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FROM SDGS TO ESG: LEGAL PATHWAYS FOR INTEGRATING SUSTAINABLE ENVIRONMENTAL GOVERNANCE IN INDIA

[1]Ms. Jeffy Johnson, [2]Dr. Chanjana Elsa Philip

[1]Research Scholar, [2]Associate Professor
[1]School of Legal Studies
[1]CMR University, Bangalore, India

Abstract: ESG and SDG are buzzwords and have attracted great importance due to their enormous positive implications on the planet. These concepts develop and help the organization improve and advance business operations. At the United Nations Scientific Conference on Conservative and Utilization of Resources, New York made its first progressive step to contemplate the damage that was a consequence of the depletion of natural resources. When we address the industry's carbon dioxide emissions, the role of ESG and SDG comes into the picture. They can be used as instruments for a sustainable and greener future. SDG covers environmental sustainability, climate action, economic growth, social inclusion, etc. ESG, on the other hand, helps in quantifying the sustainability KPIs. The paper will highlight the awareness of ESG and SDG in the corporates and the recent trends. The ESG policies of a targeted group of companies as samples will be evaluated to understand how they distinguish themselves. The elements of people, planet, and profit will be looked into. The paper will emphasize the need for a sustainable path and ESG advocacy.

Keywords: ESG, SDG, Sustainability

1.INTRODUCTION

Indian courts and regulators have progressively imported global environmental principles (precautionary principle, polluter-pays, sustainable development) into domestic law while securities and company regulators (SEBI, MCA) are creating disclosure/governance routes (ESG/BRSR, NGRBC) that can operationalize the Sustainable Development Goals (SDGs) within corporate practice. The legal task is to align judicial environmental jurisprudence, statutory obligations and securities regulation so ESG disclosures and corporate governance become effective instruments for SDG delivery.

Companies are encouraged to act ethically by using environmental, social, and governance (ESG) investing to select investments based on company principles. ESG-based investing solutions are available from many mutual funds, brokerage houses, and robo-advisors. Moreover, owning firms involved in dangerous or immoral practices may be avoided by portfolios with the aid of ESG investing. The exponential rise of ESG investment funds in recent times has given rise to accusations that corporations have been deceptive or dishonest in promoting their ESG achievements. ESG and CSR both contribute to and come under the category of sustainability. Businesses may show their dedication to sustainable business practices through ESG and CSR. ESG is the pragmatic, detail-oriented view of sustainability, while CSR is the idealistic, broad-brush viewpoint.

It is also possible to think of CSR as ESG's forerunner. To improve society, businesses self-regulate and dedicate themselves to sustainable practices. The CSR strategy's endeavors may then be honed and adjusted to fit within ESG measures. After that, ESG reports can be used to disseminate and publicly publish ESG data. ESG gives CSR's overarching management philosophy a verifiable seal of approval. To be fully sustainable, a firm must implement both of these strategies.

In the past ten years, companies and regulators worldwide have come around to the idea that companies should be judged not only on traditional financial measures like shareholder return but also on how well they protect shareholder rights, how well they impact the environment, and how committed they are to social issues. The primary driving force behind this development is the realization that investors must accurately assess an enterprise by considering environmental, social, and governance ("ESG") factors when evaluating a company's risk profile. This belief that companies have a distinct responsibility as corporate citizens is a contributing factor.

2.OVERVIEW

India has a solid corporate social responsibility (CSR) policy, which requires businesses to participate in projects that advance societal welfare. With the Companies Act of 2013 modifications passed in 2014 and 2021, this mandate became a legal requirement. The amendments mandate those businesses with a minimum turnover of ₹1,000 crores (roughly $120 million), a net worth of ₹500 crores (approximately $60 million), or a net profit of ₹5 crores (roughly $6,05,800) in any given fiscal year.

On the other hand, the methods and effects of ESG rules vary. For instance, the U.K. Modern Slavery Act mandates that businesses operating in the country with yearly sales exceeding £36 million disclose their steps to assess supplier compliance, establish internal accountability protocols, and train supply chain managers on these matters. Banks, pension funds, asset managers, and other players in the financial markets are required under the EU's Sustainable Finance Disclosure Regulation to reveal how they have incorporated sustainability risks into their investment decision-making procedures. These rules are only a few instances of the numerous ones at the state, federal, and international levels.

3.GOVERNING LAWS

A Corporate Social Responsibility (CSR) committee to supervise the CSR policy and activities is required for firms with a specific net worth, turnover, or profit margin under Section 135 of the Companies Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014[1]. Spending 2% of their average net income over the previous three fiscal years on corporate social responsibility is a yearly requirement for eligible corporations. The CSR committee's membership, the CSR policy's content, an explanation of any funds that remain unspent, etc., must all be disclosed in the board report. Social disclosures about the workforce, value chain, consumers, and communities include Disclosures about gender diversity, social diversity, remuneration, wages, turnover rates, welfare benefits, training, occupational health and safety, etc. Disclosures about product recalls, product labeling, consumer complaints about cyber security and data privacy, etc. Revelations about social impact assessments, corporate social responsibility, rehabilitation, and resettlement, among other things.

Regarding pushing ESG disclosures as a requirement, SEBI's BRSR goes above and above. Additionally, SEBI released several consultation papers on ESG-related topics during the previous year, including the "Consultation Paper on introducing disclosure norms for ESG Mutual Fund Schemes," "Consultation Paper on ESG Rating Providers for Securities Markets," and "Consultation Paper on Green and Blue Bonds as a mode of Sustainable Finance." In keeping with the regulatory objective to bring ESG problems into the mainstream, SEBI has also established an advisory council on ESG topics. In addition, MCA enforced the Companies Act's need for CSR reporting.

Another significant factor in India is the requirement for specific categories of businesses to form several mandatory board committees. These committees, which include the risk-management committee, audit committee, stakeholder relationship committee, NRC, and CSR committee, already consider some aspects of ESG. It could be necessary for these committees to be somewhat interconnected to oversee ESG problems effectively.

In India, the creation of ESG rules and regulations is still in its early stages, with the emphasis generally on providing environmental or workplace safeguards rather than incorporating the controls and disclosure hallmarks of modern ESG

[1] Li, Z.; Thibodeau, C. CSR-Contingent Executive Compensation Incentive and Earnings Management. Sustainability 2019, 11, 3421.

regulation. In response to the spike in ESG investment and investor demand for information on ESG risks, the Securities and Exchange Board of India (SEBI) significantly changed the annual Business Responsibility and Sustainability Report (BRSR) required of India's 1,000 biggest listed firms. Further ESG legislation is likely, given the Indian government's greater emphasis on ESG concerns, as seen by India's more active involvement in global climate conferences.

The regulatory framework related to environmental, social, and governance (ESG) is not found in any one piece of legislation. Still, it comes under various pieces of legislation, including the Factories Act of 1948, the Environment Protection Act of 1986, the Air (Prevention and Control of Pollution) Act of 1981, the Water (Prevention and Control of Pollution) Act of 1974, Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2016, Companies Act, 2013 (Companies Act), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Prevention of Money Laundering Act, 2002, Prevention of Corruption Act, 1988, and laws concerning the payment of minimum wage, bonus, gratuity, welfare activities, health and safety, etc[2]. Various aspects of ESG are covered under these pieces of legislation in a fragmented manner.

• Section 134(3)(m) of the Companies Act requires the board's report to contain details on the conservation of energy, including any steps taken or the impact on the conservation of energy, steps taken to utilize alternate sources of energy, capital investment in energy conservation equipment, efforts towards technology absorption, etc.

• Section 166 of the Companies Act casts a duty on a director of a company to act in good faith to promote the objects of the company for the benefit of its members as a whole and in the best interests of the company, its employees, the shareholders, the community and for the protection of the environment[3].

• Section 149 of the Companies Act requires certain classes of companies to have a female director. Additionally, Regulation 17(1)(a) of the Listing Regulations requires the top 1,000 listed entities (based on market capitalization) to have an independent female director on their boards.

The Securities and Exchange Board of India (SEBI), i.e., the capital markets regulator, made it mandatory for the top 100 listed companies by market capitalization to file a business responsibility report (BRR) capturing their non-financial performance across ESG factors back in 2012, in May 2021, it expanded the BRR. It replaced it with a new business responsibility and sustainability report (BRSR) with effect from the fiscal year of 2022–2023. SEBI (vide Regulation 34(2)(f) of the Listing Regulations and its circular dated 10 May 2021 on 'Business responsibility and sustainability reporting by listed entities' (BRSR Circular)) made it mandatory for the top 1,000 listed entities by market capitalization to include, in their annual report, a BRSR describing the initiatives taken by the listed entity from an ESG perspective. The remaining listed entities may voluntarily submit such reports.

4. CORE LEGAL PRINCIPLES AND THEIR RELEVANCE TO SDG TO ESG INTEGRATION

- Precautionary principle — courts require action to prevent environmental harm even when scientific certainty is absent. This supports precautionary climate and biodiversity measures as part of corporate ESG policies. (See Vellore, A.P. Pollution Control Board[4]).
- Polluter-pays principle & Strict liability — liability for remediation and compensation has been invoked against polluting industries; this creates legal incentives for internalizing environmental costs (an ESG materiality argument). (See Indian Council for Enviro-Legal Action[5]).
- Sustainable development as a constitutional/environmental value — Indian jurisprudence treats environment protection as a part of fundamental rights and public trust, enabling courts to direct corporate/state action in line with SDGs. (See T.N. Godavarman[6] and MC Mehta decisions).

[2] Berchicci, L.; Dowell, G.; King, A.A. Environmental capabilities and corporate strategy: Exploring acquisitions among us manufacturing firms. Strateg. Manag. J. 2012, 33, 3–7
[3] Companies Act, 2013, MCA
[4] AIR 1996 SUPREME COURT 2715
[5] 1996 AIR 1446

- Reversal/burden of proof in environmental harm cases — the courts have shifted evidentiary burdens in favor of claimants, increasing corporate compliance pressure. (A.P. Pollution Control Board[7]).

Vellore Citizens Welfare Forum v. Union of India, (1996) 5 SCC 647 — landmark recognition of precautionary and polluter-pays principles in Indian law; Court directed stricter control over tannery effluents and established the judiciary's role in supervising environmental compliance. Indian Council for Enviro-Legal Action v. Union of India, (1996) 3 SCC 212 — established principles of strict liability for hazardous industries and held polluters liable for remediation and compensation; a cornerstone for remediation obligations that map to ESG "E" liabilities. A.P. Pollution Control Board v. Prof. M.V. Nayudu (Retd.), (1999) 2 SCC 718 — affirmed the precautionary principle and shifted burden of proof; emphasized need for scientific assessment and regulatory precaution. Useful when arguing for corporate due diligence standards under ESG. T.N. Godavarman Thirumulpad v. Union of India, (1997) — expansive forest/conservation jurisprudence; demonstrates judicial willingness to impose structural and institutional remedies to protect ecological resources (relevant to SDG 15 and corporate impacts). M.C. Mehta cases — e.g., Ganga pollution / Oleum gas cases — developed public trust doctrine, absolute/strict liability principles and affirmative remedial orders (injunctions, closure, cleanup funds) — all relevant to forcing corporate change.

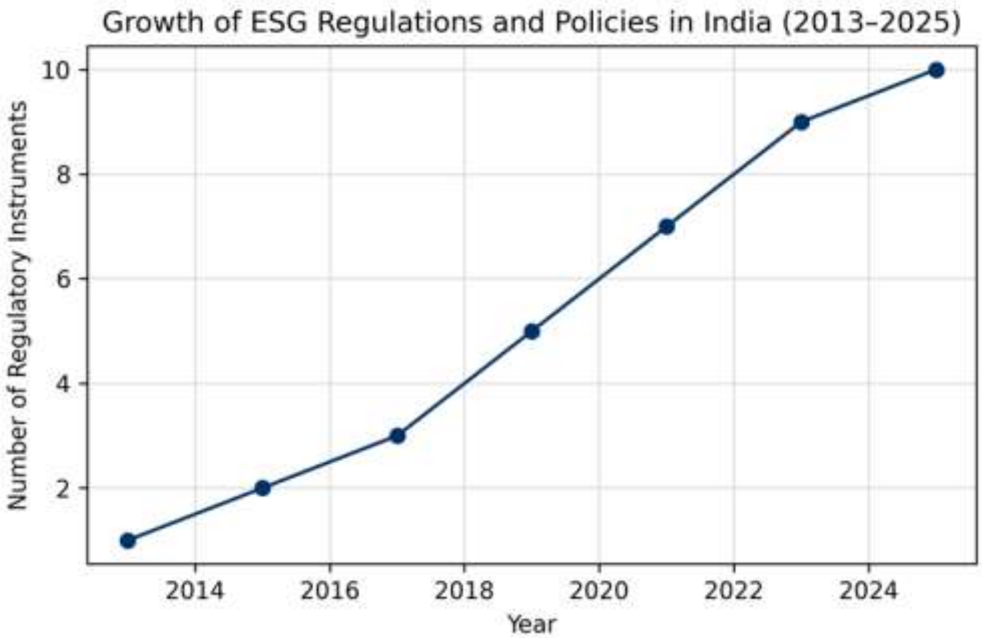

Figure 1 : Growth of ESG Regulations and Policies in India (2013–2025)[8]

This figure illustrates the thematic alignment between the three ESG pillars and selected UN Sustainable Development Goals (SDGs). The Environmental pillar corresponds most strongly with climate, biodiversity, and resource management goals (SDGs 6, 7, 12, 13, 14, 15), reflecting India's policy focus on ecological sustainability.

[6] AIR 1997 SUPREME COURT 1228
[7] 2000 AIR SCW 4573
[8] Ministry of Corporate Affairs (MCA), Government of India; SEBI Circulars on ESG Disclosures (2017–2023)

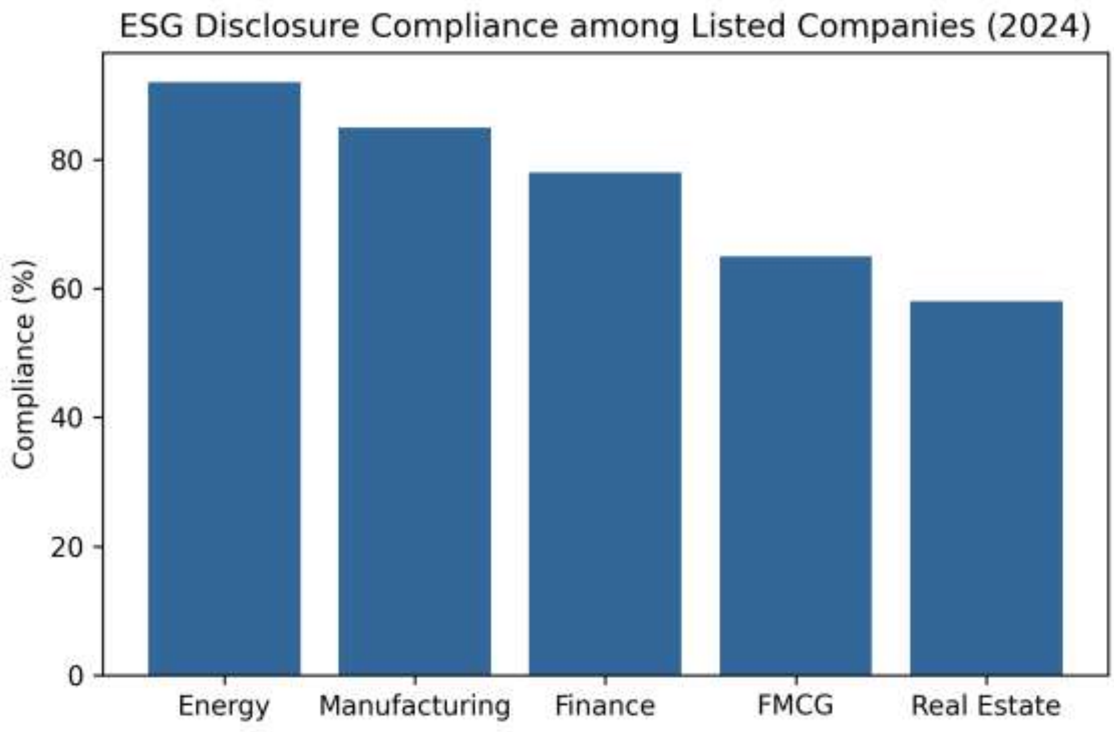

Figure 2 : ESG Disclosure Compliance among Listed Companies (2024)[9]

This timeline tracks the evolution of ESG-related regulatory frameworks in India, from the Companies Act, 2013 (introducing CSR obligations), to SEBI's BRSR framework (2021) and draft ESG rating regulations (2023). The upward trajectory signifies increasing convergence of India's corporate governance regime with global sustainability norms.

5.IMPACT OF CORPORATE SOCIAL RESPONSIBILITY

Nowadays, when corporate social responsibility (CSR) impacts society worldwide, socio-environmental concerns have made significant progress. Corporate Social Responsibility (CSR) is a crucial notion that delineates a company's financial, ethical, and societal obligations. Concurrently, by meeting the social demands of the international communities, CSR also optimizes the value for the stakeholders. Furthermore, companies that deliberately engage in business operations are called environmental CSR practitioners, which helps document CSR's beneficial impact on company performance. CSR compels the organization's entities to pursue ecological responsibility by considering the effects of corporate operations on the environment, including air pollution, intoxicants, and hazardous emissions. This socially conscious approach reduces the environmental impact of businesses by optimizing the use of natural resources.

Stakeholder obligations are also broken down into four areas to help readers fully grasp the CSR idea in this study: CSR to the Environment (CSREN), CSR for Employees (CSREM), CSR to the Community (CSRCO), and CSR to Consumer (CSRCS). An organization may minimize its impact on the environment by effectively controlling the effects of climate change and minimizing waste products, including pollutants, intoxicants, and hazardous emissions. This is known as CSREN. To increase employee satisfaction and involvement and motivate them to exhibit environmentally responsible behavior, CSREM refers to the company's dedication to delivering an eco-friendly environment. The CSRCO also improves the organizations' practices to guarantee the well-being and success of society. Finally, CSRCO illustrates the responsibility of the organization to meet customer social needs.

[9] SEBI Business Responsibility and Sustainability Reporting (BRSR) Dataset, 2023–2024; National Stock Exchange (NSE) ESG Reports

It implies that moral principles, including developing environmentally friendly products, guarantee an organization's prosperity while winning over clients' happiness and trust[10].

In developing nations such as Pakistan, corporate social responsibility (CSR) is still in its infancy, and business models do not incorporate social and environmental obligations. The research indicates that corporate social responsibility (CSR) positively impacts employee loyalty, consumer happiness, and sustainable development. CSR practices and company social performance are positively correlated, according to a current Asian study. One research, for instance, contends that socially conscious communities expand more sustainably than other emerging nations.

6.THE RELATIONSHIP BETWEEN CSR AND ENVIRONMENTAL AND FINANCIAL PERFORMANCE

Previously, companies were evaluated and rated according to their yearly profits. This indicates that internal and external stakeholders had good opinions of companies that made more money. Stakeholders currently evaluate companies according to their CSR. CSR initiatives enhance the environment, which eventually advances the FP of the organization. Many industrial companies in developed nations like China view corporate social responsibility (CSR) as a vital tool for changing business strategies and enhancing financial and EVP performance. CSR increases the financial worth and success of the company. CSR is a sustainability phenomenon that focuses on the economic growth of businesses while enhancing employee efforts to safeguard the environment. The capacity of the company to match its financial performance with the sustainability areas determines the SME's success.

CSR activities benefit global societies and the environment. CSR is significant in creating value for an organization's people, community, and the environment. The ecological effects of CSR broadly affect worldwide manufacturing businesses. The manufacturing industry causes deterioration in environmental conditions by emitting various air pollutants (i.e., dust, smog, gases) during production. Corporate Social Responsibility (CSR) initiatives positively impact communities worldwide and the environment. CSR is essential in promoting sustainable development and ensuring a better future for all. This can contribute to an improved employee value proposition and financial value. Most businesses aim to profit while generating value for their stakeholders[11].

7.INTERSECTION BETWEEN SDG AND ESG

Sustainable development goals (SDGs) and environmental, social, and governance (ESG) issues are becoming increasingly popular and are on people's agendas[12]. SDGs, or sustainable development goals, are global objectives established by the UN. In contrast, ESG, or environmental, social, and governance, is a grading system businesses use to assess their performance in these areas, which is essential to their stakeholders, especially investors.

The United Nations approved the Sustainable Development Goals (SDGs), commonly called the Global Goals, in 2015 as a global call to action to eradicate poverty, safeguard the environment, and guarantee that by 2030 all people will live in peace and prosperity[13]. The 17 established goals aim to eliminate poverty by tackling its underlying causes and ensuring no one is left behind, particularly marginalized and vulnerable populations. Additionally, they stress how urgently we must address climate change and save the environment by switching to sustainable modes of production and consumption.

Rather than focusing just on specific nations, organizations, and individuals, the 17 SDGs are meant to be global. The Sustainable Development Goals (SDGs) aim to eradicate poverty universally while preserving the environment and are the essential

[10] Dhaliwal, D.S.; Radhakrishnan, S.; Tsang, A.; Yang, Y.G. Nonfinandal Disclosure and Analyst Forecast Accuracy: International Evidence on Corporate Social Responsibility Disclosure. Account. Rev. 2012, 87, 723–759

[11] Berchicci, L.; Dowell, G.; King, A.A. Environmental capabilities and corporate strategy: Exploring acquisitions among us manufacturing firms. Strateg. Manag. J. 2012, 33, 3–7.

[12] Xu, G.; Zhuo, Y.; Zhang, Y.; Zhang, J. Will ESG information disclosure increase corporate value? Financ. Account. Commun. 2022, 33–37

[13] Rapsikevicius, J.; Bruneckiene, J.; Lukauskas, M.; Mikalonis, S. The Impact of Economic Freedom on Economic and Environmental Performance: Evidence from European Countries. Sustainability 2021, 13, 2380.

cornerstone for ensuring future economic and corporate progress[14]. They acknowledge that, in collaboration with governments and civil society, the private sector plays a critical role in promoting and funding sustainable development. Given that a world of growing poverty, inequality, and climate change is unsustainable for business, the industry has a unique opportunity to embrace the SDG agenda and acknowledge it as a driver of corporate strategy, innovation, and investment decisions.

In the long run, if natural, social, financial, and capital resources are in danger of disappearing or being depleted elsewhere, businesses might be unable to generate capital. Every SDG denotes a risk area that already poses difficulties for companies and society; if these risks are not properly and successfully addressed, they will only worsen. For instance, supply chains are especially vulnerable to the effects of geopolitical instability (SDG No. 16), inequality (SDG No. 10), climate change and resource depletion (SDG Nos. 12, 13, 14, and 15), and underdevelopment in some regions (SDG Nos. 1, 2, 3, and 4) that restrict the potential of emerging markets.

Investors looking to ensure the sustainability of the organizations make the capital preparations. Since stakeholders hold corporations accountable for their involvement in producing or worsening these risks and, as a result, can keep their social license to operate, addressing these and other risks can make sound commercial sense. As a result, when choosing which enterprises or organizations to invest in, investors pay more attention to environmental, social, and governance (ESG) concerns and evaluate how well the organization has handled them. The third EY Investor Survey from 2017 states that risks related to human rights, climate change, resource scarcity, poor environmental performance, and inadequate corporate governance are potential indications that might influence investors' decisions.

For many years to come, an ESG program has had a positive effect on our company, our society, and the environment. An organization's environmental and societal impact may be envisioned via a robust and significant ESG program, which benefits the company internally and internationally. Establishing environmental targets may be determined by determining our sourcing strategy, cutting down on waste, and lowering our carbon footprint. Using a social impact lens, we can improve employee wellness, create a meaningful diversity program, and bring about long-lasting improvements in our community. Additionally, we can diversify our board, improve corporate ethics, raise stakeholder transparency, and safeguard privacy by laying a solid governance basis.

An ESG vision must align with our organization's current strategy and goals for an ESG program to be adopted and successful. By laying out and sharing this basis, our company will be able to behave authentically, steer clear of "greenwashing," and match the roadmap with our main business goals. As a result, rather than being only a duty, ESG is now a chance to create a more sustainable company and a crucial differentiator to increase relevance and trust with the organization's stakeholders both now and in the future.

From judicial principles to corporate obligations: Precautionary and polluter-pays principles justify mandatory environmental due diligence, internal pollution controls and remediation funds — all of which can be operationalized through corporate policies (E in ESG). Cases such as Vellore and Indian Council provided the doctrinal basis for imposing compensatory and corrective obligations on industry. Disclosure & investor regulation as enforcement lever: SEBI's BRSR channels investor pressure into enforceable listing-related disclosure. Combining SEBI disclosure mandates with judicially enunciated liability creates both carrot (market access) and stick (liability) incentives for firms to align with SDGs. Administrative integration: Environmental regulators (CPCB/SPCB) can require environmental audits and compliance certificates that companies must disclose under BRSR — bridging administrative enforcement with market transparency.

[14] Phan, T.N.; Baird, K. The comprehensiveness of environmental management systems: The influence of institutional pressures and the impact on environmental performance. J. Environ. Manag. 2015, 160, 45–56.

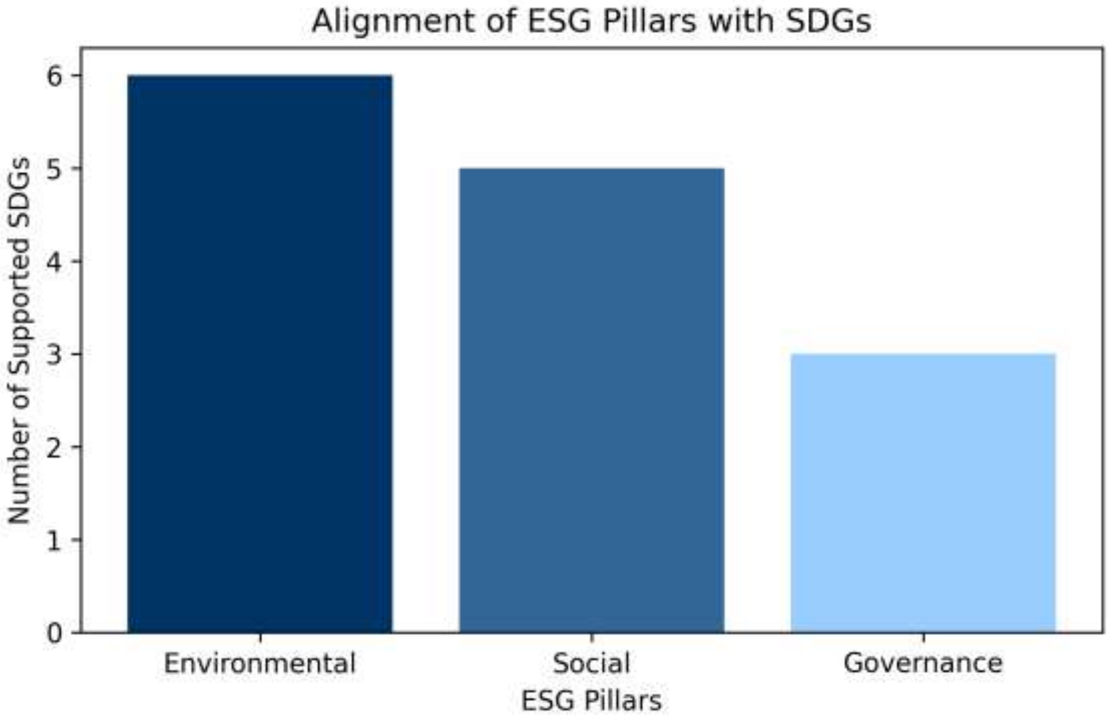

Figure 3 : Alignment of ESG Pillars with Sustainable Development Goals (SDGs)[15]

Sector-wise compliance with SEBI's BRSR disclosure requirements indicates a strong reporting culture in the energy and manufacturing sectors, whereas service-oriented industries such as real estate and FMCG lag behind. The uneven compliance landscape highlights the need for standardized ESG assurance frameworks

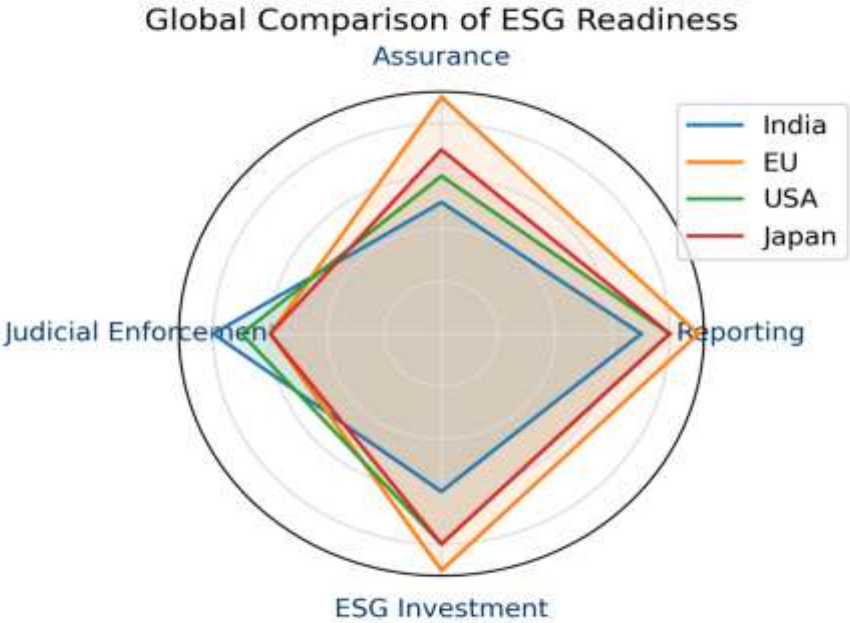

Figure 4: Global Comparison of ESG Readiness[16]

[15] Compiled by Author from UN Sustainable Development Goals framework (UNDP, 2020) and SEBI's Business Responsibility and Sustainability Reporting (BRSR) Guidelines, 2021.

The radar chart compares India's ESG readiness indicators against the European Union (EU), the United States (US), and Japan. India demonstrates judicial and regulatory strength but lags in assurance standards and ESG investment ecosystems—indicating a legal, rather than market-driven, sustainability model.

8.CHALLENGES RELATED TO ESG COMPLIANCE IN INDIA

It's possible that a large number of Indian businesses lack the means or knowledge necessary to incorporate ESG principles into their daily operations. Due to the limited publicly available data on ESG variables for firms in India, investors may need help to assess ESG performance and make well-informed investment choices.

India's regulatory framework isn't wholly established or implemented to guarantee ESG adherence by businesses. This might result in a need for more openness and accountability in business procedures. Due to the diversity of Indian culture, several conventional business methods might not align with ESG guidelines. For companies to successfully implement ESG policies, they may need to manage certain cultural obstacles. Limited Investment alternatives with a particular emphasis on ESG Issues: It may be challenging for investors in India to ultimately include ESG concerns in their decision-making process due to the need for more investment alternatives with a particular emphasis on ESG issues.

Companies, investors, and regulators must all be more aware of the significance of ESG elements for sustainable and ethical investing if they are to encourage the adoption of ESG in India. To help investors assess companies' ESG performance more accurately, Indian businesses should disclose ESG elements more thoroughly and uniformly. India's regulatory framework has to be improved to encourage more ESG compliance from companies. This might entail tightening legislation enforcement, creating more transparent ESG standards, and imposing more stringent reporting requirements[17].

9.IDENTIFIED GAPS & LITIGATION RISKS THAT AFFECT SDG→ESG TRANSLATION

- **Mismatch between soft guidance and hard obligations:** NGRBC is guidance; unless translated into statute/rules or incorporated into SEBI/Companies Act obligations, it remains non-binding. Courts can enforce principles but cannot substitute for regulatory clarity in corporate law.
- **Greenwashing & disclosure quality:** Mandatory BRSR creates reporting obligations, but enforcement of accuracy and materiality remains a challenge. Judicial remedies for misleading sustainability claims are nascent.
- **Regulatory overlap & capacity constraints:** SPCBs/CPCB enforcement capacity and coordination with securities regulators can be weak. Judicial orders fill gaps, but ad hoc judicial supervision is not a substitute for systemic regulatory architecture.

[16] OECD ESG Policy Review (2023); World Economic Forum Global ESG Report (2024)
[17] Shen, N. The threshold effect of environmental regulation on the impact of regional technological innovation. China Popul. Resour. Environ. 2012, 22, 12–16.

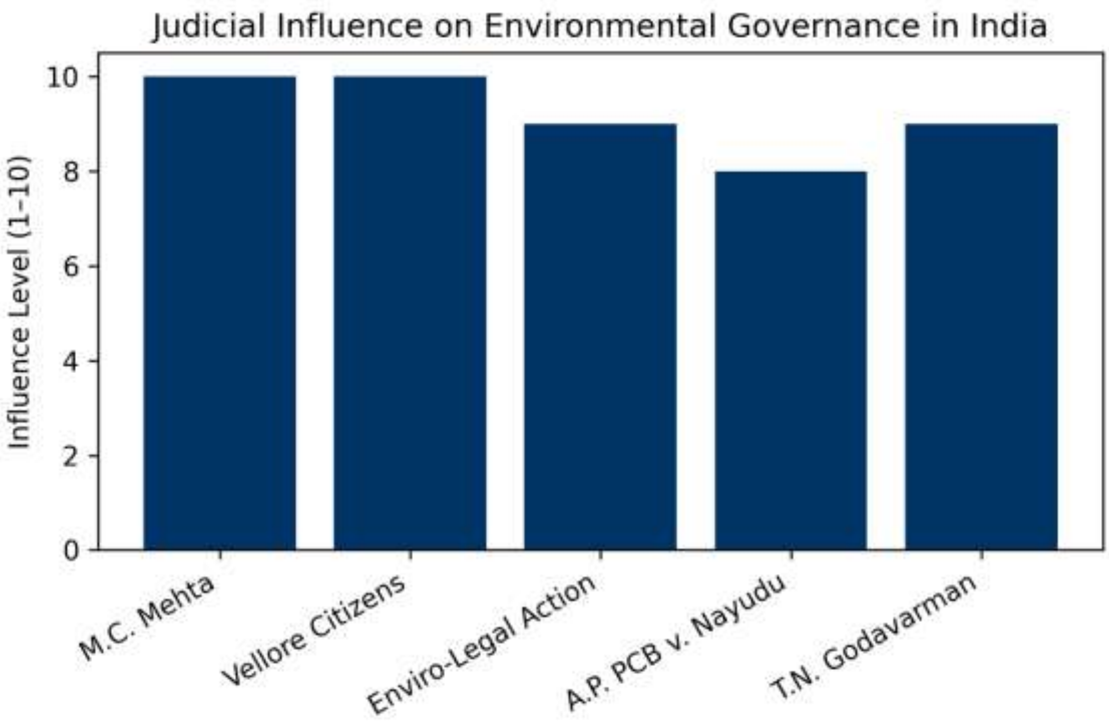

Figure 5 : Judicial Influence on Environmental Governance in India[18]

Landmark judgments such as M.C. Mehta v. Union of India (1987) and Vellore Citizens' Welfare Forum v. Union of India (1996) established core environmental principles—absolute liability, precautionary principle, and polluter-pays—forming the legal foundation for ESG governance in India.

10.RECOMMENDATIONS

a. **Statutory Recognition of ESG Obligations :** To ensure enforceability, ESG responsibilities must move beyond voluntary disclosures and be anchored in statute. An amendment to Section 166 of the Companies Act, 2013, which outlines the duties of directors, should explicitly include the obligation to consider environmental and sustainability impacts in corporate decision-making. This would align with the constitutional mandate under Articles 48A and 51A(g) and judicial interpretations in Vellore Citizens Welfare Forum v. Union of India[19], where the Supreme Court held that sustainable development and environmental protection form integral parts of the right to life under Article 21. By embedding ESG obligations in directors' fiduciary duties, India would emulate international models such as Section 172 of the UK Companies Act, thereby creating a statutory duty of "sustainability stewardship."

b. **Mandatory ESG Due Diligence under Environmental Law :** Under the Environment (Protection) Act, 1986, the central government may issue rules requiring high-impact industries to conduct periodic Environmental and Human Rights Due Diligence (EHRDD). This mechanism should compel enterprises to identify, prevent, and mitigate environmental and social risks across their value chains. The jurisprudence in A.P. Pollution Control Board v. Prof. M.V. Nayudu[20]underscores the precautionary principle as a core decision-making standard. Codifying due diligence obligations operationalizes this judicially recognized duty into a forward-looking compliance regime consistent with SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).

c. **Strengthening SEBI's BRSR and ESG Disclosure Mechanisms:** The Securities and Exchange Board of India (SEBI) has already mandated Business Responsibility and Sustainability Reporting (BRSR) for the top 1,000 listed companies through its

[18] upreme Court of India Environmental Jurisprudence Database; SCC Online Reports; Author's Analysis
[19] (1996) 5 SCC 647
[20] (1999) 2 SCC 718

circular SEBI/HO/CFD/CMD-2/P/CIR/2021/562. However, these disclosures largely remain descriptive and unaudited. SEBI should therefore: Introduce penal provisions for false or misleading ESG reporting, treating such acts as a form of market misrepresentation under the SEBI (LODR) Regulations; Mandate third-party assurance for key environmental indicators such as greenhouse gas emissions, water use, and waste management; Encourage ESG-linked executive remuneration, thereby embedding sustainability performance within corporate incentive structures. Such measures would strengthen transparency and align corporate governance practices with SDG 16 (Strong Institutions) and SDG 17 (Partnerships for the Goals).

d. **Board-Level ESG Oversight :** Corporate sustainability must be institutionalized at the highest level of governance. All listed companies should be required to establish a Board Committee on ESG and Sustainability, vested with the responsibility of approving sustainability targets, reviewing BRSR disclosures, and monitoring compliance with national environmental norms. The National Guidelines for Responsible Business Conduct (NGRBC), issued by the Ministry of Corporate Affairs in 2019, may serve as a guiding framework. This recommendation directly translates the principle of accountability emphasized by the Supreme Court in M.C. Mehta v. Union of India[21] (Oleum Gas Leak case), which recognized that industries bear absolute liability for environmental harm resulting from their operations.

e. ESG-Linked Corporate Social Responsibility (CSR) : The CSR regime under Section 135 of the Companies Act should be restructured to align CSR activities with SDG and ESG objectives. Companies should be required to explicitly map their CSR expenditures to SDG indicators, for example, promoting clean energy (SDG 7), water sanitation (SDG 6), or biodiversity protection (SDG 15). The Ministry of Corporate Affairs could maintain a national CSR–SDG registry, promoting transparency and impact measurement. This would also revive the principle of community compensation endorsed in Indian Council for Enviro-Legal Action v. Union of India[22] where the Court emphasized the obligation of industries to remediate environmental damage.

f. ESG-Based Liability and Greenwashing Regulation : To prevent greenwashing, misrepresentation in sustainability disclosures should attract liability under Section 447 of the Companies Act, 2013 (fraud) and SEBI's Prohibition of Fraudulent and Unfair Trade Practices Regulations, 2003. Further, a separate "ESG Misrepresentation" clause may be introduced to enable investors and consumers to seek remedies for false environmental claims before SEBI or the Central Consumer Protection Authority. Judicial precedents such as Vellore and Indian Council for Enviro-Legal Action justify imposing strict liability for ecological harm, and these principles can logically extend to deceptive ESG disclosures that mislead investors and regulators.

g. Environmental Reparations and Restoration Fund : In line with the "polluter-pays" doctrine, Parliament may create a statutory Environmental Reparations Fund, drawing from fines imposed by the National Green Tribunal (NGT) and the Central Pollution Control Board (CPCB). Funds can be earmarked for restoration projects in affected ecosystems or communities, directly contributing to SDG 15 (Life on Land). The concept draws from Indian Council for Enviro-Legal Action (supra), where the Court ordered polluting industries to bear the cost of environmental remediation.

h. Judicial and Institutional Coordination : There is a pressing need for a coordinated institutional architecture linking the judiciary, environmental regulators, and market regulators. An inter-ministerial "National Council on ESG and SDG Compliance" comprising representatives from the MoEFCC, MCA, SEBI, NITI Aayog, and CPCB could be established. This body should monitor progress on SDG-linked legal reforms, develop unified ESG taxonomies, and oversee the publication of an annual SDG–ESG Convergence Report. Additionally, the National Green Tribunal should be empowered to consider ESG data and corporate sustainability reports while determining liability or remediation orders, ensuring judicial decisions are informed by corporate-level environmental performance.

i. Digital Transparency and Data Integration : A centralized digital ESG Disclosure Portal should be developed under the MCA21 framework, consolidating data from SEBI's BRSR filings, CSR reports, and NGT compliance orders. This public database would enable regulators, investors, and citizens to assess corporate contributions to the SDGs, strengthening

[21] M.C. Mehta v. Union of India [(1987) 1 SCC 395]
[22] Enviro-Legal Action v. Union of India [(1996) 3 SCC 212]

transparency and accountability. Such an initiative aligns with SDG 16 (Peace, Justice and Strong Institutions) by improving access to information and reducing asymmetries in sustainability reporting.

j. Incentives for ESG Leadership : Beyond regulation, incentive-based mechanisms can foster proactive compliance. The Ministry of Finance and SEBI could collaborate to develop green tax credits or ESG-linked financing instruments for companies achieving measurable sustainability benchmarks—such as carbon intensity reduction or renewable energy adoption. Banks could offer preferential lending rates for firms with verified BRSR scores or ESG certifications, integrating sustainability into capital allocation.

Table 1 SDG and ESG Interlink

Category	**Key Proposal**	**Linked SDGs**	**Linked ESG Pillar**
Regulatory Reform	Mandatory ESG due diligence under EP Act	12, 13, 15	Environmental
Corporate Governance	Board-level ESG Committees	8, 9, 12	Governance
Judicial Integration	ESG-based liability for greenwashing	16	Governance
Policy Coordination	National ESG–SDG Council	17	Cross-cutting
Data & Transparency	Public ESG Data Portal	16	Governance
Incentives	Green tax credits & ESG-linked finance	9, 13	Environmental & Economic

11.CONCLUSION

Invest in funds with an ESG focus. The consideration of ESG aspects is a priority of some investment funds. You can use this money to invest in businesses dedicated to sustainability and ethical business conduct. Encourage companies who are dedicated to achieving the SDGs. Choose companies advancing the SDGs whether you travel, buy, or dine.

Participate in your local community. Making an impact in your community may be achieved in various ways. Support policies that advance the SDGs by advocating for them, giving to local organizations, or volunteering your time. Another difficulty for businesses implementing new sustainable strategies and overhauling their operations to satisfy SDG targets and ESG considerations is "Collecting and Pooling of data."

The centralization and sharing of data from different department's operation teams, particularly in a multisite setting, will be made possible by a digital platform. This will make it easier to monitor data via dynamic dashboards that are updated in real-time. As a result, businesses can effectively and diligently track their actions concerning the chosen SDG objectives and ESG issues. This may be used for social impact monitoring (accident reporting and accident rates, employee well-being, community investment, etc.) and environmental impact monitoring (waste management, water management, greenhouse gas emissions, carbon footprint reduction, energy efficiency, etc.).

Digital technology may also offer self-assessment modules, crucial resources for businesses examining their social and environmental responsibility performance. These modules allow a corporation to self-assess and fulfill the precise standards defined by frameworks like ISO 14001 or ISO 26000. The organization may link evidence to every criterion using a specialized tool, making it easier to gather and provide the required assessment data. Businesses may take focused corrective action to improve their practices by using this systematic and documented methodology, which gives them a clear awareness of their sustainability strengths and shortcomings.

Ultimately, Power BI makes sustainability reporting and the graphical display of the required data for disclosure simple and less time-consuming. The report is automatically generated, distributed to all parties involved, and made accessible for public comment. Businesses need help implementing sustainable practices and operations. Companies that implement an ESG strategy will be able to meet both the 2030 target and the SDGs established by the UN. As a result, it is now imperative for businesses to change their operations and activities to become more sustainable since this strategy has become critical for ensuring consumer happiness. Using a digital tool goes one step further in a paperless environment in the modern era when environmental, social, and governance (ESG) has become vital to every corporate strategy.

In essence, India's transition from SDGs to ESG must rest upon a "legal ecosystem approach"—one that integrates environmental jurisprudence, statutory duties, and market regulation. The Supreme Court's jurisprudence in Vellore, A.P. Pollution Control Board v. Nayudu, and Indian Council for Enviro-Legal Action provides a robust normative foundation for embedding sustainability into law. The regulatory initiatives of SEBI and the MCA, if strengthened through statutory backing and enforcement mechanisms, can ensure that corporate sustainability is not a matter of voluntary compliance but a legal and fiduciary duty. Such reforms will transform India's environmental governance from reactive pollution control to proactive sustainability stewardship, ensuring that ESG principles become the operational vehicle for achieving the SDGs in both law and practice.