trust and auditability but depends heavily on accuracy and integrity of input data
Big Data Analytics	Enables real-time monitoring, outcome measurement, and performance benchmarking of CSR projects	Supports evidence-based accountability while posing risks related to privacy, surveillance, and data misuse

As such, CSR 2.0 is a major transformation in how corporations will be accountable for their Corporate Social Responsibility (CSR) programs in India; now, the intentions behind a company's CSR efforts will not be evaluated based only on the amounts of money spent or the amount of information made available through narrative disclosures, but will instead be based upon proof and proven results through data. The building blocks of AI, blockchain and massive amounts of data have changed the face of CSR from just an annual reporting tool into a living, dynamic accountability system where there is ongoing ability to monitor, verify and learn. This change has given an additional boost to building trust among all stakeholders in the Digital India ecosystem and has given the Government more confidence in regulating companies. At the same time, the increased reliance on the use of digital technology requires companies to ensure a proper balance between innovation (creating new technologies that improve the quality of products and services) and responsibility (protecting individual rights and promoting human dignity while carrying out their responsibilities for CSR); so that CSR is not only about creating innovative technologies, but also about creating innovative CSR programs that are based on ethical business practices and effectively provide an impact to society. CSR 2.0 represents not just an increase in technology, but also progress from the previous model of CSR to the future model of CSR that is grounded in credible corporate citizenship and has a clearly defined ethical basis for corporate social responsibilities.

### Literature Review

**Table 2: Literature Findings**

Author(s) & Year	Context / Focus of Study	Key Findings	Relevance to CSR 2.0 and Digital India
Carroll (1991)	Conceptual foundations of Corporate Social Responsibility	CSR consists of economic, legal, ethical, and philanthropic responsibilities	Provides the ethical and governance base on which CSR 2.0 is conceptualized
Porter & Kramer (2011)	Strategic CSR and shared value creation	CSR creates competitive advantage when aligned with business strategy	Supports strategic integration of digital technologies with CSR objectives

Elkington (2018)	Reassessment of Triple Bottom Line approach	Emphasizes outcome-based sustainability and accountability	Aligns with CSR 2.0's focus on measurable social and environmental impact
Saberi et al. (2019)	Blockchain in sustainable supply chains	Blockchain improves traceability, transparency, and sustainability performance	Validates blockchain's role in CSR fund and impact verification
Vial (2019)	Digital transformation of organizations	Digital technologies reshape governance, processes, and accountability	Frames CSR 2.0 as a governance transformation under Digital India
Lokshina et al. (2020)	AI-driven decision-making in organizations	AI enhances decision quality when combined with human oversight	Supports ethical AI adoption in CSR 2.0 frameworks
Dwivedi et al. (2021)	Ethical challenges of artificial intelligence	AI raises concerns related to bias, transparency, and accountability	Highlights ethical risks that must be managed in AI-enabled CSR systems
George et al. (2021)	Big data analytics for inclusive growth	Big data supports evidence-based decision-making and development outcomes	Reinforces the role of analytics in outcome-oriented CSR monitoring
Bansal et al. (2021)	Symbolic versus substantive sustainability practices	Excessive focus on metrics can result in symbolic compliance	Warns against data-driven greenwashing in CSR 2.0
Kshetri (2018)	Blockchain and sustainability governance	Blockchain enhances trust and data integrity in sustainability reporting	Strengthens the accountability dimension of CSR 2.0
Gupta & Mason (2022)	Big data analytics in CSR and ESG reporting	Data analytics improves disclosure quality and performance tracking	Supports real-time CSR impact assessment and reporting
Bansal, Kahn & Sharma (2023)	ESG data quality and greenwashing risks	Weak data governance undermines credibility of ESG disclosures	Highlights the importance of digital governance in CSR 2.0
Bhatt & Pathak (2023)	Digital governance and corporate accountability in India	Digital tools enhance transparency when aligned with ethical safeguards	Contextualizes CSR 2.0 within India's Digital India framework

SEBI (2021)	Business Responsibility and Sustainability Reporting (BRSR)	Standardized ESG disclosures improve comparability and accountability	Provides regulatory impetus for technology-enabled CSR reporting
ICAI (2024)	Assurance of sustainability and non-financial disclosures	Emphasizes data integrity, controls, and assurance readiness	Reinforces the need for audit-ready digital CSR systems

### Evolution of CSR in India: From Compliance to Digital Accountability

There has been a slow but major change in how companies have moved towards a focus on CSR in India. As companies moved from the period of pre-liberalisation to a period of liberalisation, CSR evolved from being predominantly voluntary and strictly as per ethical norms or trusteeship principles and mostly in the way of donations to charity through companies (mostly in line with, or at least with the influence of the ideas of Mahatma Gandhi regarding social welfare). While the activities carried out at this time were of great social benefit, they did not follow any formal reporting guidelines, had no mechanisms to determine how much of a social impact they would make and the companies had no institutional accountability for their activities. In this phase, CSR was predominantly based upon the concept of charity, on an individual basis and was not at all aligned with the company's core business strategy.

Implementation of the Companies Act, 2013 represented a significant change in the legal status of companies in India. Section 135 made India the first country to require companies to spend money on CSR if they meet specific criteria. This change represents a shift from CSR being a moral obligation to being a legal obligation and places emphasis on compliance, governance structures and oversight by the Board of Directors. In the years following the introduction of mandatory CSR, it became apparent that there were limitations to how mandatory CSR was being administered. The focus was on hitting spending targets rather than measuring the outcome of the initiatives, projects were being implemented in isolation without adequate integration, and there was a lack of transparency and difficulty in proving social impact will often lead to the perception that CSR is still simply about spending the appropriate amount set by the Companies Act, 2013 and providing narrative information about how those funds were spent (with limited evidence to support the claimed outcome).

Corporate social responsibility evolution continues to progress. The recent phase of CSR evolution is the result of the intersection of several factors including increased regulations, the rise of stakeholder activism, and digital transformation driven by Digital India. Many of these regulations include enhanced CSR rules, more stringent public disclosure rules, and the introduction of the Business Responsibility and Sustainability Reporting (BRSR) by the Securities and Exchange Board of India

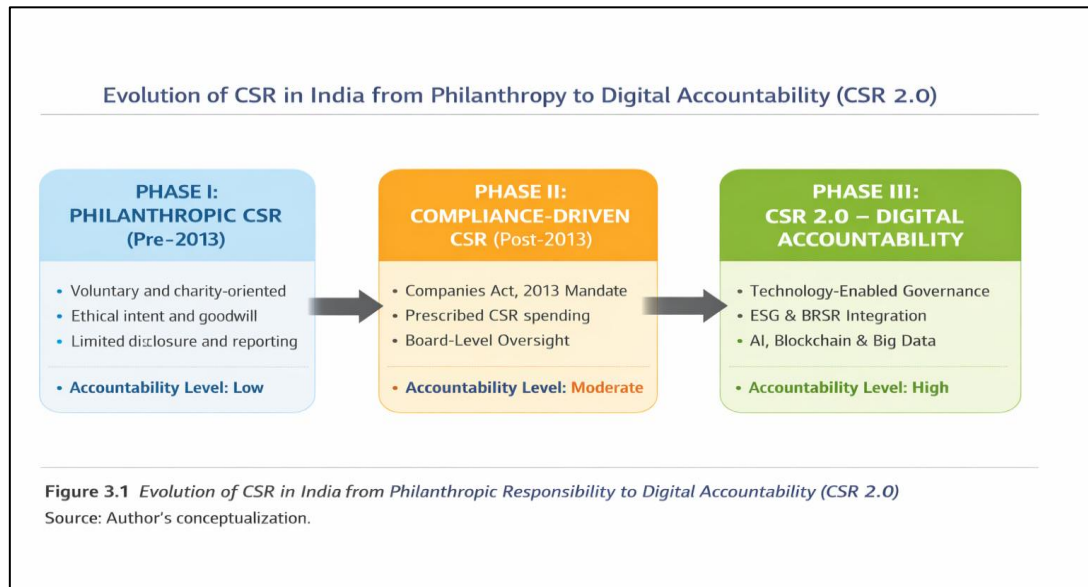
(SEBI). These regulatory changes have also changed the focus from compliance to performance, and from single element CSR (e.g., whether or not you spent money) to overall performance (i.e., whether or not you effectively create a social and/or environmental impact). As such, many companies are now not only focused on how much they spent on CSR but also on whether or not they created an impact through their activities.

The evolution of CSR into what is known as CSR 2.0 has occurred through advances in the use of technology as it applies to governance and the execution of CSR. Technology advancements such as artificial intelligence facilitate predictive analysis of risks, the ability to monitor the effectiveness of projects, and provide early identification of anomalies in the implementation of CSR. The use of big data analysis allows for the ongoing measurement of impact across regions, beneficiaries, and theme areas, promoting CSR evaluation to take place in real-time rather than in periodic reports. Transparency and trust are strengthened by blockchain technology, which creates an immutable record of the flow of money, verification of beneficiaries, and responsibility within supply chains. All three of these technologies create a digital account of ethics that can be substantiated with evidence, traceability, and audit-ready data.

Corporate ethics in India are being redefined by the evolution of CSR, no longer just a way to spend money on social causes after making a profit, CSR has become more integrated into corporate governance systems, stakeholder engagement processes, and disclosure frameworks. While increasing digital accountability will support the credibility of the organisation and foster trust with stakeholders; in addition, organisations must be responsible in the way they govern themselves in order to address issues that may arise due to data protection, algorithmically biased decisions, and/or the exclusion of vulnerable populations. Therefore the evolution of CSR within India is moving from compliance-based responsibility toward a digitally enabled, ethics-based accountability paradigm that is consistent with the goals of sustainable and inclusive development.

**Table 3: Evolution of CSR in India**

<b>Phase of CSR</b>	<b>Key Characteristics</b>	<b>Dominant Orientation</b>	<b>Accountability Level</b>
Philanthropic CSR (Pre-2013)	Voluntary charity, ethical intent, limited disclosure	Social welfare and goodwill	Low
Compliance-driven CSR (Post-2013)	Mandatory spending, board oversight, activity-based reporting	Legal compliance and expenditure	Moderate
Digital Accountability / CSR 2.0	Technology-enabled monitoring, outcome measurement, ESG alignment	Ethics, transparency, and impact	High

**Figure 1**

Source: Curated by the author

### Conceptual Foundations of CSR 2.0

The foundations of CSR 2.0 stem from three distinct ideas converging as a result of significant worldwide change; traditional theories of CSR, current thoughts on sustainability and the emergence of governance based on digital data. Traditional forms of CSR focused on corporate social responsibility as a way for business to enhance society through philanthropy and comply with government regulations whereas CSR 2.0 shows an evolution where businesses are responsible because they are held accountable, transparent and able to provide measurable evidence of their impact on society. The transformation to CSR-2 represents ongoing changes regarding how stakeholders view their common experience concerning the reasons for or purpose behind the need for change in today's driving forces of CSR as well as those being developed each day due to the advent of new technology. This transformation highlights to organisations to not only understand CSR's core ethical concepts but to also recognise that the required ethical framework has now become increasingly more complex due to businesses being in a continuous cycle of interconnected - interdependent businesses.

Overall, CSR 2.0 relies heavily upon Stakeholder Theory, which posits that companies have obligations to their shareholders, and to a diverse array of stakeholders-from employees, to communities, to consumers, to suppliers and the environment-at large. The concept of stakeholder-centricity is therefore foundational to the ethical legitimacy of many of the CSR initiatives occurring in India, which tend to focus on addressing important social issues, such as education, health, skills and

environmental sustainability. Digital tools provide a platform for input and interaction with stakeholders; they provide a mechanism for the capture, analysis, and response to stakeholder voice in real-time; therefore, digital tools are used to correct for the power imbalances and information asymmetries that limit the number of stakeholders who participate in CSR practices.

Another foundational concept of CSR 2.0 is the evolution of the Triple Bottom Line, which has shifted from an equal balance of economic, social, and environmental goals to a greater emphasis on demonstrable results rather than symbolic gestures. Advances in CSR 2.0 use data analytics to measure and assess social and environmental performance as alongside financial indicators to demonstrate how integrated these outcomes can be with ESG disclosures. This reinforces CSR's value to long-term value creation rather than solely as a peripheral social activity.

CSR 2.0 builds on ethical governance as the cornerstone of social responsibility. Ethical issues around transparency, privacy and accountability become increasingly important as organizations embed technological solutions, such as AI, blockchain and big data, into their CSR planning processes and monitoring responsibilities. CSR 2.0 builds on the concept of ethics-by-design, meaning that ethical protections are built directly into digital spaces rather than added later after the technology is implemented. Ethical governance acknowledges that without proper ethical governance of technology, the resulting technological efficiencies can create exclusion and bias or promote surveillance, thereby defeating the moral intent of CSR programs.

The concept of accountability adds to the basis of CSR 2.0 through its emphasis on accountability, enforceability, and response-ability (the means by which you reply). Unlike traditional CSR accountability (self-declarations and annual reports), CSR 2.0 depends on continuous data flows, auditable records, and traceable documentation to support corporate justifications for their actions to shareholders, investors, government regulators, and the public. Further, it changes CSR from an "accountable" to an "accountable" model enabled by verifiable documents rather than just by virtue of reputation.

Lastly, CSR 2.0 is aligned conceptually with the larger agenda of sustainable and inclusive development in developing countries, such as India. The Digital India programme, together with the regulatory instruments of the Companies Act CSR provision and BRSR, creates an enabling environment for technology-based responsible behaviour. CSR 2.0 therefore is a synthesis of ethical philosophy, governance theory, frameworks of sustainability and technological innovation; it thus defines corporate responsibility to be a dynamic, measurable, and ethically based practice relevant to the reality of the 21st century.

## **Digital Technologies Transforming CSR**

Digital technology's use has changed how businesses design, implement, and govern Corporate Social Responsibility (CSR), resulting in a much more data-driven and accountable CSR (CSR 2.0) ecosystem. In this type of CSR, digital technologies like artificial intelligence, blockchain, and big data are not just operational tools but also strategic tools for changing the way in which a business's ethical commitments can be measured against its actual social/ environmental impact. These technologies allow businesses to replace the periodic, narrative-based reporting of their CSR activities with continuous monitoring, verification, and evaluation of their social and environmental impact.

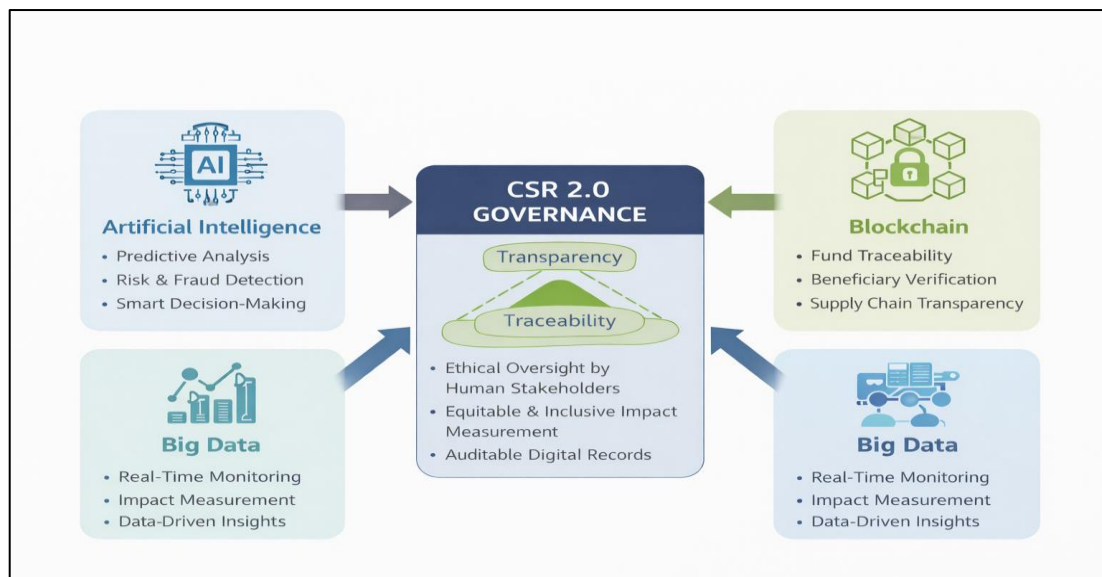
Artificial Intelligence (AI) is crucial to improving both oversight and decision-making related to Corporate Social Responsibility (CSR). AI-powered technology allows organizations to analyze data about social risk, optimize resource allocation, and identify potential irregularities as soon as they occur during project execution through predictive analysis. The ability to process a variety of data types helps facilitate the development of targeted and responsive CSR interventions. However, organizations must establish a robust ethical governance framework for the effective use of AI in CSR due to algorithmic bias, limited transparency, or inadequate human oversight, particularly when implementing CSR programs that impact vulnerable people.

The use of blockchain can transform corporate social responsibility (CSR) through improved accountability and visibility. Blockchain's distributed and incorruptible ledger helps to create traceable records for all CSR funds, determine whether the organization met its CSR obligations and allow monitoring of whether suppliers are meeting their obligations around social responsibility. The use of blockchain to create records further diminishes opportunities for corruption and, because of the ability to audit blockchain-based transactions, increases the credibility of CSR disclosures to stakeholders. However, the ethical value of a blockchain system is based upon how the data is collected and governed.

By utilizing big data analytics, organizations can assess the impact of their CSR efforts in real-time with an analysis of multiple projects and locations. Organizations are able to measure their impact on the environment by measuring their efforts beyond input-based metrics; they are able to measure their impact based upon outputs. Big data enables organizations to use sustainability reporting frameworks such as the BRSR to create evidence-based accountability through objective data; however, concerns have been raised regarding the privacy of data and surveillance. Collectively, the use of these technologies and processes redefine CSR to be an ethically governed, outcome-based, and transparent system of corporate responsibility.

**Table 4: Role of Digital Technologies in Transforming CSR**

Digital Technology	Contribution to CSR Practices	Accountability and Ethical Implications
Artificial Intelligence (AI)	Predictive analysis, risk detection, and optimized CSR decision-making	Improves efficiency but raises concerns about bias, transparency, and fairness
Blockchain	Traceability of CSR funds, beneficiary verification, and tamper-resistant records	Enhances trust and auditability while depending on data integrity and governance
Big Data Analytics	Real-time monitoring, impact measurement, and performance benchmarking	Strengthens evidence-based accountability but poses privacy and data protection challenges

**Figure 2**

Source: Curated by the author

**CSR 2.0 Framework for Digital India**

Digital India's Corporate Social Responsibility (CSR) 2.0 model is characterised by a comprehensive framework that combines government regulations, good governance and digital development to enhance accountability for companies while improving the quality of life for people in society. The CSR functions previously operated independently (such as compliance, implementation and reporting), now work cohesively using technology to create an environment of transparency, traceability and outcome-oriented assessments. The CSR 2.0 business model will be useful for India given that both statutory requirements for corporation's CSR and ambitious national objectives related to sustainability, inclusion and digital transformation exist.

The basis of the CSR 2.0 Framework consists of regulatory and ethical alignment. It includes the Companies Act CSR provisions, the BRSR by SEBI, and broader ESG expectations as to the regulation of CSR. This layer forms the normative boundaries for designing and implementing CSR activities. The digital infrastructure layer on top of that layer provides technology such as AI, blockchain and big data that can be utilised as enablers of governance and not only as reporting tools. Technology allows for accurate capture of data, real-time monitoring of data, and verification of CSR activity across the entire value chain.

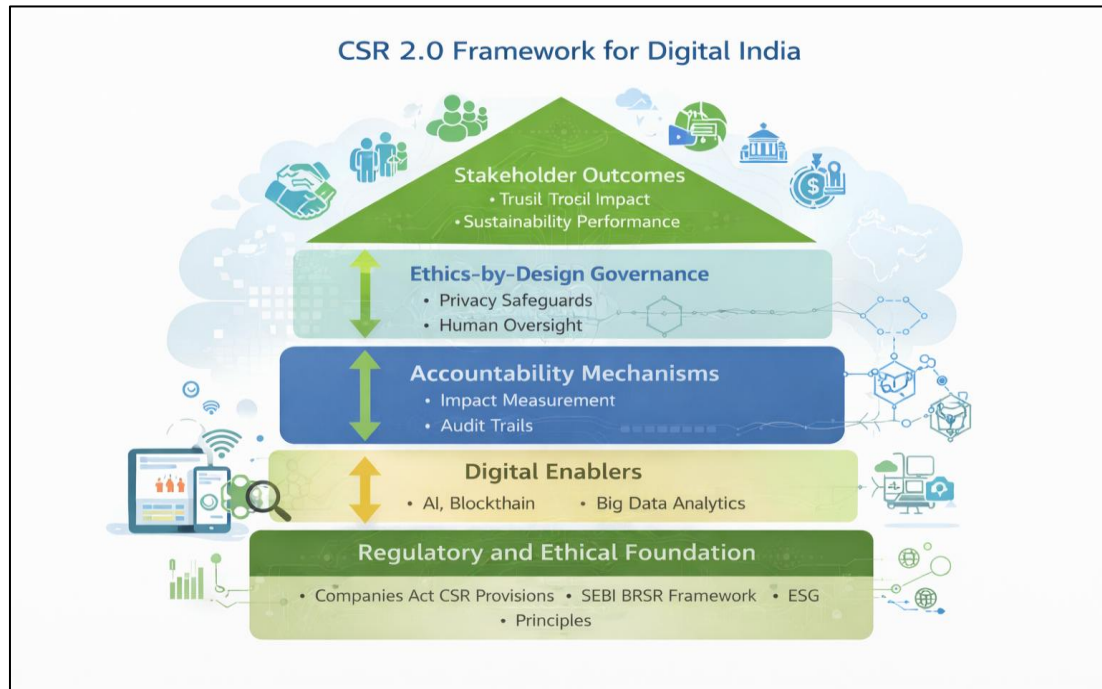
The next level of the framework relates to ensuring accountability, measurement of impact, readiness for audit, and making stakeholders aware of where the company is in terms of its use of human and environmental resources. Overall, with the use of AI-based predictive and corrective analytics, blockchain to create an audit trail of the data being used and big data allowing for continual evaluation of outcome results, we have changed the nature of CSR accountability from just making reports after the fact to actually making sure we are doing what is right. The principles of ethics-by-design are also built into CSR 2.0 so that any issues concerning privacy, biases, inclusion, and human dignity are addressed in the digital systems themselves during their creation. Human oversight, consent processes, and processes to remedy issues remain vital to ensuring ethical legitimacy.

The goal of the CSR 2.0 framework is to generate lasting benefits for a variety of stakeholders, such as community members, workforce personnel, those in authority (government), those providing financial support (investors), and all of society/population overall. The connection made between digital responsibility and ethical intent, therefore demonstrates how robustly CSR is performed and mitigates the potential for violations (greenwashing) to take place, ultimately increasing the level of trust amongst those involved. Within the Indian context, this represents an innovative / modern governance approach whereby digital assets create tangible, grade-accurate, inclusive, and timely impact(s) to society in a way that is aligned with the national goals/development strategies of India as a whole.

**Table 5: CSR 2.0 Framework for Digital India**

<b>Framework Component</b>	<b>Key Elements</b>	<b>Role in Strengthening CSR Accountability</b>
Regulatory and Ethical Foundation	Companies Act CSR provisions, BRSR, ESG principles	Provides legitimacy, compliance, and ethical direction
Digital Enablers	AI, blockchain, big data analytics	Enable transparency, traceability, and real-time monitoring
Accountability Mechanisms	Impact measurement, audit trails, disclosure assurance	Shift CSR from narrative reporting to evidence-based accountability

Ethics-by-Design Governance	Privacy safeguards, bias control, human oversight	Ensures responsible and inclusive use of digital technologies
Stakeholder Outcomes	Trust, social impact, sustainability performance	Enhances long-term value creation and societal confidence



**Figure 3**

Source: Curated by the author

### Ethical Risks and Governance Challenges in CSR 2.0

CSR 2.0 can provide substantial improvements in levels of transparency, accountability and impact via the use of various types of digital technologies; however, these same methods will introduce additional complexities regarding ethical risk and governance that need to be managed with an appropriate level of rigour. These technologies can also un-intentionally threaten or undermine the ethical foundations upon which CSR has been built if implemented without supporting safeguards due to an increased reliance on AI, Blockchain and Big Data in their development and use. Additionally, In India, where CSR efforts often involve working with vulnerable or marginalised, digitally enabled populations, the failure of an ethical digital system can result in the exclusion of those groups, inappropriate use of personal information, as well as decreasing the level of trust placed in CSR organisations by those affected.

An important ethical concern within CSR 2.0 is algorithmic bias and opacity in AI-related decision-making. AI systems are used to determine who is eligible for assistance, to allocate resources and to measure the success of projects.

Algorithmically biased data or poorly constructed algorithms may continue to reinforce existing social inequalities by further marginalizing already disadvantaged populations. In the same way, the lack of explanation concerning how AI arrived at its decision makes holding people accountable for their actions extremely difficult, thus making it impossible for stakeholders to conduct any independent inquiries or appeals regarding the results of any AI evaluations. An excessive use of automation in the administration of CSR will result in an erosion of the ability to apply human judgment or communicate the value of using human judgment, which are both key elements of a successful social intervention.

Surveillance and data privacy have equally significant challenges. Monitoring of various groups (users, staff members, or populations) is made easier by the power of big data, which can result in excess data collection (intrusive), consent violations, or misuse of sensitive information. In the absence of strong ethical guidelines and strong frameworks regarding data protection, CSR projects can possibly violate individuals' rights and dignity, as well as provide an avenue for exploitation of large amounts of data. Although blockchain improves the ability to be transparent with data and access data about organizations, there are still issues of governance concerning data accuracy, ownership of data, and errors/changes in any record that have already been created using blockchain technology and cannot be changed back.

Furthermore, CSR 2.0 has the potential to experience digital greenwashing, which is defined as using advanced data dashboards and metrics to create the appearance of being accountable for your actions, even though it does not have any real impact to society. By focusing too much on quantifiable indicators of success, CSR 2.0 may further divert attention away from qualitative results such as empowerment, well-being and social justice. To mitigate these ethical threats, it will be necessary to have effective governance mechanisms in place such as those described above: ethics by design; human oversight; third party audits; and stakeholder engagement. Therefore, in order for effective governance of CSR 2.0 to occur, there needs to be demonstrated commitment from organization's in terms of both adequate technology as well as ethical leadership and accountability with respect to their institutions.

**Table 6: Ethical Risks and Governance Challenges in CSR 2.0**

<b>Ethical Risk Area</b>	<b>Nature of the Risk</b>	<b>Governance Response Required</b>
Algorithmic Bias and Opacity	Exclusion of vulnerable groups and lack of explainability in AI decisions	Bias audits, transparent models, human-in-the-loop decision-making
Data Privacy and Surveillance	Misuse of personal and sensitive data of beneficiaries and stakeholders	Consent mechanisms, data minimization, strong data protection policies

Blockchain Governance Issues	Permanent storage of incorrect or sensitive data	Data validation protocols and controlled access mechanisms
Digital Greenwashing	Symbolic compliance through metrics without real impact	Independent evaluation and outcome-focused assessment
Over-Automation of CSR	Loss of human judgment and contextual understanding	Balanced integration of technology with ethical oversight

### Managerial and Policy Implications of CSR 2.0

CSR 2.0's emergence represents a shift from compliance driven to a governance driven and technology enabled accountability system, with significant implications for Corporate Managers and Policymakers in India. For Corporate Leaders, CSR 2.0 requires a strategic overhaul of the way CSR is embedded into core business processes, risk management systems and long-term value creation strategies. Managers must focus less on tracking their CSR expenditures and more on measuring their outcomes through ethical decision making and transparency through digital means. This means that the boards and CSR committees have a much larger role in overseeing not only financial compliance, but also in ensuring that the technologies used in CSR planning, execution and reporting are being used ethically.

AI, blockchain, and big data all require new skills and governance from a management standpoint. Businesses should invest in developing capabilities for digital literacy, data governance, and interdisciplinary teams that can bring together CSR and technological/ethical knowledge. Other responsibilities will include making sure that digital systems used throughout the CSR process are fair, impartial, and meet stakeholders' requirements; being responsible for developing effective stakeholder engagement through the use of digital feedback and grievance systems will also be an important managerial responsibility for maintaining stakeholder trust and legitimacy in CSR 2.0.

On the level of policy-making, CSR 2.0 offers a means to enhance regulatory oversight of CSR and sustainability's credibility, enabling the enhancement of disclosures regarding both of these standards. CSR regulation can be further supported by encouraging responsible digitalisation through the provision of guidelines for the ethical use of AI, data protection and technology governance over CSR activities. Alignment between CSR regulation under the Companies Act with sustainability reporting frameworks such as the BRSR can be mutually beneficial and provide consistency, comparability and readiness to provide assurance over the respective reporting models. The combination of public/private partnerships and capacity-building initiatives can assist smaller and/or implementing companies in their responsible digital use of supporting technologies.

In conclusion, the CSR 2.0 management and policy implications emphasize the necessity of a collaborative approach among corporations, regulators, and members of civil society in order to make sure that digital change improves ethical responsibility, rather than detracting from it. CSR 2.0's focus on encouraging ethical leadership, providing regulatory clarity, and creating mechanisms for technological governance can help to meaningfully advance methods in digital India that are sustainable and inclusive.

**Table 7: Managerial and Policy Implications of CSR 2.0**

<b>Stakeholder</b>	<b>Key Implications</b>	<b>Expected Outcomes</b>
Corporate Management	Integration of CSR with strategy, digital governance, and ethical oversight	Improved accountability, transparency, and impact effectiveness
Boards and CSR Committees	Enhanced oversight of technology use and outcome-based CSR performance	Stronger governance and stakeholder trust
Policymakers and Regulators	Development of ethical guidelines and alignment of CSR and ESG frameworks	Greater disclosure quality and regulatory confidence
Implementing Agencies and NGOs	Capacity building in digital tools and data ethics	Improved project monitoring and credible impact reporting
Society and Stakeholders	Increased access to transparent and verifiable CSR information	Enhanced trust and inclusive social outcomes

### **Future Directions and Conclusion of CSR 2.0 in Digital India**

The future path of Corporate Social Responsibility (CSR) 2.0 in the Digital India initiative will be greatly affected by the increasing link between the use of digital technologies, increasing regulatory requirements, and the rising demand for transparency and ethics from all stakeholders. Increased complexity and interrelatedness of sustainability challenges means that CSR will shift from traditional governance to results-oriented and tech-enabled governance. Moreover, we can expect to see more use of Artificial Intelligence (AI) in predicting risk, forecasting the impact of programs, and aligning with policies; the development of data analytics will allow for the evaluation of social and environmental results in a more detailed and timely manner; and the development of blockchain-based systems will make it even easier to track and verify the supply-chain responsibility of entities, support climate-related initiatives, and track how funds are used.

In the future, regulators are likely to develop closer linkage among CSR disclosers from regulatory bodies, improved assurance expectations, and rigorous guidelines regarding the ethical use of digital technology in CSR activities. In addition, as policymakers work to enhance interoperability between public digital infrastructure

and corporate CSR systems, they will likely increase their support for coordinating resources through their ability to track and evaluate effects at the national level. Collectively, these changes will improve accountability as well as lessen the burden placed on organizations by creating standardized and automated thrusts that provide more efficient means for carrying out their CSR programs.

The development of CSR 2.0 means that ethical governance will be more important than ever as digital systems affect social decision-making through data privacy, algorithmic fairness and inclusivity, while also ensuring human oversight has a role to play. As such, organisations should plan ahead by having their CSR governance structure incorporate ethics-by-design, stakeholder involvement and continuous learning. Trust in digital CSR systems will require not only advances in technology, but also ethical leadership and transparency by institutions.

In short, CSR 2.0 is a significant development in the philosophy and practice of corporate responsibility in India. Through the use of digital technologies and an established ethical and regulatory framework, CSR 2.0 transforms the concept of corporate responsibility into a dynamic, accountable, impactful, and reliable process for sourcing resources for sustainable business practices. As Digital India continues to grow, CSR 2.0 represents an important opportunity for enabling sustainable development through alignment between companies' social equity, environmental accountability, and ethical governance.

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