



NAVIGATING SUSTAINABILITY: LEGAL FRAMEWORKS AND POLICY APPROACHES FOR BUSINESSES

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Abstract

Amidst escalating environmental concerns, the pursuit of Sustainable Business Practices is explored through the lens of legal frameworks and policy approaches. Businesses globally face mounting pressure to integrate sustainability into their operations while maintaining economic growth. This research paper investigates the dynamics and implications of promoting Sustainable Business Practices in the contemporary global landscape. The study delves into the multifaceted dimensions of sustainability, examining legal frameworks and corporate initiative. The paper begins by scrutinising the legal foundations that underpin the promotion of Sustainable Business practices, analysing how regulations shape corporate behaviour. Key areas of focus include renewable energy adoption, waste management, emissions reduction, and the integration of Corporate Social Responsibility. By dissecting these regulatory frameworks, the research aims to unravel their effectiveness and influence on fostering Sustainable Business conduct. Corporate initiatives take centre stage as the study explores how businesses, driven by consumer expectations and internal motivations, embrace sustainability.

Keywords: Sustainability, Environment, CSR, Business, Policymakers.

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I Introduction

THE MAJORITY of the global warming that has occurred in the last few decades has been caused by things that humans have done. According to the 2023 IPCC (Intergovernmental Panel on Climate Change) Report on Climate Change, the Earth's climate has seen unparalleled changes due to human-induced global warming of 1.1 degrees Celsius.¹ More human suffering and frightening economic and environmental devastation are on the horizon as a result of climate change, with the International Monetary Fund (IMF) projecting yearly losses of US\$1.3 trillion—0.2 percent of the global GDP—from 2011 to 2020. The critical need for adaptation and mitigation strategies is elucidated by recent research that indicate the far-reaching consequences of climate change will become even more severe. Companies are gradually shifting their focus from short-term profits to long-term social and environmental effect as a result of increased public awareness of the need to combat climate change. Businesses today make an effort to strike a balance between the three pillars of sustainability: profit, people, and the planet.² To do this, they use frameworks like Corporate Social Responsibility (CSR), Environmental, Social, and Governance (ESG), and environmental benchmarks to guide their operations. In an effort to become net-zero organizations, businesses are embracing renewable energy sources and

¹ Climate Change 2023- IPCC, *available at*: https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdf (last visited on March 25, 2024)

² The Triple Bottom line or three pillars of Sustainability, *available at*: <https://www.coolset.com/academy/three-pillars-of-sustainability#:~:text=The%20social%20pillar%2C%20or%20'people,considers%20environmental%20and%20social%20costs> (last visited on March 25, 2024)

fostering stronger relationships with stakeholders such as staff, customers, and suppliers.³

51% of business executives and chief executive officers in the top ten economies IBM polled emphasized the importance of environmental sustainability. Although the CSR and ESG frameworks offer a way to adopt sustainable practices, it is challenging to justify the shift toward sustainability because of the high cost of doing so. Customers are also impacted by the increasing use of sustainable practices, since they must pay more for products that uphold social responsibility. Half of the participants in IBM's survey stated that products bearing labels pertaining to sustainability or social responsibility are typically more expensive. Consumer behaviour is influenced by a wide range of factors, including location, money, and awareness level.⁴

II Defining Sustainable Business

The private sector is pursuing numerous goals connected to sustainability. A low-carbon economy, decarbonization, diversity and inclusion, employee involvement, innovation, and environmental responsibility are a few of these, but they're not the only ones. The list goes on. Driven by consumer demand, the need to avoid financial risks, and the expectation of a more environmentally friendly economy in the future, these goals offer a proactive strategy for businesses to decrease environmental and social risk.⁵ However, we need to define "sustainable business" precisely. Sustainability is a "container term" open to

³ Sustainable Business Practices : Imperatives and pathways, *available at*: <https://www.orfonline.org/research/sustainable-business-practices> (last visited on March 25, 2024)

⁴ *Ibid.*

⁵ Alok Verma, *Corporate Governance and CSR in India* 212 (Taxman publication Pvt. Ltd, New Delhi, 9th edn., 2016).

greenwashing since no one has been able to agree on a definite meaning. Moreover, sustainability is often confused with ESG, CSR, or TBL, all of which include social and environmental concerns with economic viability. Sustainability was established in 1987 by the Brundtland Commission, which was part of the World Commission on Environment and Development. It entailed "meeting the needs of the present without compromising the ability of future generations to meet their own needs." This idea depends on intergenerational equality to sustain a stable balance between resource consumption and supply across time. This definition is the basis of the concept of corporate sustainability; yet, due to the definition's emphasis on resources, many people erroneously think that it is only associated with environmental issues. That is incorrect, though, as sustainability is about time. Sustainability, then, ought to be taken into account by companies "as a business strategy that creates long-term stakeholder value by addressing social, economic, and environmental opportunities and risks material to a company." This strategy aids companies in anticipating and preparing for potential obstacles.⁶

Contrary to popular belief, "Sustainability" and "Corporate Social Responsibility" are not synonymous. Sustainability refers to "a responsibility among firms to meet the needs of their stakeholders and a responsibility among stakeholders to hold firms to account for their actions." A business strategy known as corporate social responsibility (CSR) places emphasis on how an organization satisfies the needs of all of its stakeholders. Importantly, Berger-Walliser and Scott point out that there are two ways to view corporate social responsibility (CSR): either from the standpoint of shareholder primacy or as a voluntary effort that goes above and beyond what is required by law. Therefore, corporate

⁶ What does sustainability mean in business?, *available at*: <https://online.hbs.edu/blog/post/what-is-sustainability-in-business> (last visited on March 23, 2024)

social responsibility (CSR) refers to the actions a company chooses to take (or not take) in response to the interests of its shareholders, as voluntary efforts carried out by businesses in the environmental or social sectors, or as a declared moral, ethical, or social duty.⁷

III Implications of promoting Sustainable Business Practices in the Contemporary Global Landscape

Sustain comes from the Latin word "sustinere," which meaning "to hold" and "up" respectively.⁸ In order to meet people's demands over the long run, sustainability is crucial. The word "sustainability" became increasingly popular, particularly after the Brundtland Report of 1987.⁹ People realized how important sustainability is to the overall conservation of the environment, both individually and collectively. enhancing everyone's standard of living in the process. They started small, like shutting off lights when not in use, and progressed to larger ones, like switching from electricity to solar power.

IV Advantages of Embracing Sustainability:

Reduced Energy Use

Sustainable techniques in strategic planning and daily business operations can save energy costs and minimize energy use. Reducing energy waste, increasing production and supply chain efficiency, and utilizing renewable energy sources are a few of these intentional actions. Numerous national governments provide significant financial subsidies

⁷ *Supra* note 5.

⁸ Cassardo, Managing Water in a Changing World, *available at*: <https://doi.org/10.3390/w3020618> (last visited on March 24, 2024).

⁹ Shankar IAS Academy, *Environment* 108 (Shankar IAS Academy Book Publications, 6th edn., 2018).

for electric vehicles (EVs) and other eco-friendly modes of transportation.¹⁰

A Safer Setting for Health

It is only when pollution levels rise to dangerously high levels that people realize how important it is to keep their surroundings clean. Reduced energy use and a shift to more sustainable energy sources can improve the quality of the air, water, and land for human settlement. Everyone benefits from improved environmental health when more people and companies are conscious of their impact on the environment.¹¹

A More Promising Future for All

On our world, all life is linked. For example, biodiversity levels need to be at least 90% higher than pre-industrial levels in order to sustain vital biological processes essential to human life, yet they are currently only 75% higher. By adopting sustainable methods, we are contributing to the development of a more promising future for all.¹²

One Crucial Step Towards Earth's Survival

Sustainable lifestyle decisions not only reduce pollution but also preserve essential resources like power and water. Prioritizing sustainability also makes people and businesses less likely to disturb

¹⁰ Why you need sustainability in your business strategy, *available at*: <https://online.hbs.edu/blog/post/business-sustainability-strategies> (last visited on March 25, 2024)

¹¹ *Ibid.*

¹² *Supra* note 10.

animals in their natural habitats, which helps to protect the biodiversity of our planet.¹³

Function in the Workforce and Economy

Sustainable business strategies enable smaller firms to thrive and make use of greener technology. Companies that put sustainability first also put people first, which results in better hiring processes. Thus, the labour market depends on sustainability, which fosters a more sustainable economy.¹⁴

V Exploring the Triple Bottom Line: Profit, People, And Planet in Sustainable Business Practices

It's a common misconception that businesses are solely concerned with their bottom line, or net earnings. But as awareness for sustainable practices has grown, the triple bottom line strategy—which puts profit, people, and the planet first—has emerged. To demonstrate the point, a recent IBM survey revealed that, during the previous year, nearly half of all consumers (49%) had paid more for products that are marketed as sustainable or socially responsible.¹⁵ The importance of sustainability in business may be better understood if we go into the following points:

¹³ Why is sustainability in business important and how can we achieve it, *available at*: <https://emeritus.org/blog/sustainability-why-is-sustainability-important/> (last visited on March 22, 2024)

¹⁴ *Supra* note 10.

¹⁵ IBM Global Consumer Study: sustainability actions can speak louder than Intent, *available at*: <https://newsroom.ibm.com/2022-04-13-IBM-Global-Consumer-Study-Sustainability-Actions-Can-Speak-Louder-Than-Intent> (last visited at March 25, 2024)

Consequences for Individuals

Businesses that put sustainability first demonstrate greater care for their employees, clients, and the community at large. They also work to make local communities stronger, always keeping the bigger picture in mind. Long-term commercial benefits stem from this, as customers are increasingly concerned with how companies treat their staff. According to a survey, 70% of British millennials would stick with a company that demonstrated a strong commitment to sustainability.¹⁶

Effects on the Natural World

Strong proponents of sustainability frequently take extraordinary measures to protect the environment and its natural resources. This not only improves the resources accessible to all parties but also enhances the company's standing with customers and other stakeholders. For example, among CEOs, 48% consider cutting costs and adverse environmental effects to be of the utmost importance.¹⁷

Gain an Edge over the Competition

It should come as no surprise that well-known companies frequently find themselves in the news for questionable business practices including violating human rights and contaminating the environment. It is likely that these companies will experience losses at some point. On the other hand, businesses that prioritize sustainability stand out from

¹⁶ David Crowther & Aras Guler, *Corporate Social Responsibility* 24 (Routledge Taler and Francis Group, London and New York, 3rd edn., 2009)

¹⁷ Why you need sustainability in your business strategy, *available at*: <https://online.hbs.edu/blog/post/business-sustainability-strategies> (last visited on March 15, 2024).

the competition. For example, according to 80% of CEOs, businesses with a purpose other than profit-making are better equipped to keep clients.¹⁸

VI Legal Frameworks and Policy Approaches

The legal framework for encouraging sustainable business practices entails the creation of rules and guidelines that motivate companies to perform in an environmentally and socially responsible manner. Through the integration of sustainability into company operations, this paradigm seeks to combine long-term environmental and social well-being with growth.

Jurisdictions differ in their legal frameworks and policies for encouraging sustainable business practices because different nations may have different legal systems. To encourage companies to implement sustainable practices, many legal regimes do, nevertheless, share some characteristics and tendencies.¹⁹ Here are key aspects often found in legal frameworks promoting sustainability:

VII Legal Framework

Environmental Laws

Environmental laws encompass regulations addressing pollution control, waste management, and resource conservation. These laws promote the use of renewable energy sources and energy efficiency while requiring environmental impact assessments for certain projects. They aim to

¹⁸ *Supra* note 17.

¹⁹ *Supra* note 9.

mitigate the environmental footprint of businesses and ensure responsible resource management.²⁰

Corporate Governance and social responsibility

Corporate governance principles are essential for integrating sustainability into business operations. This involves mandating the disclosure of Environmental, Social, and Governance (ESG) factors in annual reports, ensuring transparency and accountability. By incorporating sustainability into governance structures, businesses can prioritize long-term environmental and social well-being.²¹ Legal frameworks encourage companies to consider social impacts such as labour practices, human rights, and community engagement. Laws may be implemented to combat issues like child labour, forced labour, and discriminatory employment practices, fostering fair and ethical business practices that benefit society.²²

Consumer Protection

Consumer protection regulations require clear and accurate labelling of products, including information on sustainability and environmental impact. Additionally, laws prevent greenwashing, ensuring that consumers can make informed choices and trust the environmental claims made by businesses.²³

²⁰ *Supra* note 19.

²¹ Rashmi Aggarwal and Rajinder Kaur, *Corporate Law in India* 469 (LexisNexis, Delhi, 1st edn.,2016).

²² *Ibid.*

²³ *Supra* note 21.

Financial Reporting Disclosures and legal liability

Mandated disclosures in financial reports ensure that businesses disclose their environmental and social performance. Aligning financial reporting with internationally recognized frameworks promotes standardized reporting on sustainability metrics, enhancing transparency and comparability and Legal liability mechanisms hold companies accountable for environmental and social damages, ensuring that they bear responsibility for their actions. Shareholders are empowered to hold directors accountable for failing to consider sustainability risks, incentivizing businesses to prioritize sustainability in their decision-making processes.²⁴

VIII Policy Approaches

Tax Incentives and Subsidies

Governments offer tax breaks and financial incentives to businesses adopting sustainable practices or investing in green technologies. These incentives encourage businesses to make environmentally friendly choices while also supporting economic growth and innovation in sustainability.²⁵

²⁴ *Supra* note 20.

²⁵ How can tax breaks promote Sustainable living in India?, *available at*: <https://www.idfcfirstbank.com/finfirst-blogs/savings-account/sustainable-living-and-claiming-green-tax-breaks#:~:text=Section%2080IA%20of%20the%20Income,up%20to%2010%20consecutive%20years>(last visited on March 25, 2024)

Product Standards and Certification

Establishing standards for sustainable products and providing certification mechanisms incentivizes businesses to meet these standards. Eco-labels and other marks identify environmentally friendly products, empowering consumers to make sustainable purchasing decisions.²⁶

Incentives for Innovation

Providing grants, subsidies, or other incentives for sustainable innovation drives research and development of green technologies. This fosters progress towards sustainability goals by encouraging businesses to invest in innovative solutions that address environmental challenges.²⁷

Stakeholder Engagement

Mandating consultation with stakeholders, including local communities and NGOs, ensures diverse perspectives are considered in decision-making processes. Promoting transparency and accountability in business operations strengthens relationships with stakeholders and fosters trust in businesses' sustainability efforts.²⁸

It's crucial to remember that new laws may be passed in the future that will further the cause of sustainable company practices. National legal systems are influenced by international initiatives and accords, such as

²⁶ *Supra* note 25.

²⁷ *Supra* note 21.

²⁸ *Ibid.*

the Paris Agreement and the Sustainable Development Goals of the United Nations. To comply with legal requirements as well as social expectations, businesses should be aware of changes in rules and proactively incorporate sustainable practices into their operations.

IX Recent Developments

Laws and regulations that originate in the EU apply to all qualifying businesses operating in the EU, not just those with headquarters there. However, there are other locations with comparable laws and regulations. The following non-exhaustive examples demonstrate the wide range of issues covered by these principles²⁹:

- Disclosure of climate-related information, including Scope 1, 2, and 3 emissions, risks and opportunities associated with climate change, and governance practices, will be required of public companies by the US SEC Climate Disclosure Rule.
- Identifying, preventing, or mitigating negative effects on the environment and human rights will be a requirement of the EU Corporate Sustainability Due Diligence Directive (CSDDD) for major enterprises.³⁰
- Businesses must report on a regular basis on the social and environmental risks they face, as well as the effects of their operations on people and the environment, in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD).

²⁹ Laws and regulations for just and sustainable business, *available at*: <https://www.bsr.org/en/prs/laws-and-regulations-for-just-and-sustainable-business> (last visited on March 25, 2024)

³⁰ *Ibid.*

- Major internet platforms, including social media corporations, are required by the European Union Digital Service Act (DSA) to conduct due diligence on human rights;
- The EU Sustainable Finance Disclosure Regulation (SFDR) requires financial market players to disclose environmental and social risks, as well as their impacts on people and the environment.
- The European Union Taxonomy Regulation establishes a system that considers environmental objectives and human rights considerations when classifying "green" or "sustainable" economic activity inside the Union.
- The UK's Climate-related Financial Disclosure Regulations (CFDR) mandate that big firms disclose climate-related financial information.
- In order to enhance their Environmental, Social, and Governance (ESG) performance, businesses will have to provide the Japan Exchange Group with information about their ESG policies, goals, and successes in addressing ESG matters.³¹

Underlying these shifts is the idea that businesses should take stock of the "impacts outwards" they have on the world around them and report on them, rather of focusing only on the "impacts inwards" that these factors have on their own operations.

X Influence on the Outcome

Aiming for a corporate culture that fulfils the "spirit of the law" as well as long-term policy objectives is crucial because this is a crucial factor. Meeting the new regulatory criteria that emphasize the importance of

³¹ *Supra* note 29.

fair and sustainable business operations will need a company-wide effort. For example, all departments that are relevant to the company, such as product design, procurement, transportation, and logistics, must be included and the results evaluated if the company's Board and management are expected to track the company's influence on human rights and climate change throughout the supply chain. Encouraging and facilitating cultural change will be essential to sustaining long-term compliance and ambition as well as ensuring that performance fulfils standards.³²

Companies and stakeholders must collaborate rather than act independently to address complex issues. All things considered, the previously outlined guidelines are beneficial in encouraging equitable and ecologically sustainable business practices.

Nonetheless, we may identify three main threats. First, governments face the risk of enacting laws that violate international human rights law or established corporate behaviour standards. Second, governments face the risk of enacting laws that appear and feel similar to the positive models listed earlier, but are actually "covers" for laws with bad intent, like those that require monitoring or restrict corporate involvement in civil society. Thirdly, there's always a possibility that poorly drafted rules and regulations will provide a lot of room for interpretation. In these situations, companies ought to take legal action to contest or modify the applicable laws, either on their own or in cooperation with other organizations.³³

³² A. Crane, A. McWilliams, et.al. (eds.), *The Oxford handbook of corporate social responsibility* 525 (Oxford University Press, New York, 2008).

³³ *Ibid.*

XI Business Reactions

IKEA, a well-known retailer of home goods, has prioritized climate financing in its efforts to adopt sustainable business practices. Between 2021 and 2022, IKEA was able to reduce its total carbon footprint by half, from 27.2 million to 25.8 million metric tons. It also demonstrated the contribution of the supplier value chain to outdoor air pollution. Its food section required half of its products to be plant-based, and it committed to reducing greenhouse gas emissions across its supply chain.³⁴

Nike has also attempted to adopt sustainable business methods. Its ESG Risk Rating of 19.6 (very low risk) is a result of its exposure to and management of major ESG risks associated with its industry. The Ministry of Corporate Affairs in India has released the National Guidelines on Responsible Business Conduct, which advocate for the creation of guidelines and policies aimed at integrating sustainable business practices within the corporate sphere in India. It mandates that businesses employ resource-efficient, low-carbon technologies and procedures. Furthermore, it assigned to these companies the accountability and openness regarding the consequences of business operations on the environment and its components. India's businesses are under tremendous pressure to lessen their detrimental impacts on the sociocultural, economic, and ecological systems of the world.³⁵

³⁴ Sustainable Business Practices: Imperatives and Pathways, *available at*: [https://www.orfonline.org/research/sustainable-business-practices#:~:text=Modern%20enterprises%20consciously%20focus%20on,and%20Corporate%20Social%20Responsibility%20\(CSR](https://www.orfonline.org/research/sustainable-business-practices#:~:text=Modern%20enterprises%20consciously%20focus%20on,and%20Corporate%20Social%20Responsibility%20(CSR) (last visited on March 25, 2024)

³⁵ *Ibid.*

Ather Energy, a Bengaluru start-up that makes electric cars, has created a sustainable local supply chain and a network of charging infrastructure from the bottom up to aid in the transition to electric vehicles. The company has so made producing durable, high-quality products and recycling and repurposing old stuff its main business strategy.³⁶

A call for rules and frameworks to incorporate sustainable business practises into India's corporate realm is made in the National Guidelines on Responsible Business Conduct, an initiative of the Ministry of Corporate Affairs.

However, despite these initiatives, there are still challenges. Climate change poses physical, event-driven, and transitional threats to every link in a company's supply chain. Environmental factors include things like water shortages; unscrupulous vendors are another; logistics include things like warehouses and cold storage transportation; product demand is determined by shifting consumer tastes and preferences; social factors include things like disturbances in the community; the workforce includes things like strikes by employees; and finally, a business's profitability is a factor. Supply chain leaders can dramatically change the game by defining a core value for climate adaptation, utilizing risk management and contingency planning, and coordinating actions with the company's risk and opportunity continuum (e.g., using a SWOT framework).. Establishing alliances with non-profit organizations may help businesses that are having trouble making the switch to a greener business model. The productive, allocative, and dynamic efficiency of the company can be increased by pooling resources, expanding and improving the scope of corporate social responsibility, and leveraging

³⁶ *Supra* note 35.

one another's unique skills and competencies. Transitioning to more sustainable business practices will require the joint efforts of buyers and sellers. One illustration is the development of ecocentric rights in the fields of law and business through the manufacturing and use of electric cars as a green form of transportation.³⁷

XII Conquering the Obstacles

Green transitions have their share of disadvantages, despite being essential in the fight against climate change. These disadvantages include increased product costs, additional investments, technological issues, and doubts about the authenticity of claims. To go above these barriers, consider the following:

Firstly, businesses can finance their green transformations by obligatorily allocating funds for CSR and ESG projects at the beginning of each fiscal year. Before allocating a specific budget, regulatory and legal compliance is required, which could lead to conflict between stakeholders and within the company. When initiatives that are visible on the balance sheets also assist companies in attracting greater green investments, a positive feedback loop may be established and a dedication to sustainable business practices can be maintained.³⁸

Reason for Price Increases: Based on the IBM survey, people are willing to pay more for environmentally friendly products because they care more about climate change than ever before, even in developing

³⁷ G.K. Kapoor, Sanjay Dhamija, et.al., *Corporate Governance* 112 (Taxmann Publication, New Delhi, 2015)

³⁸ Sustainable Business Practices : Imperatives and pathways, *available at*: <https://www.orfonline.org/research/sustainable-business-practices> (last visited on March 25, 2024)

countries. In the era of social media, ethical and clever marketing techniques might contribute to this demographic's continued growth. Individuals who understand climate change will be willing to pay extra for goods that benefit the environment.³⁹

Overcoming technological limitations: Despite the widespread usage of paper backups, technology has made significant advancements in preventing fraud and malpractices. To go green, a greater reliance on technology with the necessary safeguards is needed.

Businesses should concentrate on increasing brand recognition and employing emotive marketing to convince clients of the validity of their sustainable initiatives in order to allay worries about greenwashing. Persuading clients will require time, effort, and the involvement of multiple stakeholders; nevertheless, the final result will be improved coordination and economic synergy.⁴⁰

It will take some time before the traditional, revenue-generating, profit-making business models, which are employed by the majority of businesses worldwide, can incorporate sustainable business practices. A multi-stakeholder approach, strict sanctions for noncompliance, focused incentives, and supportive government policies to guarantee legal and regulatory compliance are all necessary for a change towards corporate sustainability for everybody.

³⁹ *Supra* note 38.

⁴⁰ *Supra* note 37.

XIII Conclusion and Suggestions

Finally, creating a robust legal framework is necessary to support sustainable business practices. In order to ensure the sustained prosperity of businesses and the well-being of the community at large, a comprehensive regulatory approach is necessary to tackle the intricate correlation among economic operations, ecological preservation, and corporate social responsibility. A strong basis for promoting sustainability is provided by the legal framework, which outlines the responsibilities, rights, and obligations of businesses. If government incorporate sustainable practices into the legal framework, businesses could be better equipped to handle the dynamic realm of corporate responsibility. When this occurs, businesses are held accountable for their financial success as well as their impact on society and the environment at large.

Environmental regulations are part of a well-established legislative framework that supports sustainable business operations. Governments that impose stringent environmental regulations may push businesses to reduce their carbon footprint, engage in responsible resource management, and adopt eco-friendly practices. Regulations are an effective tool for directing businesses toward sustainable development because they combine environmental protection with economic prosperity..⁴¹

Furthermore, social responsibility clauses in legal frameworks are essential for encouraging equitable and inclusive business practices. The

⁴¹ Danny D Cruze, Apple CEO Tim Cook believes AI could be critical to reduce carbon footprint of businesses, *India Today*, March 25, 2024

legal system forbids firms from prioritizing profit over social responsibility by mandating that they uphold fair labour practices, human rights, and community involvement. As a result, businesses gain credibility, and society as a whole gains from a more just and peaceful society. Not only do we need laws to incentivize businesses to integrate sustainability into their operations, but we also need support networks and legal incentives. Businesses may be encouraged to participate in green technologies, ethical supply chains, and social impact initiatives by sustainable initiatives including tax credits, grants, and subsidies. Therefore, by encouraging businesses to actively embrace sustainability for ethical and commercial reasons, the law promotes positive change.

If issues and patterns emerge on a worldwide level, the legal system must adapt accordingly. Since the concept of sustainability is dynamic, the legislation must be adaptable enough to address new ecological, social, and economic challenges as they arise. Regular reviews and updates are necessary to ensure that the legislative framework continues to support sustainable business practices as circumstances change. Lastly, we require a legal framework that promotes sustainable business practices if we are to steer the global economy toward a future that is more equitable, sustainable, and environmentally conscious. Governments and businesses must work together to develop and execute policies that meet economic needs while safeguarding the environment and advancing social welfare. When there is a robust legal framework in place to mitigate risks associated to unsustainable practices, businesses can thrive responsibly and contribute to a sustainable and prosperous global society.