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India
Environmental, Social and Governance

Contributor

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This country-specific Q&A provides an overview of environmental, social and governance laws and regulations applicable

India: Environmental, Social and Governance

1. Climate – the law governing operations that emit Greenhouse Gases (e.g. carbon trading) is addressed by Environment and Climate Change international guides, in respect of ESG: a. Is there any statutory duty to implement net zero business strategies; b. Is the use of carbon offsets to meet net zero or carbon neutral commitments regulated; c. Have there been any test cases brought against companies for undeliverable net zero strategies; d. Have there been any test cases brought against companies for their proportionate contribution to global levels of greenhouse gases (GHGs)?

a. Is there any statutory duty to implement net zero business strategies;

India has set ambitious national climate commitments at COP26 in Glasgow in November 2021, of: (a) reaching 500 GW non-fossil energy capacity by 2030; (b) fulfilling 50% (fifty percent) of its energy requirements from renewable energy by 2030; (c) reducing total projected carbon emissions by 1 billion tonnes by 2030; (d) reducing carbon intensity of the economy by 45% (forty-five percent) by 2030; and (e) achieving net zero emissions by 2070. India's commitment towards achieving net zero emissions by 2070 was subsequently reinforced at COP27 in November 2022 (held in Sharm el-Sheikh, Egypt) when India submitted its long-term low carbon development strategy to the United Nations Framework Convention on Climate Change, serving as the national blueprint for achieving India's net zero emission goals.

Recently, in March 2026, India has also updated its Nationally Determined Contribution for the period 2031-2035, marking another pivotal step towards committing to reduce the emissions intensity of its gross domestic product by 47% (forty-seven percent) by 2035 and to achieve 60% (sixty percent) of aggregate installed electricity capacity from non-fossil fuel sources by 2035. India has also enhanced its ambition of creating carbon sink through forest and tree cover to 3.5-4.0 billion tonnes of CO_2 equivalent by 2035 from 2005 level.

While these are national-level pledges and targets rather than direct statutory mandates, a comprehensive regulatory framework has been formulated to translate these pledges and goals in the form of binding obligations for specific categories of businesses. For instance:

(i) In 2022, the Government of India ("GOI") introduced an amendment to the Energy Conservation Act, 2001 ("Energy Act") which empowers the Central Government to establish an Indian Carbon Market ("ICM"), with its own Carbon Credit Trading Scheme ("CCTS") and to set greenhouse gas ("GHG") emission intensity targets for 'designated consumers' in energy-intensive sectors.

(ii) In addition to the ICM, the Securities and Exchange Board of India ("SEBI") requires the top 1,000 (one thousand) listed companies to publish a Business Responsibility and Sustainability Report ("BRSR") as part of their annual Environmental, Social, Governance ("ESG") performance report, which includes detailed disclosures on GHG emissions, energy intensity, and climate-related governance.

(iii) The Companies Act, 2013 ("Companies Act") further requires boards of directors to address energy conservation in their annual reports and, for qualifying companies, mandates expenditure of 2% (two percent) of average net profits on corporate social responsibility ("CSR") activities, which may include environmental sustainability projects.

(iv) Lastly, in order to establish an innovative market-based mechanism to incentivise environment positive actions, and which is independent of carbon credit under the CCTS, the GOI launched the 'Green Credit Programme' established under the Green Credit Rules, 2023 which acts as an innovative voluntary market-based mechanism, that issues tradeable 'green credits' for verified environmental actions such as afforestation, water conservation, sustainable agriculture, waste management, air pollution reduction, and mangrove conservation. Companies can earn and trade green credits on a dedicated government digital platform, supplementing their broader sustainability commitments.

(v) 9 (nine) energy-intensive industrial sectors, namely, aluminium, cement, chlor-alkali, pulp and paper, iron and steel, fertilisers, petroleum refining, petrochemicals, and textiles, have been identified under the CCTS for legally binding GHG emission intensity reduction targets from FY 2025–26.

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(vi) On March 21, 2026, the ICM portal was formally launched, with carbon credit trading anticipated to commence within 4 (four) months.

(vii) A stricter sub-set of the BRSR requires independent third-party assessment of 9 (nine) key ESG indicators, including GHG emissions intensity for the top 150 (one hundred fifty) listed companies from FY 2023–24, the top 250 (two hundred fifty) from FY 2024–25, the top 500 (five hundred) from FY 2025–26, and the top 1,000 (one thousand) from FY 2026–27.

b. Is the use of carbon offsets to meet net zero or carbon neutral commitments regulated;

Yes, India has established a structured and legally regulated carbon offset mechanism under the umbrella of the CCTS framework (which partially regulates and is presently an evolving framework). The CCTS, notified in June 2023 under the Energy Act, operates through 2 (two) structurally distinct market segments: (i) a compliance market, under which approximately 490 (four hundred and ninety) industrial entities across 9 (nine) energy-intensive sectors face binding emission intensity targets; and (ii) an offset market, which enables non-obligated entities to participate voluntarily by undertaking eligible projects in sectors such as renewable energy, forestry, biogas, green hydrogen, and waste management. However, it is important to distinguish between: (i) compliance markets under the CCTS which are governed by mandatory statutory regulatory carbon reduction regime; and (ii) voluntary carbon markets, which are not yet comprehensively regulated under Indian law and are incentive driven for entities to meet their decarbonization targets on a voluntary basis. The carbon credit certificates ("CCCs"), each denominated in one tonne of CO equivalent, are issued to entities that outperform their emission intensity targets – non-compliant entities must purchase CCCs from the market or face an environmental compensation penalty equal to twice the average market price of CCCs, subject to the final notified rules and established enforcement practice, payable within 90 (ninety) days to the environment protection fund under the Environment (Protection) Act, 1986 ("Environment Act").

The exchange-based trading framework for CCCs has been formally established by the Central Electricity Regulatory Commission ("CERC") through the CERC (Terms and Conditions for Purchase and Sale of Carbon Credit Certificates) Regulations, 2026 ("CERC Sale of CCC Regulations"), notified on February 27, 2026 and published in the Official Gazette on March 3, 2026. The CERC Sale of CCC Regulations envisage the establishment of India's first comprehensive regulatory framework dedicated towards exchange-traded carbon credits and the Bureau of Energy Efficiency ("BEE") has been designated as the 'administrator' – responsible for formulating detailed trading procedures, registering market participants, and monitoring compliance; while the Grid Controller of India Limited ("Grid India") will serve as the registry – responsible for maintaining electronic accounts of CCC holdings, verifying transactions, and recording transfers between buyers and sellers. The trading of CCCs must take place through CERC-approved power exchanges on a monthly basis, with price discovery occurring within a floor price and forbearance price band (maximum regulatory cap) which will be as approved by the CERC based on a proposal to be made by BEE, thereby ensuring market functioning and preventing excessive price volatility. The Grid India is required to verify cumulative bids across all exchanges, declare excess bids void, and if any entity is recorded by Grid Controller to be in breach during such verification for more than 3 (three) defaults in a quarter, such entity will face a 6 (six) month trading ban, without prejudice to any penalty under the Energy Act. The CERC will retain overarching market oversight powers and may intervene where abnormal price movements, sudden volatility, or unusual trading volumes are observed. The ICM is expected to become operational by mid-2026.

The Renewable Energy Certificates ("RECs") remain tradeable on power exchanges under the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 ("CERC REC Regulations"), enabling entities with renewable purchase obligations ("RPO") or renewable consumption obligations ("RCO") to demonstrate compliance with their clean energy targets. An REC is a market-based tradable instrument (electronic or paper) that allows 'obligated entities' to meet their RPOs. An REC can also be voluntarily purchased by entities intending to offset their carbon footprints. In India, at present, there are 2 (two) kinds of RECs – solar based RECs and non-solar based RECs. The compliance unit for CCCs is denominated in tonnes of CO2e, while the RPO/RCO compliance unit for RECs is measured in MWh/KWh, which represents electricity-based green attributes, not tonnes of CO2e. The State Electricity Regulatory Commissions audit RPO compliance of obligated entities against units of green electricity and/or REC redemption, and not against carbon credit certificates. The entities eligible to issue RECs include: (i) renewable energy projects if: (a) the tariff for such project has not been determined or adopted by the CERC or the SERCs, for full or part capacity; or the electricity generated from such project is not sold directly or through an electricity trader or in the power exchange, for RPO compliance by an obligated entity; and (b) such

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project has not availed of any waiver of or concessional transmission charges/ wheeling charges; (ii) captive power plant based on renewable energy sources if conditions set out in (a) and (b) above are fulfilled and the RECs issued to a captive generating plant cannot be sold, to the extent of their self-consumption; and (iii) discoms and open access consumers if they purchase electricity from renewable energy sources in excess of their RPO (as determined by the SERCs), to the extent of excess renewable energy purchased. The CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) (First Amendment) Regulations, 2026 ("REC First Amendment"), notified on March 24, 2026, have introduced significant reforms to the REC framework, including: (a) formal recognition of Virtual Power Purchase Agreements ("VPPAs"), under which RECs issued to an eligible renewable energy generating station that has entered into a VPPA are transferred to the consumer or designated consumer, who may use such RECs to meet its RPO or RCO. The RECs (forming part of the VPPAs) are extinguished upon transfer to the REC purchaser (although surplus RECs, i.e., the balance RECs over and above those used towards RPO or RCO may be carried forward for future compliance albeit with a restriction on re-sale on power exchanges or through traders); (b) revised certificate multipliers based on a weighted methodology considering tariff range (40% (forty percent)), technology maturity (30% (thirty percent)), and capacity credit/peak support (30% (thirty percent)), with differentiated multipliers for generating stations commissioned before and after the date of effect of the REC First Amendment; (c) expanded eligibility for captive generating stations based on renewable energy sources, including those renewable energy plants which do not fulfil captive generating plant conditions under the Electricity Rules, 2005 but have self-consumption; and (d) revised the mandatory compliance window within which a distribution licensee or an open access consumer must apply for issuance of RECs from 3 (three) months from the end of a financial year to 3 (three) months from the date of certification by the State Electricity Regulatory Commission concerned, failing which no certificate will be issued. The Energy Act provides for a perform, achieve and trade ("PAT") scheme which also allows designated consumers to earn tradeable energy saving certificates ("ESCs") for exceeding energy efficiency targets, although the PAT scheme is being gradually transitioned into the CCTS. Additionally, the 'Green Credit Programme', operates as a separate, voluntary and complementary mechanism to the CERC REC Regulations, issuing tradeable green credits for 8 (eight) categories of environmental action including tree plantation, water conservation, sustainable agriculture, and waste management.

c. Have there been any test cases brought against companies for undeliverable net zero strategies;

India has not yet witnessed any landmark judicial rulings holding companies liable for failing to meet net-zero or decarbonization commitments. India's carbon offset and sequestration framework remains at a nascent stage, with the broader compliance architecture still evolving towards a more consequence-based regulatory regime. However, a robust pattern of regulatory enforcement is emerging, which seeks to address climate-related non-compliances across the following legal frameworks:

(i) Misrepresentation of sustainability data in stock exchange filings, is subject to scrutiny from SEBI under (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

(ii) Sustainability considerations, such as environmental impacts, social responsibility and human rights and governance on which listed entities must disclose policies, actions, targets and performance in their annual report through the BRSR framework and the BRSR Core, have been formally integrated into corporate disclosure frameworks. Regulation 34(2)(f) of SEBI LODR Regulations mandates the inclusion of sustainability-related commitments as a part of the formal financial reporting.

(iii) Under the CCTS mechanism read with Greenhouse Gases Emission Intensity Target Rules, 2025, target companies that miss their emission intensity obligations and fail to surrender sufficient CCCs are liable to pay environmental compensation equal to twice the average carbon credit price, payable within 90 (ninety) days to the environment protection fund under the Environment Act.

(iv) Vague or unsubstantiated environmental claims attract criminal liability under the Central Consumer Protection Authority Guidelines,2024, with penalties of up to INR 50,00,000 (Rupees Fifty Lakhs) and 5 (five) years' imprisonment for claims not backed by verifiable, third-party audited data, as defined under Consumer Protection Act, 2019.

(v) The requirement of obtaining prior environmental clearance ("EC") under the Environment Act is a mandatory precondition for new projects as well as for the expansion or modernization of existing projects, which would have significant environmental effects, with such categorization being updated periodically and enforced strictly.

(vi) Violation of pollution control laws continue to attract strict actions, leading to fines or closure orders by the

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National Green Tribunal, constituted under the National Green Tribunal Act, 2010 ("NGT").

d. Have there been any test cases brought against companies for their proportionate contribution to global levels of greenhouse gases (GHGs)?

No, there have not been any significant judicial precedents in India where companies have been specifically held liable for their proportionate contribution to GHG emissions. However, Indian environmental jurisprudence has evolved robust enforcement mechanisms addressing pollution and environmental harm more broadly.

The NGT has actively exercised its powers to impose penalties, award compensation, and mandate remedial measures against entities found to be in violation of environmental laws. In parallel, the Central Pollution Control Board ("CPCB"), acting under the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control of Pollution) Act, 1974 undertakes routine regulatory and enforcement actions against industries exceeding prescribed emission standards, including the issuance of directions, closure orders, and financial penalties. Notably, environmental compensation for non-compliance has become a prevalent feature under regulatory framework issued by the CPCB, with recent framework explicitly following the polluter pays principle and the principle of strict and absolute liability as laid down by the Supreme Court of India. In the landmark decisions such as the M.C. Mehta v. Union of India [1987 AIR 1086], which introduced the doctrine of absolute liability, and M.C. Mehta v. Kamal Nath [1997 (1) SCC 388], which reinforced the polluter pays principle, have laid the jurisprudential foundation for imposing environmental liability. These principles have since been consistently relied upon and operationalised by the NGT, which has adopted environmental compensation as a pragmatic mechanism to quantify and recover damages for ecological harm, thereby ensuring that the cost of environmental degradation is borne by the defaulting entity, i.e., the polluter.

Accordingly, while this framework reflects a more stringent domestic approach towards environmental compliance, India is yet to develop a dedicated climate liability regime akin to those emerging in jurisdictions such as Europe and the United States of America, where corporations are increasingly being subjected to litigations for their historical contributions to climate change. Climate and environment related litigation are active in India, notably before the NGT and India's regulatory and adjudicatory framework is increasingly aligning with global trends by strengthening accountability for environmental harm.

2. Biodiversity – are new projects required to demonstrate biodiversity net gain to receive development consent?

India, currently, does not have a standalone legal requirement for "biodiversity net gain" i.e., a requirement that a project must leave nature in a measurably better state than before, unlike nations like United Kingdom, nonetheless biodiversity-related checks are deeply embedded in India's environmental regulatory and forest diversion frameworks in the following manner:

(i) Environmental Impact Assessment Notification, 2006 under the Environment Act ("EIA"): Projects falling within designated categories, as notified by the central government classified on the basis of their potential environmental impact, must obtain prior environmental clearance, including an assessment of ecological and biodiversity impacts. Further, companies must incorporate measures for avoidance, mitigation, and ecological restoration.

(ii) Coastal Regulation Zone ("CRZ") Notifications: Issued under the Environment Act, the notification dated March 8, 2019 issued by the MoEFCC govern activities in notified coastal areas and impose restrictions on development activities, thereby requiring prior CRZ clearance from the coastal zone management authority concerned for specified activities to protect coastal and marine ecosystems.

(iii) Compensatory Afforestation and Forest Clearance: In projects involving diversion of forest land, compensatory afforestation is mandatory under the Van (Sanrakshan Evam Samvardhan) Adhiniyam, 2023, ensuring that loss of deforestation in one area is compensated through afforestation in other designated areas. The Van (Sanrakshan Evam Samvardhan) Adhiniyam, 2023 or the Forest (Conservation) Act, 1980 also mandates a forest clearance to be obtained from the central government prior to diversion of forest land for non forest purposes to protect fragile coastal ecosystems, including for infrastructure and industrial projects.

(iv) Wildlife and Protected Areas: The projects located near national parks, wildlife sanctuaries, or eco-sensitive zones require clearance from the Standing Committee of the National Board for Wildlife under the Wildlife (Protection) Act, 1972.

(v) Biological Diversity Act, 2002: Mandates that entities must seek prior approval from the National Biodiversity

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Authority before accessing India's biological resources for commercial utilisation.

(vi) Project-Specific Biodiversity Offsets: The Ministry of Environment, Forest and Climate Change ("MoEFCC") has the right to impose project-specific biodiversity offset conditions under individual environmental clearances, particularly for large mining, road, hydropower, and infrastructure projects.

3. Water – are companies required to report on water usage?

Yes, India has developed various frameworks that require companies to monitor and report on their water usage and discharge of pollutants into water bodies, along with associated data for wastewater generation.

Under the BRSR framework, the top 1,000 (one thousand) listed companies are required to disclose, from FY 2026-27, in their annual reports, the: (i) water withdrawal by source; (ii) total water consumption and efficiency ratios (litres per unit of revenue or output); and (iii) wastewater discharged, including treatment status and discharge point. The water footprint is one of the BRSR core key performance indicators subject to independent verification from FY 2025–26 for the top 500 (five hundred) listed companies.

Under the EIA, projects falling within designated categories and as classified on the basis of their potential environmental impact must report their total water requirement and sources as part of the environmental clearance process. The Water (Prevention and Control of Pollution) Act, 1974, requires industries to obtain consent (both pre-construction and prior to commencement of operation) from the CPCB and/or the relevant State pollution control boards to discharge effluents, which mandates detailed water usage and discharge reporting.

The Solid Waste Management Rules, 2026, notified by MoEFCC and in force from April 1, 2026, have introduced updated provisions on wastewater and leachate management from solid waste processing facilities. Under the Guidelines to Regulate and Control Ground Water Extraction in India, 2020 issued by the Central Ground Water Authority, entities drawing groundwater are required to obtain a no-objection certificate prior to extraction of groundwater and must install SIM-linked digital meters for live reporting and submit biennial water audits, with penalties as may be prescribed under applicable groundwater extraction guidelines and enforcement actions by the Central Ground Water Authority.

4. Forever chemicals – have there been any test cases brought against companies for product liability or pollution of the environment related to forever chemicals such as Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)?

No, as of early 2026, India is yet to see any litigation or test cases against companies in relation to Perfluoroalkyl and Polyfluoroalkyl Substances ("PFAS") related pollution or product liability. PFAS remain largely unregulated under the Indian environmental law. India is a signatory to the Stockholm Convention and has implemented certain obligations such as: (a) prohibition on manufacture, trade, use, import and export on 7 (seven) chemicals; (b) disclosure by the occupier with respect to quantity and use of chemicals; (c) prohibition on discharge or drain of chemicals onto land, water, etc.; and (d) disposal of waste in accordance with Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2016 on Persistent Organic Pollutants through the Regulation of Persistent Organic Pollutant Rules, 2018, however, the regulatory coverage of PFAS remains limited and evolving. The most significant development in this regard is the Food Safety and Standards Authority of India's ("FSSAI") draft Food Safety and Standards (Packaging) Amendment Regulations, 2026, which propose to ban PFAS in all food contact materials, including packaging, cookware, and utensils. If and when enacted, this will be India's first targeted PFAS ban, though it would remain limited to food contact materials. Broader regulation of PFAS in industrial and drinking water contexts is anticipated but is yet to be introduced.

Thus, while India currently lacks a comprehensive regulatory framework for PFAS, these developments indicate an emerging, and gradual, shift towards developing regulation in this area.

5. Circularity – a. The law governing the waste hierarchy is addressed by the Environment international guide, in respect of ESG are any duties placed on producers, distributors or retailers of products to ensure levels of recycling and / or incorporate a proportionate amount of recycled materials in product construction? b. Are any duties placed on producers, distributors or retailers of products to handle the end-of-life of the products placed on the market?

India has developed one of the most comprehensive extended producer responsibility ("EPR") framework

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among emerging economies, anchored within the Environment Act and operationalised through a suite of waste management rules such as the Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2016; Construction and Demolition Waste Management Rules, 2016, Plastic Waste Management Rules, 2016, among others. The system places legally binding obligations on producers, importers, brand owners (collectively, "PIBOs"), and in certain waste streams on distributors and retailers, to ensure prescribed levels of collection, recycling, and incorporation of recycled content. The compliance is administered through centralised digital portals operated by the CPCB, on which all obligated entities must register, report activity data, and acquire or generate EPR certificates, each certificate representing the verified processing of one tonne of the relevant waste stream. The key frameworks, in order of maturity, are set out below:

(i) Plastic Waste: The Plastic Waste Management Rules, 2016 require PIBOs to register on the CPCB's centralised EPR portal for plastic packaging, report the quantity and category of all plastic packaging placed on the market, and meet annual targets for collection, recycling, reuse, and end-of-life disposal across 4 (four) packaging categories: rigid plastics (Category I), flexible plastics (Category II), multilayered and composite plastics (Category III), and compostable plastics (Category IV). From FY 2024–25, PIBOs were required to ensure collection and processing of 100% (one hundred percent) of the plastic packaging placed on the market. In addition, minimum recycled content requirements have been introduced, starting from FY 2025–26, rigid plastic packaging must contain at least 30% (thirty percent) recycled material (increasing to 60% (sixty percent) by FY 2028–29), while flexible plastics must contain 10% (ten percent) (increasing to 20% (twenty percent) by FY 2028-29). Further, pursuant to a notification issued by the MoEFCC on January 19, 2026, compliance requirements have been further tightened. PIBOs can no longer rely on end-of-life disposal certificates to meet recycling targets, and compliance must be achieved separately for each category of plastic packaging, surpluses in one category cannot be used to offset shortfalls in another. Additionally, with effect from July 1, 2025, all plastic packaging is required to carry QR codes, barcodes, or other unique digital identifiers to enable traceability across the value chain, from production to final processing.

(ii) E-Waste: The E-Waste (Management) Rules, 2022, regulate 106 (one hundred six) categories of electrical and electronic equipment across seven product groups, including IT equipment, consumer electronics, medical devices, and solar photovoltaic modules. Producers are required to meet phased recycling targets – 60% (sixty percent) of eligible e-waste for FY 2023–24 and FY 2024–25, increasing to 70% (seventy percent) for FY 2025–26 and FY 2026–27, and 80% (eighty percent) from FY 2027–28 onwards. Compliance is achieved through the purchase of EPR certificates from CPCB-registered recyclers via the centralised E-Waste EPR portal. These certificates are issued based on verified quantities of recycled end-products, such as gold, copper, aluminium, and iron. With India now being the world's third-largest generator of e-waste – producing approximately 1,400,000 tonnes in FY 2024–25,effective implementation of the EPR framework in this sector has become an important regulatory priority.

(iii) Battery Waste: The Battery Waste Management Rules, 2022 require producers of all battery types — portable, automotive, industrial, and electric vehicle batteries to meet collection and recycling targets through registered recyclers. With India's electric vehicle market expanding rapidly, the 2025 amendment to the Battery Waste Management Rules, 2022 introduced enhanced targets for lithium-ion battery collection and recycling and encouraged the use of recycled materials in new battery production. An EPR certificate trading mechanism, analogous to the plastic and e-waste systems, operates through the CPCB's centralised portal.

(iv) Construction and Demolition Waste: The Construction and Demolition Waste Management Rules, 2025 represent a landmark expansion of the EPR principle to the built environment. For the first time, builders and developers on projects of 20,000 (twenty thousand) square metres or more are classified as "producers" under an EPR framework, required to register with the CPCB, and obligated to meet recycling targets for construction and demolition debris. Entities that meet their targets earn EPR certificates tradeable against future obligations, incentivising investment in recycling infrastructure for concrete, brick, steel, and other construction materials.

(v) Solid Waste: The Solid Waste Management Rules, 2026, replace the 2016 framework with enhanced obligations, wider ambit of covered entities, and the introduction of the concept of the extended bulk waste generator, which extends producer-style responsibilities to large generators of municipal solid waste.

(vi) End-of-Life Vehicles: The End-of-Life Vehicles Rules, 2025 establish India's first dedicated framework for the scrapping and recycling of old vehicles, mandating environmentally sound dismantling, material recovery,

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and safe disposal of hazardous components.

(vii) EPR Certificate Trading Mechanism: Central to India's circularity framework is the market-based EPR certificate trading system, which operates across the plastic, e-waste, battery, and construction waste streams. Registered recyclers and waste processors generate certificates upon verified processing of waste, which are uploaded to the relevant CPCB portal. PIBOs acquire these certificates to demonstrate fulfilment of their annual obligations. Surplus certificates may be traded between entities, creating a market-based incentive for investment in recycling capacity.

Collectively, these instruments reflect a sector-specific and evolving EPR regime in India, embedding producer responsibility and lifecycle waste management obligations across multiple industries.

b. Are any duties placed on producers, distributors or retailers of products to handle the end-of-life of the products placed on the market?

Handling the end-of-life of products is the core purpose of India's EPR system. Under each of the rules, as discussed in the response to 5(a), producers face a clear legal obligation to either: (i) take back products or packaging at end of life and ensure their recycling or environmentally sound disposal through registered facilities; or (ii) purchase EPR certificates from registered recyclers to offset their obligations and ensure compliance.

The waste management hierarchy enshrined in the EPR framework prioritises, in descending order: (i) reuse; (ii) recycling; and (iii) end-of-life disposal (including co-processing, waste-to-energy, and road construction), reflecting a deliberate policy preference for circular solutions over disposal.

Non-compliance with EPR obligations attracts penal consequences such as fines under the Environment Act and environmental compensation as determined by CPCB. The CPCB is empowered to levy environmental compensation charges on entities that fail to meet their targets – calculated on the basis of the average cost of collection, transportation, and processing of the relevant waste stream and may additionally suspend or cancel registrations, issue closure orders, and initiate prosecution under Section 15 of the Environment Act. For e-waste, the penalty structure includes environmental compensation as determined by CPCB based on shortfall in compliance and cost of recycling, with continued non-compliance potentially resulting in cancellation of registration and cessation of operations. CPCB has issued multiple rounds of show cause notices to non-compliant PIBOs and environmental compensation proceedings are ongoing against numerous entities involving varying waste streams.

The Guidelines on Extended Producer Responsibility for Plastic Packaging, 2022 and the Guidelines for Storage and Handling of Waste Solar Photo-Voltaic Modules or Panels or Cells, 2026 further provide sector-specific framework on end-of-life obligations, including technical standards for processing, storage, and transportation waste.

6. Plastics – what laws are in place to deter and punish plastic pollution (e.g. producer responsibility, plastic tax or bans on certain plastic uses)?

India has developed a multi-layered regulatory regime to combat plastic based pollution addressing each stage of the plastic waste lifecycle. The regulatory regime is implemented through the following rules and regulations:

(i) Ban on Single-Use Plastics: This is a concept introduced under the Plastic Waste Management (Amendment) Rules, 2022, which prohibits manufacture, import, sale, and use of 19 (nineteen) specified single-use plastic items (e.g., plastic straws, cutlery, plates, cups, polystyrene/ thermocol products). This marks as one of India's most prominent environmental enforcement measures.

(ii) EPR for Plastic Packaging : Under the Plastic Waste Management (Amendment) Rules, 2022, PIBOs are required to register on the CPCB's EPR portal and meet annual targets for collection, recycling, reuse, and safe disposal of plastic packaging.

(iii) Plastic Waste Management Rules, 2016 (2024 Amendment): The Plastic Waste Management Rules, 2016 mandate, manufacturers claiming their products to be compostable or biodegradable, to obtain certification from the CPCB and comply with prescribed labelling and marking requirements.

(iv) Solid Waste Management Rules, 2026 (effective from April 1, 2026): These rules have updated the framework for municipal solid waste management including stricter provisions on segregation and processing of plastic waste.

(v) Non-compliance with these regulatory requirements attracts penalties, including fines, environmental compensation, prosecution, and potential suspension or

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cancellation of licences under the Environment Act.

7. Equality Diversity and Inclusion (EDI) – what legal obligations are placed on an employer to ensure equality, diversity and inclusion in the workplace?

In India, the principle of equality is enshrined under Article 14 of the Constitution of India, and a range of statutory frameworks impose binding obligations on employers to uphold equality, diversity, and inclusion in workplace. Set out below is an overview of the obligations imposed on employers with respect to equality and diversity at workplace:

(i) Labour Codes: The four labour codes, comprising the Codes on Wages (2019), Code on Industrial Relations (2020), Code on Social Security (2020), and Code on Occupational Safety, Health and Working Conditions (2020) (collectively referred to as the "Labour Codes"), represent a historic consolidation of 29 (twenty-nine) fragmented central laws into a unified framework. This reform fundamentally reshapes the employer-employee relationship by introducing a national floor wage, capping allowances at 50% (fifty percent) of total salary to boost social security contributions and extending benefits like gratuity and provident fund to gig and platform workers for the first time. While providing businesses with greater operational flexibility, such as increasing the layoff threshold to 300 (three hundred) workers and recognizing fixed-term employment, the Labour Codes also mandate stricter compliance, including double pay for overtime and specialized reskilling funds for retrenched staff. As of date, the Labour Codes have been enacted but are not fully operationalised across all states, pending notification of rules, however, all Indian establishments must align their payroll and human resources management policies by April 1, 2026 to avoid significant daily fines and legal disputes.

(ii) Rights of Persons with Disabilities Act, 2016: Requires employers with more than 20 (twenty) employees to implement an equal opportunity policy, identify suitable roles for persons with disabilities, provide assistive devices, and appoint a liaison officer for inclusive recruitment.

(iii) Sexual Harassment of Women at Workplace Act, 2013: Requires employers to provide a safe workplace, constitute an internal complaints committee where there are 10 (ten) or more employees, run awareness workshops, and maintain a written anti-harassment policy. Non-Compliance with the above obligations attracts fines and can also lead to cancellation of the employer's licence.

(iv) Transgender Persons (Protection of Rights) Act, 2019: Prohibits discrimination against transgender persons in employment and mandates the appointment of a compliance officer under Transgender Persons (Protection of Rights) Rules,2020 to ensure adherence to its provisions.

(v) Section 149 of the Companies Act: Mandates certain classes of companies: (a) every listed company; (b) every other public company having a paid-up share capital of INR 100,00,00,000 (Indian Rupees One Hundred Crore) or more; (c) turnover of INR 300,00,00,000 (Indian Rupees Three Hundred Crore) or more to appoint at least one-woman director on their board.

(vi) SEBI LODR Regulations: Regulation 17 of the SEBI LODR Regulations requires listed entities to ensure the presence of at least one-woman director on their board of directors, reinforcing gender diversity in corporate governance.

Collectively, these frameworks embed equality and non-discrimination as core legal obligations within India's employment and corporate governance landscape.

8. Workplace welfare – in respect of ESG are there any legal duties on employers to treat employees fairly and with respect?

Yes, multiple statutory frameworks in India impose clear obligations on employers to ensure that workers are treated with dignity, fairness, and security. An overview of the statutory framework so operating in this regard is set out below:

(i) Code on Wages, 2019: Establishes a statutory national floor wage, obligating state government to ensure that minimum wages do not fall below such limit, thereby, ensuring a baseline level of income protection for workers.

(ii) Occupational Safety, Health and Working Conditions Code, 2020: Mandates employers to maintain safe working environments, adopt written health and safety policies, conduct annual health check-ups (where workforce exceeds 40 (forty)), constitute safety committees, and comply with standards for handling hazardous substances. It also enables women to work across all sectors, including hazardous roles, subject to consent and prescribed safety safeguards.

(iii) Code on Social Security, 2020: Extends social security

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coverage to gig workers, platform workers, and those in the unorganised sector. It also obliges aggregators to contribute to a social security fund, and provides that fixed-term employees are eligible to receive gratuity after just 1 (one) year of service (compared to 5 (five) years under the old law).

(iv) Industrial Relations Code, 2020: Introduces fixed-term employment with parity in benefits vis-à-vis permanent employees, provides for re-skilling funds for retrenched workers, formally recognises trade unions, and allows flexible work arrangements such as work-from-home by mutual agreement.

(v) State Shops and Establishment Acts: These continue to regulate working conditions in commercial establishments during the transition to the new labour codes, including provisions relating to working hours, leave, wages, and employee welfare.

9. Living wage – the law governing employment rights is addressed in the Employment and Labour international guide, in respect of ESG is there a legal requirement to pay a wage that is high enough to maintain a normal standard of living?

No, India is yet to introduce a single, nationally mandated "living wage" applicable across all sectors that guarantees a normal standard of living for all workers. However, the following legal and policy measures operate in that direction:

(i) Code on Wages, 2019: Introduces a national floor wage, a statutory minimum wage below which no state government can set its own wage. The recommended floor wage is INR 176 (Rupees One Hundred and Seventy Six) per day (as advised by the expert committee), though the exact figure will be formally notified in the central rules which are expected to roll out by April 2026. The code also mandates minimum wages for both organized and unorganized sector workers and requires wages fixation to consider the subsistence need of a standard working-class family.

(ii) Constitution of India: Article 43 of the Constitution of India directs the State to secure a "living wage" and decent working conditions for all workers and Article 47 obligates the State to raise living standards and improve public health. These articles fall under the Directive Principles of State Policy, which though are not directly enforceable akin to fundamental rights, yet guide and direct legislative and executive action.

Thus, while a uniform living wage mandate is absent, India's legal framework reflects a gradual movement towards ensuring wage adequacy and improved living standards for workers.

10. Human rights in the supply chain – in relation to adverse impact on human rights or the environment in the supply chain: a. Are there any statutory duties to perform due diligence; b. Have there been any test cases brought against companies?

a. Are there any statutory duties to perform due diligence;

The regulatory and policy frameworks impose related obligations and signalling a move in that direction:

(i) BRSR (SEBI): Mandated by SEBI, listed companies are required to disclose whether their supply contracts include human rights related clauses, whether they have a human rights policy, and the scope and outcomes of any of their human rights due diligence. From FY 2025–26, the top 250 (two hundred and fifty) listed companies must voluntarily disclose ESG performance data of their significant value-chain partners (those comprising 2% (two percent) or more of purchases or sales by value).

(ii) National Guidelines on Responsible Business Conduct, 2019 ("NGRBC"): Issued by Ministry of Corporate Affairs, NGRBC are non-binding principles, that promote businesses to respect human rights across operations and supply chains. Their practical enforceability has been strengthened through integration with the BRSR framework.

(iii) BRSR Core: This enhanced disclosure framework includes employee wellbeing and safety as one of the 9 (nine) key performance indicators subject to verification. While primarily focused on direct employees, it reflects a broader regulatory shift toward accountability extending into supply chains.

b. Have there been any test cases brought against companies?

Although India has not witnessed significant direct corporate human rights related litigations, following test cases and proceedings illustrate judicial and regulatory scrutiny in this area:

(i) Foxconn Case (NHRC Case No. 1243/22/13/2024): The National Human Rights Commission ("NHRC") took suo motu notice of media reports alleging that Foxconn (a

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major Apple supplier in Tamil Nadu) had systematically excluded married women from job roles during peak production periods. The NHRC expressed dissatisfaction on the response and role of labour authorities in this particular matter. The case is still pending.

(ii) Kavita Yadav v. The Secretary, Ministry of Health and Family Welfare Department and Ors (MANU/SC/0922/2023): The Supreme Court considered whether a contractual employee is entitled to full maternity benefits under the Maternity Benefit Act, 1961, even when the benefit period extends beyond the contractual tenure. The appellant, was denied full maternity benefits on the ground that her contract expired during the benefit period. The Supreme Court held that maternity benefits are a statutory right that are not co-terminus with employment tenure and can extend beyond the contractual period. The Supreme Court further held that the Maternity Benefit Act, 1961 overrides contractual terms and creates a legal fiction deeming the employee to be in service for the limited purpose of availing maternity benefits. The judgment reinforces the beneficial and welfare-oriented nature of maternity legislation and expands protections for women in contractual employment.

(i) People's Union for Democratic Rights v. Union of India (1982) 3 SCC 235: The Supreme Court found that migrant workers building stadiums for the Asian Games, held in 1982, were paid below minimum wages, held that non-payment of minimum wages constitutes forced labour under the Constitution of India. The landmark ruling significantly expanded the interpretation of fundamental rights in the labour context.

While the human rights are enshrined within the Constitution of India under Articles 14, 19 and 21, these can only be enforced against either the government or its agencies who are required to uphold constitutional morality. However, in case of private companies (such as Foxconn), human rights are addressed through specific and beneficial legislations such as the Maternity Benefit Act, 1961 (Code on Social Security, 2020), Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, etc. Therefore, while there is no significant jurisprudence for enforcement of human rights against companies, such specific and beneficial legislations ensure that companies comply with and are held liable for rights which are sought to be secured through these legislations.

These instances demonstrate the willingness of Indian courts and regulatory bodies to address labour rights violations, even in the absence of a dedicated supply-chain human rights due diligence law.

11. Responsibility for host communities, environment and indigenous populations – in relation to adverse impact on human rights or the environment in host communities: a. Are there any statutory duties to perform due diligence; b. Have there been any test cases brought against companies?

a. Are there any statutory duties to perform due diligence;

India has several legislative frameworks requiring due diligence in relation to the impact of projects on host communities, land acquisition, environment protection, community impact and indigenous populations:

(i) Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 ("LARR Act"): Prior to land acquisition of private land for public purposes, the LARR Act mandates a social impact assessment ("SIA") to be undertaken, requiring consultation with affected communities. The LARR Act provides for enhanced compensation to displaced families (up to twice the market value for urban land and up to four times for rural land) along with rehabilitation measures including alternative land, housing and subsistence allowances.

(ii) Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights Act, 2006: Protects the rights of tribal and forest-dwelling communities over land and resources. It requires projects affecting such areas to comply with statutory safeguards, including obtaining prior informed consent from the Gram Sabha for developing such projects.

(iii) Environmental Clearance: Under the EIA, public hearings in affected areas are mandatory for large projects, ensuring stakeholder participation and environmental due diligence.

(iv) CSR under Section 135 of the Companies Act: Requires eligible companies to spend at least 2% (two percent) of their average net profits on CSR activities, which may include community development initiatives in areas impacted by their operations.

b. Have there been any test cases brought against companies?

While no single landmark case matches the profile of host-community litigation as seen in other jurisdictions, the NGT regularly adjudicates complaints from communities affected by industrial pollution, imposing environmental compensation and remediation orders.

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The Supreme Court's jurisprudence on the "polluter pays" principle and the "precautionary principle" has been consistently applied to protect host communities and their environments.

In Dinesh & Ors. v. State of Madhya Pradesh & Ors. (Civil Appeal Nos. 6441–6445 of 2024 (S.C. India 2024)), the Supreme Court emphasized that the process of hearing objections under the LARR Act constitutes a sacrosanct safeguard, comparable in importance to a fundamental right. Consequently, any failure to comply with this mandatory requirement would render the land acquisition proceedings invalid. The Supreme Court further directed the authorities to duly consider and adjudicate the objections in accordance with law.

These frameworks and judicial developments indicate that, although India lacks a uniform codified due diligence regime, multiple statutory and judicial safeguards collectively impose substantive due diligence obligations on authorities and project proponents.

12. Have the Advertising authorities required any businesses to remove adverts for unsubstantiated sustainability claims?

Yes, India now has two overlapping frameworks, one self-regulatory and one statutory, that target unsubstantiated sustainability claims in advertising often referred to as greenwashing. "Greenwashing" refers to the practice of making false, misleading, or exaggerated claims about the environmental benefits of a product, service, or company. India has developed the following framework to address such practices, combining self-regulation with statutory enforcement:

(i) Advertising Standards Council of India ("ASCI") Guidelines,2024: The ASCI, a voluntary self-regulation council, registered as a not-for-profit company under Section 25 of the Companies Act, issued its guidelines for advertisements making environmental/green claims, effective from February 15, 2024. These guidelines require all environmental claims to be backed by verifiable scientific evidence, credible accreditations, or third-party certifications. By linking these standards to Chapter I of its Code for Self-Regulation in Advertising, ASCI has aligned India with global benchmarks like the European Union's Green Claims Directive. This creates an immediate requirement for brands to move beyond vague marketing and provide full transparency to avoid being flagged for deceptive practices. This self-regulatory framework was reinforced by the Central Consumer Protection Authority's statutory powers under the Consumer Protection Act, 2019. This dual-layered oversight means that "greenwashing" is now legally classified as an unfair trade practice, punishable by heavy fines and mandatory ad bans.

(ii) Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims, 2024: Issued by the Central Consumer Protection Authority under Section 21 of Consumer Protection Act, 2019, the guidelines specifically target greenwashing. It broadly defines misleading environmental claims and empowers authorities to impose penalties, including fines and corrective measures.

(iii) New category of Mutual Fund schemes for Environmental, Social and Governance Investing and related disclosures by Mutual Funds ("SEBI Mutual Fund Framework"): Issued by SEBI in 2023 to prevent financial greenwashing, the SEBI Mutual Fund Framework requires mutual funds labelled as "ESG" to invest at least 80% (eighty percent) of assets in ESG-compliant securities, undergo annual independent impact assessments, and provide standardised disclosures. ESG rating providers may withdraw ratings for non-compliance, thereby curbing financial greenwashing.

(iv) Framework for Environment, Social and Governance Debt Securities (other than green debt securities) ("ESG Debt Framework"): Issued by SEBI in 2025, the ESG Debt Framework introduces regulatory oversight for instruments such as social bonds, sustainability bonds, and sustainability-linked bonds. It requires mandatory third-party verification, both pre-and post-issuance, thereby strengthening credibility and preventing misuse of ESG labels in debt markets.

Together, these frameworks establish a comprehensive mechanism to curb greenwashing in India by targeting misleading claims across advertising, consumer protection, and financial markets.

13. Have the Competition and Markets authorities taken action, fined or prosecuted any businesses for unsubstantiated sustainability claims relating to products or services?

At present, there are no publicly reported instances where Indian competition or market regulators have imposed penalties or initiated enforcement actions specifically in relation to sustainability-related claims. While there is no direct enforcement precedent, sustainability-related claims may, in principle, be examined under existing competition law frameworks where they impact consumer choice or market conduct, including the possibility of treating environmental attributes as a

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dimension of “quality” in assessing market conduct. This suggests that claims relating to eco-friendly production, reduced carbon emissions, or sustainable sourcing may increasingly influence competitive assessments and could, in certain cases, give rise to concerns of misleading or unfair trade practices. This evolving stance aligns with broader global trends. Authorities such as the Competition and Markets Authority (United Kingdom) have introduced regulatory tools like the green claims code to scrutinise sustainability-related marketing, while the European Commission (European Union) has taken active steps to curb misleading environmental claims. Accordingly, while enforcement in India is still at a nascent stage, regulatory signals indicate a clear trajectory towards closer scrutiny of sustainability claims under the ambit of the competition law framework

14. Have there been any test cases brought against businesses for unsubstantiated enterprise wide sustainability commitments?

As of early 2026, there are no reported judicial decisions in India where a company has been specifically penalised for making broad, company-wide sustainability commitments that it subsequently failed to fulfil. Further, India has not yet witnessed the emergence of ‘net zero commitment litigation’ comparable to that seen in jurisdictions such as Australia and Europe. However, the legal and regulatory risk in this area is steadily increasing. With the introduction of BRSR Core, disclosures mandated by SEBI, which now require independent verification of ESG metrics, companies are subject to heightened scrutiny. Additionally, SEBI retains the power to take action against listed entities for mis-statements or omissions in annual reports. Consequently, companies making public sustainability commitments without a credible implementation framework may face growing regulatory exposure, as well as significant reputational risk.

15. Is there a statutory duty on directors to oversee environmental and social impacts?

Yes, in India, the Companies Act and SEBI regulations impose clear duties on directors of a company, including in relation to sustainability and stakeholder interests under the following provisions:

(i) Section 166(2) of the Companies Act: Directors are required to act in good faith and in the best interests of not only the shareholders, but also of employees, the community, and the environment, thereby embedding stakeholder-centric governance within statutory duties.

(ii) Section 135 of the Companies Act: Mandates that qualifying companies (i.e., every company having net worth of INR 500,00,00,000 (Rupees Five Hundred Crore) or more, or turnover of INR 1000,00,00,000 (Rupees One Thousand Crore) or more, or net profit of INR 5,00,00,000 (Rupees Five Crore) or more) during the immediately preceding financial year to constitute a CSR committee of the board comprising of 3 (three) or more directors, of which at least 1 (one) director is required to be an independent director. The board of such qualifying companies are required to ensure that the company spends at least 2% (two percent) of their average net profits on its CSR activities, including environmental and sustainability initiatives. Additionally, the board of directors of a company is responsible for overseeing implementation and ensuring proper utilisation of funds within approved timelines.

(iii) Section 134(3) of the Companies Act: Requires the board of directors’ report to include a statement on the company’s policy for conservation of energy, as well as a corporate social responsibility report, where applicable.

(iv) BRSR: Introduced by SEBI, BRSR forms part of the annual report approved by the board of directors, thereby placing responsibility on directors for the accuracy of ESG disclosures. With BRSR Core requiring mandatory independent assurance for top listed companies (from FY 2025–26 onwards), directors face increasing legal exposure for inaccurate or misleading sustainability-related disclosures.

Collectively, these provisions expand directors’ duties beyond traditional shareholder primacy to include broader ESG and stakeholder considerations.

16. Have there been any test cases brought against directors for presenting misleading information on environmental and social impact?

As on date, there are no reported cases in India where a director has been specifically prosecuted for misrepresenting ESG or environmental data to investors or the public. . However, the legal foundations for such claims do exist. Under Section 447 of the Companies Act, fraud, which includes deliberate falsification of accounts and misrepresentation, is punishable with imprisonment for a term, not less that 6 (six) months but which may extend up to 10 (ten) years and fines which will not be less than the amount involved in the fraud, but which may extend up to 3 (three) times the amount involved. A company's failure to disclose potential environmental liabilities as contingent liabilities qualifies as falsification of accounts.

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SEBI is empowered to penalise listed companies and their officers for making false or misleading disclosures under the SEBI LODR Regulations, under which a penalty of INR 2,000 (Rupees Two Thousand) is levied for failure to submit annual report as required under Regulation 34 of the SEBI LODR Regulations. SEBI may also debar directors from accessing capital markets in cases of misconduct. With the introduction of mandatory BRSR Core assurance, the risk of director liability for inaccurate ESG disclosures is expected to rise significantly. In parallel, growing scrutiny around greenwashing and sustainability-related misstatements further heightens exposure. Accordingly, directors face increasing legal and regulatory risk if they fail to ensure the accuracy and credibility of sustainability disclosures.

17. Are financial institutions and large or listed corporates required to report against sustainable investment criteria?

Yes, India has introduced multiple financial regulatory frameworks requiring financial institutions and large or listed companies to report against sustainable investment criteria. An overview of the same is set out below:

(i) BRSR Framework: The top 1,000 (one thousand) listed companies (including financial institutions) must report on ESG criteria as part of their annual report.

(ii) Draft Disclosure Framework on Climate-related Financial Risks, 2024 ("Draft Disclosure Framework"): Issued by the Reserve Bank of India, the Draft Disclosure Framework requires banks, non-banking financial companies ("NBFCs"), and pan India financial institutions to disclose under 4 (four) pillars: (i) governance (how climate risk is overseen at board level); (ii) strategy (how climate risks affect business plans and financial projections); (iii) risk management (how climate risks are identified and managed); and (iv) metrics and targets (what data and targets are used).

(iii) SEBI Mutual Fund Framework: Mandates funds labelled as "ESG" must invest at least 80% (eighty percent) of assets in ESG-compliant securities, obtain annual independent impact assessments, and provide standardised disclosures.

(iv) ESG Debt Framework: First-ever dedicated regulatory framework for social bonds, sustainability bonds, and sustainability-linked bonds.

(v) Stewardship Codes: SEBI (for mutual funds and all categories of Alternative Investment Funds), Insurance Regulatory and Development Authority of India (for insurance funds) and Pension Fund Regulatory and Development Authority (for pension funds) have each issued stewardship codes requiring institutional investors to integrate ESG considerations into their stewardship policies.

Collectively, these frameworks reflect a structured move towards embedding sustainability considerations within India's financial and investment ecosystem.

18. Is there a statutory responsibility on businesses to report on managing climate related financial risks?

India is progressively moving towards mandatory climate risk reporting. There is a growing statutory and regulatory expectation on businesses to report on managing climate-related financial risks. While a fully consolidated framework is not yet in force, India is evolving towards developing , a comprehensive regulatory structure. The key statutory aspects as discussed below

(i) Draft Disclosure Framework In 2024, the RBI released the Draft Disclosure Framework, aligned with the recommendations of the task force on climate-related financial disclosures, while the framework is yet to be implemented, it proposes that regulated entities including banks, NBFCs, and financial institutions disclose climate-related risks across four pillars: governance, strategy, risk management, and metrics/targets.

(ii) BRSR Core : Mandated by SEBI, climate risk management forms part of the key ESG indicators disclosed by the listed companies. From FY 2025–26, these disclosures are subject to independent verification for the top 500 (five hundred) listed companies.

(iii) CCTS : Implemented under the oversight of BEE, CCTS requires obligated entities to annually report greenhouse gas emission intensity data, thereby creating a direct link between climate performance and regulatory compliance for key industrial players.

Together, these measures indicate a clear shift towards structured and enforceable climate risk disclosures in India's financial and corporate sectors.

19. Is there a statutory responsibility on businesses to report on energy consumption?

Yes, India imposes a comprehensive set of statutory and regulatory obligations on businesses to report on energy

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consumption, operating through multiple frameworks that collectively cover industrial consumers, listed companies, commercial buildings, and, increasingly, renewable energy procurement.

(i) Energy Act and Designated Consumers: The Energy Act provides the foundational statutory framework for energy consumption reporting in India. The Energy Act identifies energy-intensive industrial units as 'designated consumers' based on prescribed threshold levels of annual energy consumption. Designated consumers are required to: (i) appoint certified energy managers at each plant; (ii) conduct mandatory energy audits through BEE-accredited auditors; (iii) comply with notified energy consumption norms and standards; and (iv) furnish annual returns to the BEE and the designated State agencies detailing energy consumed, specific energy consumption per unit of production, and actions taken to improve efficiency. Non-compliance with the standards for efficient use and conservation of energy, as prescribed by the Central or State Governments under Sections 14 and 15, respectively of the Energy Act, attracts penalties under Section 26 of the Energy Act. Such penalties include, among others, a fine of up to INR 10,00,000 (Rupees Ten Lakhs), and an additional fine of up to INR 10,000 (Rupees Ten Thousand) for each day during which the non-compliance continues. Section 26 also prescribes, in certain instances, additional penalties calculated on the basis of the value of energy savings not achieved.

(ii) PAT Scheme: The PAT scheme, administered by the BEE under the National Mission for Enhanced Energy Efficiency, is the principal market-based regulatory instrument for industrial energy efficiency in India. Under PAT, each designated consumer is assigned a unit-specific specific energy consumption reduction target over a three-year compliance cycle. Industries that outperform their targets earn tradable ESCs, each equivalent to one metric tonne of oil equivalent of energy savings. Industries that fail to meet their targets must either purchase ESCs on the Indian energy exchange or face statutory penalties. BEE has rolled out 7 (seven) PAT cycles since 2012, covering approximately 1,073 (one thousand seventy three) designated consumers across 13 (thirteen) energy-intensive sectors — including aluminium, cement, chlor-alkali, fertiliser, iron and steel, pulp and paper, thermal power, textiles, petrochemicals, petroleum refining, railways, DISCOMs, and commercial buildings. The PAT scheme is now being transitioned to the CCTS, with the compliance mechanism expected to become fully operational by October 2026.

(iii) Renewable Consumption Obligations: The Energy Conservation (Amendment) Act, 2022 introduced a significant new reporting and compliance obligation, the RCO, which complements existing RPO framework. Through notification dated October 20, 2023, the Ministry of Power mandated that all designated consumers, including electricity distribution licensees, open access consumers, and captive power users, must consume a specified minimum percentage of their total electricity from non-fossil fuel sources. The RCO minimum targets (as a percentage of total electricity consumption) that a designated consumer must meet for renewable/non-fossil energy sources on an annual basis is: (a) 29.91 % (twenty nine point nine one percent) in FY 2024–25; (b) 33.01% (thirty three point zero one percent) in FY 2025–26; (c) 35.95% (thirty five point nine five percent) in FY 2026–27; (d) 38.81% (thirty eight point eight one percent) in FY 2027–28; (e) 41.36% (forty one point three six percent) in FY 2028–29; and (f) 43.33% (forty three point three three percent) in FY 2029–30. The mandate includes distinct sub-targets for wind, hydro, and distributed renewable energy. Compliance may be achieved through direct renewable energy consumption, purchase of RECs, or buyout payments, with shortfalls attracting penalties under Section 26 of the Energy Act. The REC First Amendment have further strengthened the REC framework by: (a) formally defining the concept of 'Renewable Consumption Obligation' or 'RCO' as the requirement specified by the Central Government under the Energy Act for the minimum share of consumption of non-fossil sources; (b) introducing revised technology-specific certificate multipliers determined on a weighted scoring methodology based on tariff range, technology maturity, and capacity credit/peak support, with differentiated multipliers for generating stations commissioned before and after the date of effect of the amendment; (c) formally recognising VPPAs, under which RECs are automatically transferred to consumers or designated consumers and may be used to meet RPO or RCO, with the Central Agency responsible for extinguishing such certificates upon compliance; (d) expanding eligibility for captive generating stations based on renewable energy sources, including those renewable energy plants which do not fulfilll the conditions of captive generating plants under the Electricity Rules, 2005 but have self-consumption; and (e) prescribing a revised mandatory compliance window within which a distribution licensee or an open access consumer must apply for issuance of RECs from 3 (three) months from the end of a financial year to 3 (three) months from the date of certification by the State Electricity Regulatory Commission concerned, failing which no certificate will be issued. The certificate multiplier, once assigned, remains valid for 15 (fifteen) years from the date of commissioning, after which one certificate is issued per MWh of electricity generated and injected into the grid.

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(iv) Companies Act Disclosure: Section 134(3)(m) of the Companies Act requires every company's board of directors' report to include a statement on conservation of energy, covering the steps taken or proposed for conservation, the capital investment in energy conservation equipment, and the impact of these measures. This obligation applies to all companies governed by the Companies Act, not merely listed entities.

(v) SEBI BRSR Reporting: For listed companies, SEBI's BRSR framework mandates detailed disclosure of total energy consumption (in joules or multiples), energy intensity per rupee of turnover, the proportion of electricity consumed from renewable versus non-renewable sources, and measures taken to reduce energy consumption. BRSR Core further requires independent third-party assurance of key energy metrics, applicable to the top 500 (five hundred) listed companies from FY 2025–26 and the top 1,000 (one thousand) from FY 2026–27.

(vi) Energy Conservation Building Code: The Energy Conservation Building Code ("ECBC"), first notified in 2007 and updated in 2017, applies to commercial buildings with a connected load of 100 kW or more or a contract demand of 120 kVA or more. The ECBC sets minimum energy performance standards for building envelopes, lighting, HVAC systems, and electrical systems in new construction and major renovations. Compliance is enforced through the building approval process at the state and municipal level. The 2022 amendment to the Energy Act further broadened the ECBC's reach, empowering the Central Government to prescribe energy consumption standards for residential buildings and to mandate the use of non-fossil fuel energy sources in buildings, industry, and transport.

20. Is there a statutory responsibility on businesses to report on EDI and / or gender pay gaps?

No, India does not currently have a standalone legislation mandating companies to publish a formal gender pay gap report. However, following statutory and regulatory frameworks impose related obligations and promote pay equity and diversity disclosures:

(i) Code on Wages, 2019 : The Code on Wages, 2019 prohibits gender-based (and caste-based) wage discrimination and mandates equal remuneration for the same or similar work, irrespective of the gender of the worker/employee. It also introduces gender-neutral provisions relating to pay and employment opportunities.

(ii) Companies Act: The proviso to Section 149(1) of the Companies Act read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 requires certain classes of companies, i.e., (a) every listed company; (b) every other public company having a paid-up share capital of INR 1,00,00,00,000 (Rupees Hundred Crores) or more; and (c) every other public company with turnover of INR 3,00,00,00,000 (Rupees Three Hundred Crores) or more to appoint at least 1 (one) woman director, thereby promoting gender diversity at the board level.

(iii) SEBI LODR Regulations : All listed companies must have at least one-woman director and the top 1,000 (one thousand) companies must have at least one independent woman director.

(iv) BRSR Core : Wage parity between male and female employees is included as one of the key performance indicators. From FY 2025–26, this metric is subject to independent verification for the top 500 (five hundred) listed companies, making it the closest equivalent to a structured gender pay gap disclosure regime in India.

Accordingly, while India lacks a dedicated gender pay gap reporting law, existing provisions collectively promote pay equity, transparency, and gender diversity in corporate governance.

21. Is there a statutory responsibility to report on modern day slavery in the supply chain?

India has stringent legal provisions prohibiting modern-day slavery, forced labour, and human trafficking, not just within supply chains but in all its forms, and violation of any of these legal provisions attracts penal action. A few of the legal provisions covering slavery, forced labour and human trafficking are as set out below:

(i) Constitutional Protections: Article 23 of the Constitution of India prohibits trafficking in human beings and begging (forced labour) in all forms, rendering any contravention an offence punishable in accordance with law. Article 24 of the Constitution of India prohibits the employment of children below 14 (fourteen) years of age in factories, mines, or any other hazardous employment. These are enforceable fundamental rights, and any citizen may seek their enforcement directly before the Supreme Court under Article 32 or the High Courts under Article 226 of the Constitution of India.

(ii) Criminal and Remedial Legislation: The principal criminal statutes addressing modern slavery include the: (a) Bonded Labour System (Abolition) Act, 1976, which

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classifies bonded labour as a criminal offence punishable with imprisonment of up to 3 (three) years and provides for the release and rehabilitation of bonded labourers; (b) Child Labour (Prohibition and Regulation) Act, 1986 (as amended by the Child Labour (Prohibition and Regulation) Amendment Act, 2016), which prohibits employment of children below 14 (fourteen) years in all occupations and of adolescents (14 (fourteen) to18 (eighteen) years) in hazardous occupations, with enhanced penalties of imprisonment of up to 2 (two) years and fines of up to INR 50,000 (Rupees Fifty Thousand) for first offences and up to three years for repeat offences; (c) Immoral Traffic (Prevention) Act, 1956; and (d) relevant provisions of the Bharatiya Nyaya Sanhita, 2023 (replacing the Indian Penal Code, 1860) criminalises acts of forced labour, trafficking, and slavery, attracting immediate penal action.

(iii) National Guidelines and SEBI Disclosures: The NGRBC expressly encourage companies to respect human rights and prohibit forced labour, child labour, and human trafficking in their operations and supply chains, aligned with the United Nations Guiding Principles on Business and Human Rights. The NGRBCs form the normative backbone of SEBI's BRSR framework, under which the top 1,000 (one thousand) listed companies are required to disclose: whether they have policies covering human rights, including child labour and forced labour; the number of complaints received and resolved relating to child labour, forced labour, and involuntary labour; details of adverse human rights impacts across the value chain; and remediation steps taken. The BRSR Core, subject to independent assurance, includes specific indicators relating to child labour, forced labour, and supply chain labour practices, including whether the entity's supply chain partners have been assessed for such risks.

(iv) International and Trade Pressures: Indian exporters, particularly in sectors such as textiles, apparel, agriculture, and seafood, face increasing due diligence requirements from importing jurisdictions. The European Union's Corporate Sustainability Due Diligence Directive, once fully operational, will require large European Union companies and their supply chain partners to identify, prevent, and mitigate adverse human rights impacts, effectively extending modern slavery due diligence obligations to Indian suppliers. Similarly, the United States of America's Customs and Border Protection's enforcement of the Uyghur Forced Labor Prevention Act, 2022's and the United Kingdom's Modern Slavery Act, 2015's supply chain transparency requirements create strong external incentives for Indian companies to develop and report on modern slavery risk management frameworks, even absent a domestic mandatory reporting statute.

The cumulative effect of constitutional protections, criminal statutes, SEBI's disclosure requirements, and growing external regulatory pressures creates a de facto reporting and compliance ecosystem that is expected to deepen in the long term.

22. Trends and developments – Where do you see the most significant legal developments in ESG in your jurisdiction in the next 12 months? Do you expect a rise in Court disputes or enforcement actions?

India's ESG legal landscape is undergoing one of its most significant transformations in recent decades. The key developments expected over 2026–2027 are outlined below:

(i) Climate & Carbon Markets: The ICM is expected to become operational by mid-2026, with trading infrastructure established under the CERC Sale of CCC Regulations. Approximately 490 (four hundred and ninety) industrial entities will be subject to legally binding GHG emission intensity targets for FY 2025–26. Non-compliance may result in environmental compensation, calculated at twice the average carbon credit certificate price, under the Environment Act.

India's Climate Finance Taxonomy (draft, May 2025) is expected to be finalised, defining which economic activities qualify as "green" economic activities. This is likely to significantly influence green bond issuances, ESG fund classifications, and sustainable lending practices.

(ii) Greenwashing & ESG Reporting: 'Guidelines for Prevention and Regulation of Greenwashing or Misleading Environmental Claims' issued in 2024 marks a watershed moment in India's environmental accountability journey. For the first time, India has introduced statutory provisions specifically targeting deceptive environmental claims, backed by penalties including imprisonment up to 5 (five) years and fines up to INR 50,00,000 (Rupees Fifty Lakh) for repeat offenders. The first enforcement actions under the guidelines are anticipated, alongside potential regulatory action by SEBI for inaccurate BRSR Core disclosures. These are expected to serve as important precedents.

Mandatory independent assurance under BRSR Core will apply to the top 500 (five hundred) listed companies from FY 2025–26 and extend to the top 1,000 (one thousand) companies from FY 2026–27, significantly improving the reliability and comparability of ESG data.

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(iii) Labour Law Implementation: The final central rules under the Labour Codes are proposed to come into force by April 1, 2026, consolidating fragmented labour laws, thereby, impacting wages, social security, occupational safety, and industrial relations across sectors. The Code on Social Security, 2020 is expected to become fully operational, extending protections to gig and platform workers, with significant implications for industries such as technology, logistics, and e-commerce.

(iv) PFAS & Chemicals: The FSSAI's draft ban, introduced in 2025, on PFAS in food contact materials is expected to be finalized. If enacted, this will be India's first targeted PFAS restriction. Broader regulation of PFAS in industrial and drinking water contexts is likely to follow.

(v) Rise in Litigation & Enforcement: The introduction of greenwashing regulations and evolving disclosure frameworks is expected to drive increased regulatory enforcement and litigation. Financial institutions, in particular, may face greater pressure to assess and disclose climate-related risks transparently. Concurrently, shareholder activism and investor-led litigation relating to ESG non-compliance and misleading sustainability claims are on the rise. This trend is likely to result in heightened regulatory scrutiny and enforcement, particularly in areas such as environmental compliance and corporate disclosures.

Overall, India is transitioning from a disclosure-led ESG regime to one characterised by enforceability, accountability, and increasing litigation risk across environmental, social, and governance domains.

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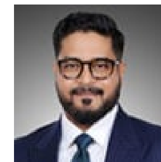

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