

# INTERNATIONAL JOURNAL OF LEGAL SCIENCE AND INNOVATION

[ISSN 2581-9453]

---

Volume 6 | Issue 2

2024

---

© 2024 *International Journal of Legal Science and Innovation*

Follow this and additional works at: <https://www.ijlsi.com/>

Under the aegis of VidhiAagaz – Inking Your Brain (<https://www.vidhiaagaz.com>)

---

This Article is brought to you for free and open access by the International Journal of Legal Science and Innovation at VidhiAagaz. It has been accepted for inclusion in International Journal of Legal Science and Innovation after due review.

In case of **any suggestion or complaint**, please contact [Gyan@vidhiaagaz.com](mailto:Gyan@vidhiaagaz.com).

---

**To submit your Manuscript** for Publication at International Journal of Legal Science and Innovation, kindly email your Manuscript at [editor.ijlsi@gmail.com](mailto:editor.ijlsi@gmail.com).

---

# Critical Study of Environmental CSR Policies Implementation and Sustainable Development Goals

---

POURNIMA U. BANDRI<sup>1</sup> AND KAJORI BHATNAGAR<sup>2</sup>

## ABSTRACT

*The phrase 'The World is one family' symbolizes the significance of Sustainable Development Goals (SDGs) and underscores the interdependence among the 17 specified goals, aiming for global balance and peace. In light of current global events and resulting conflicts, the protection of the environment and strides toward sustainability emerge as paramount considerations in all human endeavors, particularly in trade. Trade, as a fundamental driver of globalization and transformation, assumes a crucial role in striving toward the benchmarks of Sustainable Development Goals. Consequently, Environmental Corporate Social Responsibility (ECSR) policies are posited to exert a considerable influence on the achievement of SDGs. This paper aims to scrutinize the implementation of ECSR policies in aligning with the United Nations' SDGs and their pertinence to international trade activities through the examination of various reports and secondary data sources.*

*Global trade has expanded its scope for the exchange of goods and services due to globalization, yet it also contributes to inequitable circumstances among different groups, disparate resource allocations across communities, limited accessibility and opportunities, and environmental harm resulting from various trade activities. Recent events, such as warfare and pandemics, have highlighted globally shared vulnerabilities, reinforcing the notion that a threat to security or health in one part of the world can imperil the entire globe. Moreover, measures implemented in one region for safety and health purposes can propagate worldwide, underlining the concept of 'humans' as a unified global community. This paper provides an analysis of the implementation, significance, and impact of ECSR policies in international trade, examining their interconnectedness with the SDG 2030 agenda.*

**Keywords:** *Environmental Corporate Social Responsibility (ECSR), International trade, Sustainable Development Goals (SDGs), Globalization.*

---

<sup>1</sup> Author is a LL.M. student at Christ Deemed to be university, India.

<sup>2</sup> Author is an Assistant Professor at Christ Deemed to be university, India.

## **I. INTRODUCTION**

Trade is expected to cause development, generate wealth and having a social conscientious as a responsible trader. The trade activities lacking such awareness and responsible behavior can be harmful for the society and environment. Such responsible approach encourages the socio-economic development and supports in sustainable environment. The corporate social responsibility focuses on the corporate strategies that are conscious about the implications on environment and society through their trade activities. The increasing populations creating strain on environmental resources as well the carbon footprints, pollution contributed by trade activities provides strong basis for need of the Trade to indulge and adopt Environmental Corporate Social Responsibility policies. The International Trade requires more attention on adaptation of ECSR policies for the sustainable future.

With the current trend in globalization now more than ever it is essential to revisit the core objectives of the CSRs. The globalization and digitalization has made the world so close that impact of any activity of any random individual can also lead to significant change at global level. Similarly, it is pivotal to understand that responsible actions could lead to beneficial consequences and irresponsible actions can lead to adverse effects and thus, it is conducive to have ECSR policies to minimize the risks and have a sustainable future. The corporates investing in CSRs for philanthropic purposes at regional level are more than looking into holistic approach such as environment. It is mostly observed that the organizations prefer to adapt the Environmental CSR when there are observed tax or other economic concessions or benefits than mere ethical and conscientious. However, the outcome of Sustainable development is far beyond the immediate effects and mere economic advantages for the time being.

## **II. BENEFITS TO CSR**

Corporations derive numerous benefits from engaging in Corporate Social Responsibility (CSR) initiatives. These activities, such as poverty reduction, combating hunger, addressing discrimination, promoting equality, and encouraging responsible consumption, contribute to societal well-being. By doing so, corporations not only strengthen the broader community but also enhance their own market potential, as their customers are part of this society.

The advantages of CSR are multifaceted, encompassing improvements in a corporation's image, brand, reputation, and recognition. Additionally, CSR activities foster public trust, customer satisfaction, and loyalty, leading to increased purchase intention. Financially, companies benefit from improved performance and gain access to capital and markets. CSR

also contributes to transparency, management development, business ethics, human rights, and the creation of mutual benefits. It does play an important role in protecting the future for the next generation<sup>3</sup>.

The concept of ECSR encompasses the voluntary actions taken by businesses to address environmental issues and contribute to social welfare beyond legal requirements. ECSR policies typically involve initiatives such as reducing carbon emissions, conserving natural resources, promoting renewable energy sources, and supporting community development projects. In the context of international trade, ECSR policies aim to ensure that business activities across borders are conducted in an environmentally responsible and socially sustainable manner, taking into account the interests of various stakeholders, including local communities, workers, consumers, and governments. By aligning with SDGs, ECSR initiatives seek to contribute to the achievement of targets related to environmental protection, poverty alleviation, gender equality, and other sustainable development objectives outlined by the United Nations.

The relationship between social welfare and corporate success is interconnected, establishing CSR as a strategy that creates shared value for both corporations and society. This approach is seen as a win-win value creation strategy, positively impacting shareholders, stakeholders, the board of directors, managers, and employees. Recent global research highlights eight key benefits of CSR, emphasizing its direct impact on corporations, enhancement of firm performance, and positive effects on various organizational stakeholders.

#### **(A) Literature Review:**

The literature on ECSR policies implementation in international trade and its relationship with SDGs is vast and diverse, encompassing various disciplines such as economics, business management, environmental studies, and international law. Scholars have explored the motivations behind firms' adoption of ECSR practices, the impact of ECSR initiatives on corporate performance, and the role of regulatory frameworks in shaping corporate behavior<sup>4</sup>. Moreover, researchers have examined the challenges faced by businesses in integrating ECSR policies into their global operations, including issues related to monitoring, reporting, and accountability. Additionally, studies have highlighted the importance of stakeholder engagement and collaboration in advancing ECSR objectives and fostering sustainable

---

<sup>3</sup> Understand the installation requirements of the safety valve on the boiler\_Wuhan Weituo Fluid Control Equipment Co., Ltd.. <http://en.watovalve.com/news/54.html>

<sup>4</sup> Fallah Shayan, N.; Mohabbati-Kalejahi, N.; Alavi, S.; Zahed, M.A. Sustainable Development Goals (SDGs) as a Framework for Corporate Social Responsibility (CSR). *Sustainability* 2022, 14, 1222. <https://doi.org/10.3390/su14031222>.

development outcomes<sup>5</sup>.

Research paper intends to explore the factors driving and hindering ECSR implementation, including regulatory frameworks, market pressures, and stakeholder expectations. While challenges such as resource constraints and lack of awareness exist, scholars advocate for targeted interventions, capacity-building, and collaboration among stakeholders to overcome these obstacles. Stakeholder engagement in shaping ECSR policies and practices emerges as a significant theme, with governments, businesses, civil society, consumers, and international organizations playing pivotal roles. Scholars analyze stakeholder dynamics, power dynamics, and mechanisms to enhance transparency and accountability.

### **(B) Issues:**

Despite the growing momentum behind ECSR policies, several issues hinder their effective implementation in the context of international trade. One major challenge is the lack of harmonization and consistency in regulatory frameworks governing ECSR practices across different jurisdictions. This can lead to compliance burdens and legal uncertainties for businesses operating globally. Moreover, there are concerns about the adequacy of existing monitoring and reporting mechanisms to assess the impact of ECSR initiatives on environmental and social outcomes. Additionally, the complexity of global supply chains poses challenges for ensuring transparency and accountability throughout the production process. Furthermore, the divergent interests of stakeholders involved in international trade, including governments, corporations, civil society organizations, and consumers, can complicate efforts to achieve consensus on ECSR priorities and strategies.

## **III. REGULATIONS**

Legal regulations play a pivotal role in shaping the implementation of Environmental Corporate Social Responsibility (ECSR) policies within international trade contexts, with a complex web of regulations spanning national, regional, and international jurisdictions. These legal frameworks address a myriad of issues, ranging from environmental conservation and labor rights to human rights and corporate governance. Internationally, landmark agreements like the Paris Agreement concerning climate change and the Sustainable Development Goals (SDGs)<sup>6</sup> serve as overarching frameworks for tackling global environmental and social

---

<sup>5</sup> Dasom Lee, David J. Hess, Measuring corporate social responsibility: an evaluation of a new sustainable development goals index for Fortune 500 companies, *New sustainable development goals index*, *International Journal of Organizational Analysis* Vol. 30 No. 7, 2022 pp. 137-154 Emerald Publishing Limited 1934-8835

<sup>6</sup> "Guyana : Combatting Climate Change, Ensuring Sustainable Livelihood Critical to Post-pandemic Recovery President Ali." *MENA Report*, vol. , no. , 2021.

challenges. Moreover, trade agreements frequently incorporate provisions related to ECSR, encompassing environmental standards, protections for labor rights, and mechanisms for resolving disputes. However, the efficacy of these legal regulations in advancing ECSR objectives hinges upon various factors, including the robustness of enforcement mechanisms, the presence of incentives for compliance, and the degree of stakeholder engagement in the regulatory process.

At the national level, governments enact legislation to uphold ECSR principles and regulate the conduct of businesses operating within their jurisdictions. These laws often establish minimum standards for environmental stewardship, labor practices, and corporate accountability, aiming to ensure that businesses prioritize social and environmental concerns alongside economic objectives. Regulatory bodies oversee compliance with these laws, imposing sanctions on violators and providing guidance to businesses seeking to navigate complex ECSR requirements.

Regionally, supranational organizations like the European Union (EU) play a significant role in harmonizing ECSR regulations across member states and setting common standards for trade partners. The EU's directives on environmental protection, social inclusion, and corporate transparency exemplify efforts to integrate ECSR considerations into trade policies and promote sustainable development outcomes. Similarly, regional trade blocs in Asia, Africa, and the Americas are increasingly incorporating ECSR provisions into their agreements, reflecting a growing recognition of the interconnectedness between trade, development, and environmental stewardship.

At the international level, institutions such as the United Nations (UN) and the World Trade Organization (WTO) facilitate cooperation among countries to address global challenges and promote responsible business practices. Treaties and conventions negotiated under the auspices of these organizations establish norms and standards for ECSR, encouraging countries to adopt common approaches to issues like environmental conservation, labor rights, and corporate governance. However, the effectiveness of these international agreements relies on voluntary compliance and collective action by member states, posing challenges in achieving universal adherence to ECSR principles.

Considering the legal regulations form a crucial foundation for promoting ECSR in international trade, providing the framework integrating social and environmental considerations for businesses into their operations. By aligning national, regional, and international laws with ECSR goals, policymakers can create an enabling environment for

sustainable development and foster a culture of corporate responsibility within the global marketplace. However, addressing gaps in enforcement, enhancing regulatory coherence, and ensuring meaningful stakeholder engagement remain critical priorities for advancing ECSR objectives and achieving lasting change in the realm of international trade.

#### **IV. JUDICIAL PERSPECTIVE**

The judicial perspective on the implementation of Environmental Corporate Social Responsibility (ECSR) policies in international trade is subject to variation across different jurisdictions and legal systems, reflecting diverse approaches to interpreting and enforcing environmental and social regulations. In certain instances, courts actively engage in adjudicating ECSR-related disputes and holding corporations accountable for breaches of ECSR standards. Landmark cases have established legal precedents that recognize corporate liability for environmental harm and human rights violations, setting important milestones in the evolution of ECSR jurisprudence.

For example, in the case of *Kiobel v. Royal Dutch Petroleum Co.*<sup>7</sup>, the United States Supreme Court addressed allegations of human rights abuses committed by a multinational corporation operating in Nigeria. While the Court ultimately ruled that the Alien Tort Statute did not apply extraterritorially in this instance, the case nevertheless underscored the potential role of judicial mechanisms in holding corporations accountable for ECSR-related transgressions. Similarly, in the case of *Union Carbide Corporation v. Union of India*, the Indian Supreme Court imposed significant financial penalties on a multinational corporation for environmental damage caused by an industrial accident in Bhopal, highlighting the judiciary's ability to address ECSR concerns within the context of international trade.

However, judicial activism in the realm of ECSR is often circumscribed by various factors, including legal jurisdiction, evidentiary standards, and the distribution of power between corporations and affected communities. Limited jurisdictional scope may constrain courts' ability to adjudicate transnational ECSR disputes, particularly in cases involving complex supply chains and multiple jurisdictions. Additionally, high evidentiary burdens may impede the successful prosecution of ECSR-related claims, especially in contexts where access to information and legal representation is limited.

Moreover, the efficacy of judicial remedies in addressing ECSR grievances hinges on factors such as access to justice, procedural fairness, and the independence of the judiciary. In many

---

<sup>7</sup> *Kiobel v. Royal Dutch Petroleum Co.*, 569 U.S. 108 (2013)

jurisdictions, marginalized communities and vulnerable groups face significant barriers to accessing legal recourse for ECSR-related harms, due to factors such as economic constraints, language barriers, and intimidation by powerful corporate interests. Furthermore, concerns regarding judicial impartiality and susceptibility to external influence may undermine public confidence in the judiciary's ability to impartially adjudicate ECSR disputes.

In light of these challenges, it is evident that while courts can serve as important forums for advancing ECSR objectives, their role must be complemented by other forms of governance. Regulatory agencies play a pivotal role in enforcing ECSR standards and ensuring compliance with environmental and social regulations, while civil society organizations play a vital role in advocating for the rights of affected communities and holding corporations accountable for their actions. Additionally, corporate self-regulation initiatives, such as voluntary codes of conduct and sustainability reporting frameworks, can supplement judicial mechanisms by fostering a culture of corporate responsibility and accountability within the private sector.

The judicial perspective on ECSR policies implementation in international trade is multifaceted, reflecting the complex interplay of legal, institutional, and social factors. While courts have the potential to advance ECSR objectives through the adjudication of disputes and the establishment of legal precedents, their effectiveness is contingent upon a range of factors, including legal jurisdiction, access to justice, and judicial independence. Therefore, a comprehensive approach to promoting ECSR in international trade requires collaboration between multiple stakeholders, including governments, businesses, civil society organizations, and the judiciary, to ensure that the principles of environmental and social responsibility are upheld and enforced effectively.

## **V. OBSERVATIONS**

Recent research has highlighted several emerging trends and developments in the implementation of Environmental Corporate Social Responsibility (ECSR) policies in international trade, shedding light on key shifts in business practices and stakeholder engagement. One notable trend is the escalating emphasis on enhancing supply chain transparency and traceability, which stems from increasing consumer demand for ethically sourced products and heightened concerns regarding labor rights violations and environmental harm within global supply chains. Consequently, businesses are adopting innovative technologies such as blockchain and satellite imaging to meticulously trace the origin and production processes of raw materials and finished goods, thereby enhancing accountability and promoting responsible sourcing practices.



Furthermore, there is a growing recognition of the imperative for cross-sectoral collaboration and multi-stakeholder partnerships to effectively address the multifaceted challenges associated with ECSR<sup>8</sup>. Initiatives like the United Nations Global Compact and the Roundtable on Sustainable Palm Oil exemplify this collaborative approach, bringing together governments, businesses, non-governmental organizations (NGOs), and other stakeholders to develop common standards and best practices for sustainable trade<sup>9</sup>. By fostering dialogue and cooperation among diverse actors, these initiatives facilitate the exchange of knowledge and expertise<sup>10</sup>, promote transparency, and catalyze collective action towards achieving shared sustainability goals.

Moreover, there is a palpable momentum behind efforts to integrate ECSR considerations into investment decision-making processes, reflecting a broader shift towards sustainable finance and responsible investing practices. Investors are increasingly recognizing the importance of factoring environmental, social, and governance (ESG) criteria into their investment strategies, viewing ECSR performance as a critical indicator of long-term value creation and risk management. As such, there is a growing demand for robust ESG disclosure and reporting frameworks, as well as tools and methodologies for assessing the ECSR performance of companies and investment portfolios. By aligning financial incentives with sustainability objectives, these initiatives aim to drive positive change and incentivize businesses to prioritize ECSR in their operations.

Thus, the research underscores the evolving landscape of ECSR implementation in international trade, characterized by a heightened focus on supply chain transparency, multi-stakeholder collaboration, and integration of ECSR considerations into investment practices. By harnessing innovative technologies, fostering partnerships, and aligning financial incentives with sustainability goals, businesses and stakeholders can work together to advance ECSR principles and promote sustainable development on a global scale.

## **VI. CONCLUSION AND SUGGESTIONS**

The critical study of ECSR policies implementation in international trade underscores the importance of aligning business practices with sustainable development objectives. By

---

<sup>8</sup> Fallah Shayan, N.; Mohabbati-Kalejahi, N.; Alavi, S.; Zahed, M.A. Sustainable Development Goals (SDGs) as a Framework for Corporate Social Responsibility (CSR). *Sustainability* 2022, 14, 1222. <https://doi.org/10.3390/su14031222>

<sup>9</sup> United Nations, "Sustainable Development Goals," United Nations Website, <https://www.un.org/sustainabledevelopment/sustainable-development-goals/> (accessed March 20, 2024)

<sup>10</sup> Science Diplomacy in the Mediterranean: Building Trust Through Science and Knowledge : IEMed. <https://www.iemed.org/publication/science-diplomacy-in-the-mediterranean-building-trust-through-science-and-knowledge/>

integrating ECSR principles into trade activities, businesses can mitigate environmental and social risks, enhance their competitiveness, and contribute to global efforts to achieve SDGs. However, addressing the challenges and barriers to ECSR implementation requires collective action and collaboration among governments, businesses, civil society, and other stakeholders. By collaborative efforts, stakeholders can create a more sustainable and inclusive global trading system that promotes shared prosperity and environmental stewardship.

Key recommendations for enhancing the effectiveness of ECSR initiatives in international trade include:

1. Strengthening regulatory frameworks to promote consistency and harmonization of ECSR standards across jurisdictions.
2. Enhancing monitoring and reporting mechanisms to improve transparency and accountability in supply chains.
3. Promoting stakeholder engagement and collaboration to identify shared goals and priorities for ECSR action.
4. Supporting capacity-building initiatives to empower businesses, especially SMEs, to adopt sustainable practices and comply with ECSR standards.
5. Encouraging the development of innovative technologies and tools for tracking and verifying ECSR performance throughout the supply chain.
6. Fostering a culture of corporate responsibility and ethical leadership to drive meaningful change in business practices and decision-making.

By implementing these recommendations, stakeholders can work together to harness the potential of ECSR policies to encourage sustainable development and create a more equitable and resilient global economy.

\*\*\*\*\*

**VII. REFERENCES**

- Chitra S. De Silva Lokuwaduge, Ciorstan Smark and Monir Mir, The Surge of Environmental Social and Governance Reporting and Sustainable Development Goals: Some Normative Thoughts, AABFJ, Volume 16, No.2, 2022
- Dasom Lee, David J. Hess, Measuring corporate social responsibility: an evaluation of a new sustainable development goals index for Fortune 500 companies, New sustainable development goals index, *International Journal of Organizational Analysis* Vol. 30 No. 7, 2022 pp. 137-154 Emerald Publishing Limited 1934-8835 <https://www.emerald.com/insight/content/doi/10.1108/IJOA-12-2021-3082/full/pdf>
- United Nations, "Sustainable Development Goals," United Nations Website, <https://www.un.org/sustainabledevelopment/sustainable-development-goals/> (accessed March 23, 2024)
- Fallah Shayan, N.; Mohabbati-Kalejahi, N.; Alavi, S.; Zahed, M.A. Sustainable Development Goals (SDGs) as a Framework for Corporate Social Responsibility (CSR). *Sustainability* 2022, 14, 1222. <https://doi.org/10.3390/su14031222>.
- Pascual Berrone, Horacio E. Rousseau, J.E. Ricart, Esther Brito, Andrea Giuliadori, how can research contribute to the implementation of sustainable development goals? An interpretive review of SDG literature in management, Accepted: 19 January 2023 <https://onlinelibrary.wiley.com/doi/epdf/10.1111/ijmr.12331>
- Severino-González, P.; Gallardo-Vázquez, D.; Ortuya-Poblete, C.; Romero-Argueta, J.; Tunjo-Buitrago, E.; Arenas-Torres, F.; Sarmiento-Peralta, G., Social Responsibility: Sustainable Development Goals and COVID-19—Perception Scale of Students from Higher Education Institutions, *Int. J. Environ. Res. Public Health*, 19, 5323 (2022), <https://doi.org/10.3390/ijerph19095323>.
- Vikrant Kulkarni, Ashish Aggarwal, "A Theoretical Review of whether Corporate Social Responsibility (CSR) Complements Sustainable Development Goals (SDGs) Needs," 12, no. 2 (2022).
- Science Diplomacy in the Mediterranean: Building Trust Through Science and Knowledge : IEMed. <https://www.iemed.org/publication/science-diplomacy-in-the-mediterranean-building-trust-through-science-and-knowledge/>

\*\*\*\*\*