

# **AN ANALYSIS OF THE COMPLEX FRAMEWORK OF CORPORATE ACCOUNTABILITY AND SUSTAINABLE DEVELOPMENT FROM THE PERSPECTIVE OF ENVIRONMENTAL DEGRADATION IN THE INDIAN SCENARIO**

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## **ABSTRACT**

*Corporate environmental accountability is becoming a burning issue of legal and governance concern in India as there is a rapid increase in industrialisation and environmental degradation. Despite the presence of a deep statutory and judicial system, the corporate actions that harm the environment keep disrupting the sustainable development goals. In this paper, the author is going to analyze the relationship between corporate accountability and the environmental degradation and the sustainable development in the Indian legal environment as a complex. The research has a doctrinal legal research approach and examines the provisions of the constitution, environmental laws, court decisions, and international environmental obligations that India has made. It sharply assesses regulatory loopholes, enforcement issues, corporate disclosure processes and the changing role of courts like the National Green Tribunal. The examination indicates that ineffective enforcement systems, disjointed governance, and insufficient transparency, as well as compliance-based corporate conduct, have a major influence on undermining the efficacy of current legal frameworks. This paper suggests that effective corporate responsibility needs an increased regulatory control, improved reporting on the environment, clarity in the doctrine of corporate responsibility, and alignment of domestic adoption with international sustainability requirements.*

**Keywords:** Corporate Accountability, Environmental Degradation, Sustainable Development, Environmental Law, India.

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## I. Introduction

The trend of economic direction of the 21<sup>st</sup> century in India can be defined by resource intensive constantly accelerating pace of industrialization, active urbanization and continuously growing dependence on the developmental paths. Although these processes have contributed hugely to the growth of the national GDP and have enhanced the infrastructural capacities and generated a significant number of jobs, the processes have also contributed to the growth of environmental degradation to an unprecedented rate. Emission by industries, deforestation, water contamination, loss of biodiversity, unsafe dumping of wastes, and the disruption of the ecological rhythms have become a serious threat to the sustainable development agenda of India. The rate at which the world is experiencing environmental degradation is increasing rapidly and there is a great demand to have a holistic approach that brings on board economic growth and the protection of the environment.

In this respect, the concept of Corporate Environmental Responsibility (CER), has been introduced into the governance discourse in India. CER is mandatory to the corporations to recognize their ecological footprint and adopt sustainable modes of functioning and mitigate environmental harms that are inflicted by industrial activity. The Government of India long-term development plan *Viksit Bharat 2047* that is built on sustainable growth, green development, and environmental custodianship has improved the applicability of CER (Ganesh and Venugopal, 2024). There will be no possibility of sustainable development, which is premised on the harmonious relationship between economic growth, the environment and the well-being of the society in the absence of corporations that have sound accountability systems, using green technologies and environmental justice.

Although, there are efficient laws on environment such as Environment Protection Act 1986, Air and Water Acts, Forest Conservation Act 1980, Companies Act 2013 (CSR provisions) and introduction of institutions such as National Green Tribunal (NGT), there are major structural gaps in the environmental governance of India. The inefficiency of the enforcement mechanism, bureaucratic dispersion, absence of transparency, political intrusion, ineffective corporate disclosure schemes as well as inadequate adherence have restricted the effectiveness of legal and institutional interventions (Sethi & Sahu, 2025).

This paper has critically evaluated the changing nexus between the issues of corporate accountability, the issue of environmental degradation and the issue of sustainable development

in India. The analysis will look at the problem of regulatory loopholes, the lack of checks and token corporate involvement based on legal structures, the judicial cases, policy initiatives, internationally based initiatives and literature relating to the Indian environmental sustainability goals to discredit them.

## **II. Identification of Statement of the Research Problem**

In India, the environmental degradation caused by corporate activities has persisted in the country despite the existence of elaborate environmental laws and the judiciary intervention. The weaknesses in the regulations, the lapses in enforcement, and the lack of transparency in corporations pose great questions on the effectiveness of the current accountability mechanisms. The paper touches upon the legal and institutional weaknesses that impede sustainable development, discussing the way the corporate environmental responsibility is governed, exercised, and understood in the Indian Legal System.

## **III. Research Methodology**

The approach to legal research used in this study is a doctrinal one. The main sources to be used are the constitutional provisions, the laws, rules and judicial rulings of Supreme Court of India and National Green Tribunal. Academic literature, policy reports, and international environmental instruments are secondary sources. The studies examine the statutory interpretation, judicial reasoning, and regulatory practices to determine the efficiency of corporate environmental accountability in ensuring sustainable development.

## **IV. Analysis and Findings of the Research**

### *A. Evolution of Corporate Environmental Responsibility in India*

This evolution of the Corporate Environmental Responsibility in India may be regarded as the shift between the philanthropic practices and the arrangement of the government. In the traditional sense, the concept of CSR in India has been largely associated with the element of charity, philanthropy and social good. Environmental protection was a peripheral issue to corporate policy models until the beginning of the 2000s (Chahoud et al., 2007). However, the growing ecological disasters, urban air pollution, river pollution by industries, the sale and consequent loss of ground water in large quantities, colossal soil deterioration, etc., required higher level of corporate intervention in the ecological preservation.

Another factor that influenced the attitude of India towards CER significantly was the international environmental movement. Rio Earth Summit, Agenda 21, Kyoto Protocol and Paris Climate Agreement and the implementation of the UN Sustainable Development Goals (SDGs) have compelled corporations to take the environmental policies into account as a component of their long-term strategies. Additionally, new regulatory fashions such as mandatory CSR spending in Company Act 135 gave the companies a binding format of corporate responsibility, however, this was just obligatory to the companies that met certain requirements.

Nevertheless, CER has a biased and limited coverage in India. There are also companies that restrict their environmental program to compliance based models or token CSR programs instead of sustainability being the business model. Jha and Rangararajan (2020) also claim that Indian companies apply more reactive than proactive environmental engagement, addressing ecological concerns because it is essential to avoid penalties or meet disclosure requirements.

Other challenges affecting the growth of CER in India include: Voluntary reporting culture, where environmental disclosures lack standardisation and independent verification. Limited corporate awareness, especially in small and medium enterprises, regarding long-term ecological risks.

Insufficient technological capabilities to adopt cleaner production methods. Cost-centric corporate perspectives, where sustainability initiatives are perceived as financial burdens rather than strategic assets.

Nevertheless, within these constraints, CER in India has experienced substantial growth over the last few years because of judicial activism, civil society, investor preference on sustainable portfolios and market demands due to globalization. Nevertheless, there is still a lot to be done to transform CER into a business process and a strategic decision-making tool.

## 1. Regulatory Framework for Corporate Accountability in Environmental Protection

India has already developed a robust statutory framework aimed at regulating the industrial pollution and enforcing corporate responsibility. Some of the principal legislations include the Environment Protection Act 1986 that has been adopted following the Bhopal Gas Tragedy, and which is an umbrella that includes environmental regulation. This is accompanied by the Water (Prevention and Control of pollution) Act 1974, Air (Prevention and Control of pollution) Act 1981, Hazardous Waste Management Rules that are applicable in some aspects

of the protection of the environment. All these laws put in place allow the central and State Pollution Control Boards to supervise, manage and monitor the industrial operations.

The national green tribunal act 2010 further optimized the whole regulatory ecosystem by establishing an exclusive tribunal, which must adjudicate and punish environment violators besides applying the principle of polluter pays precautionary principle and sustainable development. The judiciary has been interfered with by cases, such as MC Mehta v. Vellore Citizens Welfare Forum v. Union of India. The responsibility of high corporate accountability towards preventing ecological damage has been reinforced by union of India. Regardless of that, despite such a complicated legal order, there are systematic gaps in implementation. Empirical studies suggest that there is a failure to work in environmental enforcement agencies due to: Severe understaffing and budgetary limitations, restricting monitoring capacity. Outdated pollution standards, which fail to align with contemporary industrial technologies or international best practices. Weak inter-agency coordination, leading to fragmented environmental governance. Corruption and political interference often allow non-compliant corporations to evade responsibility. Ineffective penalties, where fines imposed on polluting industries are too nominal to deter violations (Sethi & Sahu, 2025).

The second issue is the lack of mandatory environmental audits of a significant part of the industry. Any self-reported environmental compliance usually leads to under-reporting or distorting information because the regulatory bodies do not have a system of independent verification. Therefore, although the legal structure seems detailed on paper, its implementation is poor, which is a major limitation to its potential to protect sustainability of the environment.

## 2. Corporate Accountability and Its Link to Sustainable Development Goals (SDGs)

The 2030 Agenda of Sustainable development in India involves the corporates actively in implementing SDGs about the environment. The corporate accountability has direct impacts on several SDGs such as:

SDG 6: Clean Water and Sanitation

SDG 7: Affordable and Clean Energy

SDG 12: Responsible Consumption and Production

SDG 13: Climate Action

SDG 15: Life on Land

The corporations will also have to introduce the low-carbon technologies, reduce the number of emissions, improve the energy-efficiency, follow the waste-management norms, introduce the water-saving programs and promote the introduction of a circular economy. Van Tulder (2018) says that firms should align their strategies with SDGs as a way of remaining competitive in a new global marketplace that has embraced sustainability.

Corporate participation in SDGs in India, however, is, in most cases, symbolic and disclosure-based, rather than transformative in nature. According to Jha and Rangarajan (2020), most of the big Indian firms mention SDGs in their sustainability reports and do not translate their commitments into measurable environmental outcomes. The focus tends to remain on: Providing CSR funds to environmental projects, Sponsoring tree-plantation programmes, publishing sustainability reports with limited third-party verification. These attempts, despite being useful, seldom examine the impacts of the industrial processes on the environment that are structural. Besides, SDG framework requires cross-sectoral collaboration, yet the Indian corporations typically operate in autonomy that is not related to the civil society, academic institutions and government agencies. This discourages the effectiveness of SDGs implementation and limits innovation. However, it is becoming clearer that SDG compatible corporate behavior can create a long-term value due to the reduction of regulatory risks, enhanced investor confidence, enhanced brand reputation, and resilience to climate-related shocks.

#### *B. Transparency, Environmental Reporting and Corporate Disclosure Mechanisms*

Good corporate accountability has its basis on transparency that is quite fundamental in the environmental sector where the consequences of industrial operation are often in repair. In India, the disclosure of the environment is still not well developed as the reporting standards are still inconsistent with most of the sectors being voluntary and not always revealing the surface disclosures. Although, the Business Responsibility and Sustainability Report (BRSR), a requirement by SEC board of India (SEBI) to the top 1,000 listed companies is an initiative that is taking the form of a formal disclosure of the environment, its performance is low. SMEs that constitute a huge stature of the pollution level in any given country are not subjected to the mandatory disclosure system. This is an exception that assists most of the industries that pollute the environment to operate without standardized reporting and open supervision (Ray, 2013). The Indian practices of environmental reporting are more inclined to demonstrate the absence of connection between the corporate policies and corporate performance in terms of the

environmental aspects. Most of the companies choose to promote the positive efforts in sustainability, such as tree-planting, CSR spending or community ecological projects but avoid advertising the facts about high emissions, hazardous waste disposal, violation of environmental regulations or potential lawsuits. This selective reporting can be facilitated by the fact that they have no standard environmental audit system and that there is no third-party verification mechanism and lead to exaggerated or false sustainability claims. This is because, according to Utting and Clapp (2008), the spread over corporate reporting culture is now struggling with the issues of greenwashing where companies are creating the impression of being environmentally friendly without necessarily undertaking meaningful actions that would alleviate the environmental iniquity.

Besides the process of Environmental Impact Assessment (EIA) in India which was supposed to introduce transparency in the stage of project-approval has been greatly criticized because of the absence of proper participation of the people, bureaucracy and inappropriate evaluation methods. The section of the draft EIA Notification 2020, which suggested post-facto approvals and relaxation of the reporting requirements, in other words, undermined the clarity and control of the populace. These reforms would make environmental governance even weaker as it would offer additional flexibility to corporations at the expense of environmental protection in the event they are put into play (Kunj, 2024).

The other significant drawback is a lack of a robust digital monitoring system. The self-reported data which is normally understated and submitted by the industries is applicable to central pollution control board (CPCB) and state pollution control boards (SPCBs). Studies show that the online continuous emission monitoring systems (CEMS) even when compulsory to certain industries have the issue of calibration, intentional tampering, and uneven data streams (Sethi and Sahu, 2025). Besides, the regulatory bodies are technically unable to verify the legitimacy of the mentioned emissions or inculcate periodic site checks due to the lack of personnel and resources.

Transparency can be enhanced by civil society and media in an influential way. The main drivers of corporate accountability have been investigative journalism, litigations which are usually driven by public interest, and environmental activism. Borah et al. (2024) also note the importance of mass media in highlighting ecological offences and mobilization of the opinion, particularly in ecologically prone areas. The availability of corporate environmental

information is, however, few and far between, and regulatory authorities lack any centralized and publicly available databases that will detail the compliance history of industrial entities.

A comprehensive improvement in transparency therefore requires: mandatory environmental reporting for all medium and high-impact industries; independent third-party environmental audits; strengthened digital monitoring infrastructure; wider public access to environmental data; and

strict penalties for non-disclosure or misrepresentation. Without transparency and verifiable reporting mechanisms, corporate environmental responsibility will remain performative rather than transformative.

### *C. Judicial Activism and the Role of the National Green Tribunal (NGT)*

Judicial activism has proved to be of invaluable value in the environmental governance field in India. The experience has seen the courts step into rectifying the administrative malfunction of enforcing environmental rights as well as imposing strict liability to the polluting industries. Court cases- MC Mehta v. Famous court cases of the Supreme Court. Meco Environmental Ltd. vs. the Indian council enviro-legal action. Union of India. Citizens Welfare Forum v. Vellore. Vellore Citizens Welfare Fund Union of India. Union of India--came up with general principles of environmental protection like the principle of polluter-pays, precautionary principle and the doctrine of the public trust. These court values helped a lot to enhance the degree of vigilance on business operation and supported the constitutional need of the state and corporations in protecting the environment according to Articles 21 and 48A and 51A (g).

The institutional development that made the biggest positive step ahead was also the signing of the National Green Tribunal (NGT) as an institution under the NGT Act 2010 as it provided India with a dedicated quasi-judicial institution to deal with environmental matters 24/7. The cases to be processed by the NGT should be related to environmental protection, forests conservation, and compensation of the victims of pollution and ecological degradation. What it has done has been rather strict in its ruling, ordering closure of very polluting industries, issuing massive financial penalties and requiring total environmental reform.

The action it has taken in the case of the Sterlite Copper Plant in Tamil Nadu, the extraction of sand illegally in Uttar Pradesh, the pollution of the Yamuna River and compliance with air-quality standards in Delhi is an example of how it is making corporations responsible to the environmental degradation. This has compelled companies to adopt the best compliance

policies whereby the companies have introduced pollution control and the execution of environmental clean-up.

However, the NGT has grave shortcomings despite the progressive stance. The enforcement power of the Tribunal is extremely weak and even a few of its orders have been sabotaged by non-enforceability of the state governments, bureaucracy or politics. Judicial orders and ground level enforcement apparently have a loose end since even explicit decree to close industries lead to operation of industries. According to Hariram et al. (2023), non-cooperation by the administration, non-coordination between central and state agencies, and delay in compliance monitoring are some of the bottlenecks in the environmental adjudication system.

The other disadvantage is that of the overworking of the NGT that is handling a broad range of cases with a limited number of judicial members. Any appeals to overturn NGT order can be brought before the Supreme Court, and this can result into prolonged litigation that will allow industries to remain unchecked. The statute provisions also limit the jurisdiction of the Tribunal in that the Tribunal would not be able to handle some categories of cases concerning the environment.

#### *D. International Commitments and India's Global Environmental Obligations*

The participation in the international environmental agreements and global sustainability efforts is influential in the environmental governance system of India. As a signatory to the United Nations Framework Convention on climate change (UNFCCC), the Kyoto protocol and the Paris Agreement, India has had a role to play in terms of ensuring that greenhouse gas emissions are minimized, enhancement of adaptive capacities, and implementation of sustainable technologies and conservation of biodiversity. The new Nationally Determined Contributions (NDCs) of the Paris accord in India present a few ambitious targets including the intensity of future emission, 50 percent cumulative electric power installed capacity of non-fossil fuel-based sources by the year 2030 and introduction of more carbon sinks through extension of forest and tree cover.

These commitments directly but with high obligations on corporate entities which are major contributors to country emissions and drain of resources. To meet the objectives of the global climate, businesses must use low carbon technologies, consume less energy, reduce industrial waste, use renewable sources of energy, and use cleaner production methods. As it is stated by Singh and Debnath (2012), the idea of sustainable development in India is significantly

connected with the ability of industries to adopt the global environmental standards into the local implementation and create a balance between economic modernization and environmental responsibility. India is also a participant in such international initiatives as UN Sustainable Development Goals (SDGs), Sendai Framework on Disaster Risk Reduction, the Convention on Biological Diversity (CBD) and Basel Convention on hazardous waste. Such systems include environmental protection, sustainable reporting, and production. Using the SDG 12 on responsible consumption and production as an example, industries are by direct goals required to ensure ecological footprint is lowered through efficiency in resource consumption, waste minimization, and sustainable chains of supply. Despite these being the commitments, there remains partiality and inconsistency between international commitments and domestic practices of corporations. Many of companies believe that global environmental standards are a dream and not an obligatory action and therefore take the bare minimum in altering their production patterns. The sustainability systems are also voluntary in nature, further limiting the liability of corporations since they lack any enforceable elements that make corporations adhere to it (Jha & Rangarajan, 2020).

Issues of scarce finances and technology are also a problem that deters development. Green revolution is also associated with massive capital outlay, which the companies, particularly, the SMEs cannot afford in India. International arrangements facilitate technology transfer and climate financing, but India continues to be experiencing limited access to the resources. According to Hariram et al. (2023), corporations are unable to implement sustainable alternatives when they are ready to do it unless they have adequate financial support and technological help.

The other significant loophole is the interpretation of international commitments into domestic laws. Even though environmental laws in India are vast, they are not always obligatory in the international agreements that is why they are applied in parts. There is a need to promote coordination to ensure that the world commitments on climate made by India are fully integrated into national regulation systems and corporate governance mechanisms. Regardless of these stumbling blocks, there is an upward pressure on Indian corporations due to the mounting pressure of the global markets, international investors and international sustainability standards which are slowly increasing the responsibility of companies in India. Social, Governance and Environmental (ESG) standards have also become a power determinant of

corporate behavior and worldwide investors are increasingly becoming fond of companies that portray good environmental performance.

The international environmental commitments of India therefore serve as a guiding model and a moral obligation to the corporations and therefore require the corporations to change their modal of operation and adjust to the international standards of sustainability. Nevertheless, the actual development needs a closer domestic regulatory system, more technological innovations, and financial processes that will allow companies to shift to sustainable growth.

#### *E. Socio-Cultural, Economic and Political Factors Affecting Corporate Behavior*

The corporate environmental behaviour in India is shaped by a complex amalgamation of socio-cultural demands, economics, politics and communication at the community level. Unlike the Western world, in which the trends toward environmental activism and green consumerism require an enormous influence on the consumer decision-making process of a corporation, the socio-cultural setting in India represents an uneven and uneven distribution. The environmental awareness has largely been in the cities, in the schools and civil societies, but the rural and peri urban communities are greatly bothered with their livelihood and financial stability rather than the environment. It is also a significant impact of corporate behavior since in economically underdeveloped regions, industries are rare to face resistance to environmental unfriendly behaviors (Borah et al., 2024).

Social-cultural factors of corporate behaviour also influence the levels of environmental awareness of the various states. Southern and Western Indian states such as Kerala, Tamil Nadu, Karnataka and Maharashtra are more environmental in their activities, their civil society organizations are

more active, and the media are more sensitive. Therefore, firms operating in these states have higher chances to be more responsible regarding environmental conduct or, at least, more eager to comply with the standards to ensure that the legislation is followed by the population due to the control that the population conducts. On the other hand, less-literate states having worse institutional capacity and access to environmental information often possess a pollution-intensive industry that in part is caused by companies that decide that the risks of popular resistance and government intervention are low (Tanwar & Poply, 2024).

The economy of the country also has a direct influence on the corporate environmental behaviour in India. The environmental sustainability remains to be often marginal as the

developmental model of the country is traditionally based on accelerated industrialization, developing the economy, and providing employment. Clusters of the chemical industry, mining industry, thermal power industry, textile industry and fertilizer industry are Gujarat, Uttar Pradesh, Maharashtra and Chhattisgarh where numerous of them are situated with high levels of poverty. The industries tend to be a significant wage earner to the locals and therefore environmental destruction is just being swept under the carpet in support of economic security. Ray (2013) states that the most prevalent reason that renders the voice of the community ineffective is economic vulnerability, which permits corporations to exploit loopholes in regulations and evade responsibility.

The cost of implementation of greener technologies also determines corporate decisions. The conversion to a cleaner production, renewable energy, and waste management technology or emission- control device involves significant capital expenditure. The financial capability of most of the Indian industries, which are small to medium enterprises, cannot adopt such technologies. Even large corporations are not always eager to implement green technologies unless it is an obligatory issue by regulation, or an investor of pressure. The economic reasons to switch to low-carbon policy are yet to be provided, and they only delay the green change in India.

The role of the political environment in shaping the corporate behaviour is also very crucial. The federalist character of the Indian system provides the states with additional freedom to choose the industrial policy options, as well as provide the environmental certification and enforcement of the pollution-related standards. This has caused a great gap in the political priorities among states. Corporations may be treating lax in the implementation of regulation in states where the rhetoric on politics plays a focus on economic growth, ease of doing business and industrialization. Conversely, the states with a robust leadership on the environment or active judicial system may impose more stringent compliance requirements. According to Sethi and Sahu (2025), the India environment governance is highly heterogeneous and politically mediated such that the ruling parties, regional politics and bureaucratic cultures are the ones that mirror the priorities.

Political patronage also offers differential corporate compliance. Industries in some areas are politically affiliated, and therefore pollution control boards cannot formulate strict measures to control their activities such as letting them off the hook by imposing fines or operating in total defiance of the regulations. The judicial activism usually steps in to put a check on such

political economic strains but unless the administration is forced to do so, most of the judicial orders remain unimplemented. Political influence/regulatory capture is hence, the significant determinant of corporate environmental behaviour.

Also, the nature of the environmental activism and civil society involvement can be characterized by the cultural diversity in India. In some cases, the native people or tribes residing in forests and depending on the ecological environment fight industrial projects that bring harmful impact on the environment. Their protests are based on socio-cultural and not merely on the effects of

Environmental degradation. However, grass-root movements in most cases find it challenging to circumvent legal procedures, find scientific knowledge, and mobilise the masses. However, the examples of Narmada Bachao Andolan, Save Aarey Campaign and anti-mining campaign in Odisha indicate that the socio-cultural mobilisation can be extremely efficient in forcing the corporations to become more responsible.

Another aspect that determines the behaviour of the corporate world is technological literacy. Areas with more access to digital means, environmental information, and social media would be more likely to oppose corporate environmental abuses. Borah et al. (2024) emphasize that the digital media plays a critical role in increasing the environmental issues by making them more noticeable and attracting a large-scale response. As corporations are aware of the reputational risk of negative media coverage, they may be more inclined to practice environmental responsibility in the areas where the level of digital activity is high.

Thus, the corporate environmental behaviour in India is a confluence of a multifaceted interaction of the cultural norms, the pressure of economic demands, political interests and expectations of the community, and knowledge of technology. Until such changes are made in these socio-cultural and political structures towards greater environmentally conscious orientation, the issue of corporate accountability remains patchy and more responsive than deeply embedded in organizational values.

#### *F. Strengthening Corporate Environmental Responsibility*

Implementation of Corporate Environmental Responsibility (CER) in India requires structural changes that are grounded on legal, institutional, economic and cultural aspects of environmental regulation. In as much as the nature of such laws is well grounded in the current environmental laws, the application of such laws contributes a lot to the success of CER as

much as its nature. The most necessary and vital one is the enhancing of regulatory enforcement. The Corporation Environmental Performance will require more money, availability of human resources and technological capabilities to equip the Pollution Control Boards in the provision of a continuous monitoring, independent monitoring and real-time assessment of the corporate environmental performance. According to Sethi and Sahu (2025), the enforcement agencies should have new tools and should not rely on the political interests of the political figures and the sophisticated digital devices to ensure that the statistics on the pollution are altered and reporting is manipulated.

Not only the top listed companies, but all the high impact industries should be obliged to carry out the mandatory reporting of the environment.

Business responsibility and Sustainability Reporting (BRSR) framework should be changed to a multi-layer framework in which varying levels of reporting requirements are applied based on the amount of environmental risk of a certain sector. This would ensure that more reporting is imposed on the mining, chemical manufacturing, thermal power, construction, and pharmaceutical industries, which are also polluters. It must also increase transparency by making sure that there is independent third-party audit, establishment of repositories of national environmental data that is accessible to the generals as well as an institute of penalty in case of misrepresentation or non-disclosure. Ray (2013) considers that standardized reporting and checking by third parties is important in ensuring that there is credibility and that superficial or misleading claims pertaining to the environment are discouraged.

The other reform that is highly required is to promote the utilization of cleaner technologies. The industries, particularly the SMEs, are not normally financially able to make the transition to low- carbon technologies. The government should involve more potent financial incentives such as tax incentives, subsidies, low interest green loans and the government to commercial partnerships in the development of the technology. International climate finance should be utilized to help with the transition of corporations using global agreements such as the Paris Agreement. The authors observe that the solution to an effective industrial ecosystem that will enable green change is the correlation of environmental policy and technological development (Hariram et al., 2023).

The organizational culture should also project environmental responsibility by corporations. Recruitment, training, performance appraisal and reward systems can be very instrumental as

introduced by Green Human Resource Management (GHRM) to bring sustainability (Mishra 2017). The practices surrounding sustainability are internalized in the companies when these practices are part of the organizational values and performance indicators of the employees instead of being directed as the external compliance issues. This form of internalization promotes ecological stewardship in the long run as compared to the short run compliance measures.

Community involvement is another significant pillar in the improvement of CER. The environmental degradation effects are largely experienced by the local people and therefore they should be included in the decision-making process of industrial projects. The mechanisms used in environmental governance can democratize the environment's governance, and they include community advisory boards, public hearings and participatory environmental monitoring. Borah et al. (2024) also discuss the significance of community participation, asserting that engaged and informed communities represent unofficial watchdogs, and they can monitor the work of corporations and report about the misconduct.

Judicial checks and balances also must be strengthened. The NGT, despite its transformative nature, requires efficiency enhancement through expansion of the jurisdiction, which entails obtaining more judicial capacity and control of compliance with its decisions and amalgamation with regulatory bodies. Environmental litigation would also be solved in a shorter time through fast- track environmental courts or special benches which would handle the problem of industrial pollution. The intervention of environmental law courses in the corporate training programs can increase awareness of corporate executive, compliance officer and employee and make them proactive to adhere to the environmental norms.

The second strategic need will be to harmonize domestic regulations with the national industrial policies must incorporate the NDCs of India through the Paris Agreement, SDGs commitments and obligations through the Convention on Biological Diversity. It is recommended that companies apply science-based targets, employ ESG (Environmental, Social and Governance) indicators in annual reports, and involve their activities in accordance with the global sustainability standards. Van Tulder (2018) argues that such a global alignment does not only amplify the corporate environmental performance but the competitiveness on the global market, where the sustainability credentials are starting to play a bigger role in the selection of the investors.

Finally, political will cannot be left out. The national development planning should be fixed on the consideration of environmental protection. The interest of long-term ecological stability and the short-term economic gains should be ranked as the second priority by political leaders; the control must be screened strictly, and the influence of the industrial lobby groups must be overcome. The reforms on monitoring, enforcement, and corporate governance cannot be effective unless they are supported with a healthy political commitment.

In conclusion, Corporate Environmental Responsibility should be strengthened in India on the multidimensional basis, which will include legal aspects, technological advancements, financial practices, involvement and cultural transformation of society. Only after the companies put environmental responsibility as the key organizational value, with the assistance of the well- institutionalized institutions and the state vigilance India will be able to achieve the sustainable development path, which will be like the vision *Viksit Bharat 2047*.

#### *G. Suggestions*

The analysis reveals that despite the existence of an extensive statutory and institutional framework governing environmental protection in India, corporate accountability for environmental degradation remains largely ineffective in practice. One of the central findings is that environmental laws operate predominantly as compliance-oriented instruments rather than as mechanisms that induce substantive behavioural change among corporate actors. Statutes such as the Environment (Protection) Act, 1986, the Air (Prevention and Control of Pollution) Act, 1981, and the Water (Prevention and Control of Pollution) Act, 1974 provide broad regulatory powers; however, their enforcement suffers from administrative inertia, weak monitoring capacity, and regulatory capture.

It can be seen in the review that despite the properly developed legal and institutional framework that governs the environmental protection in India, the role of the corporate world regarding the environmental degradation is rendered practically insignificant. In the list of key findings, we may observe that environmental laws are a rather compliance-based instrument, and not the instrument, which leads to the substantive behavioral change among the business actors. Statutes such as the Environment (Protection) Act, 1986, the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control of Pollution) Act, 1974 have broad regulatory powers but these powers have been weakened by lack of administrative vigor, poor monitoring capacity and regulatory capture. Among the identified gaps, the separation of enforcement between the state and the central agencies can be pointed out as one

of the critical ones. The Pollution Control Board has been severely understaffed as well as they are not technologically well equipped and therefore, they do not carry out any inspections regularly, and the industries are also left to self-report on their compliance.

This is a weakness of this institution that allows corporations to externalize the affairs of the surrounding environment without being subjected to ratios of legal implication. The penalty imposed in the event of the breach is normally not worth much and is not related to the severity of environmental losses, therefore reducing the effects of environmental law as a deterrent. The judicial intervention has emerged as a compensatory force too in a move to rectify the executive miscarriages. The Supreme Court of India played out article 21 that constitutionalized the protection of the environment, operationalized the rule of the polluter pays, precautionary principle, and sustainable development in the case of *Vellore Citizens Welfare Forum v. Union of India and M.C. Mehta v. Union of India*. The National Green Tribunal (NGT) was also formed thus improving adjudicatory control by using specialized knowledge and expedited remedies. The outcomes, however, provide confirmation of the fact that judicial orders usually lack their implementation due to non-observance of the bureaucracy and the political interference, which makes them less effective in the long-run impact on corporate actions. The other critical finding is that of absence of good corporate disclosure and transparency systems.

Despite being a positive step such as Business Responsibility and Sustainability Reporting (BRSR), the fact that it only applies to listed companies excludes most of the most polluting industries such as the small and medium businesses. Greenwashing and watering down actual responsibility Environmental reporting is often concerned with rhetorical statements of sustainability, as opposed to factual outcomes. There is also the lack of mandatory third-party environmental audits that contribute to the further increase of information asymmetry between the corporation, regulators, and communities. The study also finds that the company's participation in sustainable development goals (SDGs) is rather symbolic in nature.

The environmental responsibility aspect is not considered by most people as a part of the core business strategy but rather as an appendix of corporate social responsibility. It is a limited definition of sustainability which could not answer structural sources of environmental degradation which are involved in the process of production. All these findings demonstrate that environmental responsibility in India in the corporate world is not hampered by any form of legislative insufficiency but portrays poor implementation, absence of transparency and philosophy of corporate responsibility. Sustainable development cannot be achieved unless the

environmental law is turned into a result-oriented regulation rather than a procedural compliance. To transform the corporate behaviour and bring about environmentally sustainable economic growth, there is a need to enhance regulatory agencies, enhance the tenets of disclosure, and proper execution of judicial directives.

## V. Conclusion

An overview of the corporate responsibility and sustainable development in the Indian setting renders a very confounded landscape that is being steered by legislation, judicial, socio-cultural, economic strains and trans-national endeavors. India has erected extensive statutory binding including the Environment Protection Act 1986 to the Companies Act 2013 and the National Green Tribunal Act 2010, but the problem is on the implementation of such similar provisions. The environmental laws have not been working as intended due to inefficiencies in the regulations they possess, disjointed administration, lack of transparency and haphazard implementation. Independent of this, the industrial pollution, ecological degradation, and unsustainable use of resources are expanding larger and larger at the expense of the developmental goals of India.

The evolution of Corporate Environmental Responsibility (CER) is a gradual transition in the philanthropic tradition realm to a more organized governing and assuring the environment. Despite this, CER does not practice uniformity in sectors due to voluntary compliance mechanisms, limited financial resources, standardisation of environmental reporting, and business strategy sustainability. According to Jha and Rangarajan (2020), the interest of corporates on sustainability tends to be formal which is drainage-focused solutions rather than structural change. The absence of co-ordination between policy will and corporate action is the reason why it is so obvious that more fundamental institutional change is necessary and more accountability structures are needed.

The judicial activism in particular the National Green Tribunal has been a highly powerful device in improving environmental governance. The decisions of the courts have enforced the principle of the polluter-pays, the necessity of the ecological harm restitution and imposing penalties on the industries that do not comply with the requirements. However, judicial guidance is not sufficient to counter the administrative weakness, politicization, or bureaucratic capture. Effective environmental governance requires a strong institutional capacity coupled

with judicial oversight which would be supported by transparent reporting and the real-time monitoring.

The need to make a change in the corporate sector is also supported by international obligations of India as outlined by the Paris Agreement, SDGs and multilateral environmental treaties. The international systems also compel India or rather Indian firms to adopt low-carbon technologies, to become resource efficient and transform to sustainable models of production. However, the reconciliation of the domestic industrial practices and the international duty require high scale investments, technological innovation and convergence of policies.

The transformation of corporate behaviour is also concerned with social-cultural and economic issues. Disagreements in environmental awareness between the areas of the country, shortcomings owing to their poverty, society dependency on the pollutants, differences in media attention are all that influence the way in which corporations perceive their obligation to the environment and respond to it. Even political relations, including the laxity of the regime and the patronage system complicate process of the enactment of environmental regulations.

This means the multi-dimensional approach is also instrumental in empowering CER. The mandatory reporting of environmental impacts of all highly impactful industries, audit, real time surveying, community participation, investment in green technologies, and alignment of domestic legislation with international standards are all the required aspects of a comprehensive reform agenda. The transformational change should also happen at the corporate level, and the responsibility towards the environment must be incorporated into the organisational culture through the prism of such processes as Green HRM, sustainability-based leadership, or stakeholder-governance (Mishra, 2017).

Lastly, the Viksit Bharat 2047 vision in India is based on the capability to strike the right balance between the economic growth of the nation and environmental sustainability of the nation. Sustainable development can never be realised in the absence of responsibility on the environmental impact of corporations and the regulatory agencies with the powers to exercise decisive action. The concerted effort should lead to the creation of a stable economic country and a sustainable environment which is supported by state regulation, neighborhoods, and internalised by corporations. Only in such a comprehensive and long-term investment, India is likely to ensure that the present development would not pose a threat to the lives of the future generations.

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