

LEVERAGING CSR IN THE PURSUIT OF SDGs: A COMPARATIVE ANALYSIS OF INDIA AND SINGAPORE

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ABSTRACT

The seventeen sustainable development goals (SDGs), which were established under the auspices of the United Nations in the year 2015, are at the center stage, across the globe, especially in the light of “sustainability”. The framework of SDG mandates ‘goals’ to be attained by the year 2030. The avowed purpose of Corporate Social Responsibility (CSR) is towards aligning business with sustainability and bringing social accountability closer to reality. The primary objective of CSR is also to make businesses more sustainable and socially accountable to itself, its stakeholders, and the public at large. Therefore, it can be easily deciphered that both these concepts of CSR and SDGs are eyeing the same target of sustainable development. As this paper aims to compare the existing CSR regimes in both India and Singapore, the researcher will critically analyze the current trends of CSR practices in both nations and their correlation with the SDGs.

Keywords: Corporate Social Responsibility, Corporate Sustainability, Sustainable Development Goals, Sustainable development

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I. Introduction

SUSTAINABLE DEVELOPMENT has emerged as a vital component of global importance. In every sphere of human activities, sustainable development has been gaining immense traction. Sustainability in its essence not only covers the present generation but also emphasizes the importance of progeny and their rights. The singular attention in recent times towards sustainable development has spurred not only nations across the world to align their respective policies accordingly but at the same time, various other stakeholders such as companies, business houses, etc. are also syncing their activities in line with the sustainability. Of late, these aforesaid sectors are striving harder to attain meaningful results in sync with the tenets of sustainability. It is in

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this context that ‘corporate social responsibility’ acquires immense significance. It in fact, could be a ‘panacea’ for many of the recalcitrant issues which are writ large.

II. CSR and Corporate Sustainability

The terms Corporate Social Responsibility (CSR) and Corporate Sustainability are often referred to in a synonymous way and used interchangeably.¹ Though both the terms aid the corporates in attaining the same end of Sustainable Development, the means and the approach taken by both are indeed different should not be used interchangeably. Both the terms are extremely in vogue and no study of corporate governance is ever complete without placing reliance on these terms. None of them has a clear-cut definition and we may find multi-faceted definitions for both. In this paper, the author will consider some of the commonly used definitions of these terms.

United Nations Industrial Development Organisation (UNIDO) defines CSR as “A management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.”² CSR is commonly conceived as being the process through which a company achieves a balance of economic, environmental, and social objectives, while at the same time fulfilling the expectations of all its stakeholders. The driving force to pursue CSR is generally to maintain a good reputation in the market and with time it has increasingly been seen as ways to primarily fulfil compliances.³ CSR as a concept is comprehended as having undertones of philanthropy as corporates must expend a certain share of their profits to ensure compliance and in a way give back to the society. This philanthropic aspect of CSR makes it often undesirable for growing economies and mushrooming corporates as they tend to look at it as an extra financial burden to spend their monies on social causes. The trends studied in various jurisdictions show that the zeal to provide for the betterment of society and in turn achieve or at least aim to achieve sustainability goes missing even though CSR as a concept is intended to be broader than mere philanthropy or social work.

¹ Beate Sjøfjell (ed.) *The Cambridge Handbook of Corporate Law, Corporate Governance and* (Cambridge University Press, 2019)

² What is CSR?, UNIDO, 2017 available at: <https://www.unido.org/our-focus/advancing-economic-competitiveness/competitive-trade-capacities-and-corporate-responsibility/corporate-social-responsibility-market-integration/whatcsr#:~:text=Corporate%20Social%20Responsibility%20is%20a,and%20interactions%20with%20their%20stakeholders> (last visited on June 03, 2021).

³ Mark Anthony Camilleri, “Corporate Sustainability and Responsibility: Creating Value for Business, Society and the Environment” *Asian Journal of Sustainability and Social Responsibility* (2017).

On the other hand, Corporate Sustainability is not just a broader concept than CSR but also has a different way of attaining the goal of sustainable development.⁴ UN Global Compact defines Corporate Sustainability as:⁵

Corporate sustainability is imperative for business today – essential to long-term corporate success and for ensuring that markets deliver value across society. To be sustainable, companies must do five things: Foremost, they must operate responsibly in alignment with universal principles and take actions that support the society around them. Then, to push sustainability deep into the corporate DNA, companies must commit at the highest level, report annually on their efforts, and engage locally where they have a presence.

Corporate Sustainability aids the company in attaining the objectives of triple bottom approach i.e., focus equally on people, planet and profit.⁶ Sustainability as a concept apparently voices for a long-term approach and something that the corporates are undertaking not just as “Good-Samaritans”, but as something which all corporates should undertake in order to ensure advantages in the long term and to ensure that they can pursue their primary goal of shareholder wealth maximisation in the times to come. The ambits of sustainability are nowhere restricted to mere philanthropy but go way beyond that.⁷ A robust sustainability regime is not just focused on giving back to society but is also aimed at ensuring that the corporation flourishes along with the society they function in. The propagators of Corporate Sustainability strongly advocate that for a business to thrive, the communities they operate in must also thrive.⁸

Therefore, the corporates should always strive to make sustainability their way of doing business as it will only add value to the corporates in the longer run. CSR on the other hand can be

⁴ Corporate Social Responsibility, Sustainability, Sustainable Development and Corporate Sustainability: What Is the Difference, and Does It Matter?, MDPI, 2021, *available at*: <https://www.mdpi.com/2071-1050/13/11/5965/pdf> (last visited on June 07, 2021).

⁵ Guide to Corporate Sustainability, United Nations Global Impact, 2014, *available at*: https://d306pr3pise04h.cloudfront.net/docs/publications%2FUN_Global_Compact_Guide_to_Corporate_Sustainability.pdf (last visited on June 07, 2021).

⁶ “Triple bottom line”, coined in the 1990s by John Elkington, founder of British consultancy Sustainability. The first bottom line is the traditional profit and loss account, the second a measure of how socially responsible a company’s operations are, and the third measures environmental responsibility.

⁷ Concept of Corporate Social Responsibility, India CSR, 2010, *available at*: <https://indiacr.in/concept-of-csr/> (last visited on June 12, 2021)

⁸ CSR in Singapore, Singapore Magazine, 2020, *available at*: <https://singaporemagazine.sif.org.sg/csr-in-singapore> (last visited on June 12, 2021)

understood to attain the end of sustainability. The researcher, in the light of the aforesaid discussion, would enumerate CSR as has been practiced and understood in the Indian context.

III. CSR: Indian Perspective

The concept of good governance is deep-rooted in the Indian system dating back to the times of Kautilya (3rd century BCE) who laid down the basic facets of governance in his much-lauded work, Arthashastra. Despite this, the concept of corporate governance, as such, has been comparatively new to India having evolved only in the early 1990s with the advent of economic liberalisation. Ever since then, India has been trying to grow in terms of governance aspects and CSR is one of them.

Some companies in India like the Tata group etc. have always adopted a voluntary CSR approach but largely a concept like CSR or sustainability reporting was never existent in India before the year 2009 when the Ministry of Corporate Affairs introduced Voluntary Guidelines on CSR.⁹ Before this, the businesses in India always had a shareholder-based approach and this was for the first time that the movement was seen towards the stakeholder-based approach. Under these guidelines, each company was suggested to formulate a CSR policy that would provide a blueprint of all the CSR activities planned to be undertaken by the company.¹⁰ This policy was restructured in the year 2011 to give rise to the National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business (NVG). This time the guidelines provided for 9 basic principles which were to be the backbone of NVG. This was the first measure directed towards Long Term Share Value (LTSV) but was still voluntary in nature. Also, this measure had very little impact on any kind of CSR spending by the companies as there was almost no encouragement to that end.

Since these guidelines were proving to be toothless¹¹ and since there weren't a lot of companies adhering to these guidelines, in 2012, Securities and Exchange Board of India (SEBI) released a circular mandating Business Responsibility Reports (BRR). To give effect to the same, clause 55 of the Listing Agreement of SEBI was amended. The mandate was only applicable to the top

⁹ Umakanth Varottil, "Analysing the CSR Spending Requirements under Indian Company Law" *Researchgate* (2018)

¹⁰ Government of India, "Corporate Social Responsibility Voluntary Guidelines" (Ministry of Corporate Affairs, 2009).

¹¹ Ruchika Chitravanshi, "India's new CSR regulations make philanthropy compulsory for companies" *Business Standard* (Feb 9, 2021) available at: https://www.business-standard.com/article/companies/new-csr-regulations-the-rise-of-compulsory-philanthropy-in-india-121020801724_1.html (last visited on Dec 16, 2021).

100 listed companies based on market capitalisation at National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) as on March 31, 2012.¹² These reports had to be in line with the principles enshrined under the NVG. Eventually, SEBI came out with the Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015, Regulation no. 34(2)(f), which states that the annual report submitted by the companies shall contain a business responsibility report describing the initiatives taken by the listed companies from an environmental, social and governance perspective, in the format prescribed by the Board.¹³ This mandate is currently for the top 1000 listed companies based on their market capitalisation as on March 31 each year. Even the remaining listed companies can furnish these reports voluntarily.¹⁴ Presently, the LODR Regulations, primarily govern the aspect of sustainability reporting in India.

Various studies¹⁵ claimed that the adoption of voluntary guidelines given in India was not up to the mark and therefore a need for a more stringent regime was felt. There were a lot of debates to have a law which mandates CSR expenditure by companies. Also, the talks to revamp Companies Act, 1956 were also ongoing. It was almost while the corporate governance regime in India was jolted by the Satyam scam.¹⁶ It was in the aftermath of this, that a lot of Companies Amendment Bills were placed before the parliament. Eventually, after a lot of debates and discussions, the Companies Act 2013 was enacted. In a landmark move, the Companies Act, 2013 mandated the undertaking of Corporate Social Responsibility for Indian based as well as foreign-based companies operating within the boundaries of the nation. The ratification of the Companies Act, 2013 made India a forerunner to obligate spending on CSR activities via a statutory provision. As stated earlier,¹⁷ while CSR has been taken up voluntarily by several corporate houses traditionally, the new provisions put formal and larger responsibility upon companies operating within the country to set out a more transparent framework to warrant a stricter acquiescence. Presently, what the Companies Act does is to bring along additional organizations into the fold and augment the total expenditure on CSR. In March 2019, the Ministry of Corporate Affairs (MCA), revised the NVGs and formulated the National Guidelines

¹² Government of India, “Business Responsibility Reports” (Securities and Exchange Board of India, 2012)

¹³ Government of India, “Format for Business Report” (Securities and Exchange Board of India, 2015).

¹⁴ Government of India, “Listing Obligations and Disclosure Requirements Regulations” (Sec) 015 (Securities and Exchange Board of India, 2015).

¹⁵ *Supra* note 10.

¹⁶ HT Correspondent, “Satyam scam: All you need to know about India's biggest accounting fraud” *Hindustan Times* April 09, 2015, available at: <https://www.hindustantimes.com/business/satyam-scam-all-you-need-to-know-about-india-s-biggest-accounting-fraud/story-YTfHTZy9K6NvsW8PxIEEYL.html> (last visited on Nov 14, 2021).

¹⁷ *Supra* note 10.

on Responsible Business Conduct (NGRBC). These guidelines persuade the businesses to internalise the given principles in letter and spirit.¹⁸

The law dictating the terms of CSR is mentioned within section 135 of the Companies Act, 2013 which is to be conjointly read along with Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014. Section 135 mandates the formation of a CSR committee and apparently, CSR expenditure for organizations crossing the benchmark is mentioned in the same. The companies crossing the benchmark are under an obligation to spend 2 percent of their average net profits in the preceding three financial years towards CSR. Schedule VII of the Companies Act of 2013 lays down a list of various activities that can be performed as a part of a CSR initiative. Several activities such as engagement in education, poverty alleviation, female empowerment, or contributions towards renowned funds such as the Prime Minister's National Relief Fund (PMNRF) are covered as a part of CSR initiatives.¹⁹

One could make out a huge difference in the intention and implementation while giving the provision a thoughtful read. On an apparent reading of the section, one may have felt that spending on CSR was mandatory, but a careful reading would have explained that the approach was way laxer than it seemed. It was restricted more to being the “comply or explain” approach and it was actually the disclosures of the CSR expenditures in the reports and the setting up of a CSR committee that was mandatory and attracted a penalty.²⁰ “Comply or explain” means the companies must undertake the expenditure or explain the failure to do so. Even though there was a spike in CSR expenditures since the enactment of the Companies Act 2013, India is still far from achieving its real vision and mission beneath implementing the provision.²¹ Since the provision was restricted to “comply or explain” mandate and the penalty imposed was arguably less, most companies were not taking it very seriously and had shown a very laid-back attitude in even disclosing or reporting the reasons for their inability to spend the stated amount. Enforcement of laws has always been a tricky issue in India. Hence, this provision merely boiled down to being just being legal compliance and was far from its primary objective of achieving social inclusion of the corporates.

¹⁸ MCA releases national guidelines on responsible business conduct, 2019, India, *available at*: <https://pib.gov.in/Pressreleaseshare.aspx?PRID=1568750> (last visited on June 14, 2021).

¹⁹ The Companies Act, No. 18 of 2013.

²⁰ *Supra* note 10.

²¹ High Level Committee, “Report of the High-Level Committee on Corporate Social Responsibility, 2015” (September, 2015).

Section 135 was further amended vide the Companies (Amendment) Act, 2019 inter-alia requiring the provisions to change from “comply or explain” to “comply or suffer” by introducing a penal provision for non-compliance. The amendment further provided for parking the unspent amount of money for ongoing projects in a separate account and any other unspent amount to Clean Ganga Fund or PMNRF or like. Even though the penal aspect of this amendment never actually came into force, as it was eventually withdrawn by the 2020 amendment, it is still one of the most drastic steps taken by any government in the world towards CSR.²² The report of the Injeti Srinivas Committee on CSR (High-Level Committee 2018)²³ was Submitted on a report on 7 August 2019, which was just after the announcement of the 2019 amendment.²⁴ Some of the suggestions of this committee were to make CSR expenditures tax-deductible, violation of CSR compliance to be made a civil offense, carry forward unspent CSR balance for three to five years, etc. The Committee stressed upon advocacy and sensitization to achieve the overall objective of CSR.²⁵

As an aftermath of the criticism received from the corporates for the 2019 Amendment and also taking into account the suggestions given by the High-Level Committee 2018²⁶, the MCA came up with The Companies (Amendment) Act 2020²⁷. Also, as the entire nation was hit by the pandemic in a behemothic way, there came various amendments by the MCA to divert the CSR funds towards pandemic relief. The most important aspect was that noncompliance of the CSR provision was again made a civil offense though the penalty that was to be levied now was huge. Further, most of the changes that were brought in under this amendment were to address the issues related to the pandemic.

The MCA, further, on 22 January 2021 issued a Gazette Notification of Companies (CSR Policy) Amendment Rules, 2021²⁸, further amending the Companies (CSR Policy) Rules, 2014²⁹. This notification took effect from 22nd January 2021 itself, i.e., the date of its enactment. This decision was made to address several important changes as given under the 2019 and 2020

²² Lucia Gatti, Babitha Vishwanath, Peter Seele & Bertil Cottier, *Are We Moving Beyond Voluntary CSR? Exploring Theoretical and Managerial Implications of Mandatory CSR Resulting from the New Indian Companies Act*, (June 02, 2021, 10:12 AM).

²³ *Supra* note 348.

²⁴ *Supra* note 340.

²⁵ High Level Committee, “Report of the High-Level Committee on Corporate Social Responsibility, 2018” (August, 2019)

²⁶ *Supra* note 82.

²⁷ *Supra* note 341.

²⁸ *Supra* note 342.

²⁹ *Supra* note 17.

amendments and to amend the 2014 Rules. Spending mandate and the consequences of not spending requisite amount; retention of money for “*ongoing projects*”; scope of CSR spending; carrying backward of CSR spending; registration of implementing agencies; impact assessment; Board responsibilities for spending and enhanced disclosures were the key highlights of the 2021 amendment.

Hence, one can make out that the past decade has seen a lot of changes being made in the CSR regime in India where we can see the drift from voluntary to pseudo-mandatory to mandatory to such an extent to make the defaulters pay a hefty penalty. It can be said without a doubt that the government is trying extremely hard to streamline the regime and ensure effective implementation. But, as of now, the CSR policy in India is too much compliance-based rather than sustainability based. The focus on compliances has increased so much that we seldom see the word sustainability being used with CSR which is the defeat of the concept. As discussed earlier also, the nature of CSR in India is such that this concept is almost understood the same as Corporate Philanthropy and thus, the real intent takes a back seat.

The researcher, in order to have a wholesome and in-depth understanding of the concept of CSR and its connect to SDGs, will also be highlighting the key sustainability practices in Singapore.

IV. CSR: Singaporean Perspective

Singapore is a unique nation owing to the fact that it has been relatively very recently that it has gained its independence and even in such a short span of time, it has developed its economy exponentially. Even though the economy is small at a global level, its comparatively very rich, having one of the highest per capita incomes in Asia. The rapid financial growth that Singapore has seen also boasts of environmental-friendly and sustainable economic development. The Singaporean government has given paramount importance to sustainable practices across the nation, ever since its inception.³⁰ The country has always been well-known for its green city programs and the government has taken considerable efforts to embed sustainable practices

³⁰ Melissa Stewart, “Companies will step up CSR efforts post-pandemic, says NVPC deputy CEO” *CNA Luxury* (July 04, 2021) available at: <https://cنالuxury.channelnewsasia.com/people/csr-in-singapore-177771> (last visited on Dec 06, 2021).

throughout the majority of sectors in the nation. The policymakers in Singapore have seemingly attained success in enforcing a social contract between the stakeholders and the corporations.³¹

CSR as a concept of voluntary contribution towards the general upliftment of society has been deep-rooted in Singapore. The culture there is such that the corporates seem to be automatically focused on sustainable growth and believe that economic development is not at odds with environmental protection.³² There is no provision in Singapore for “mandatory CSR” as such even though they have a tradition and statutory requirements of Sustainability Reporting by the corporates. As a concept, CSR is not understood as standalone and is often referred to along with, Corporate Sustainability. Therefore, even though there is no formal statutory requirement for CSR, the corporates in Singapore have been undertaking CSR expenditures as their normal business method. The fundamental of corporates in Singapore has always been transparency and ethics.

To formalise CSR issues, the National Tripartite Initiative on CSR was established in May 2004 which involved having a tripartite approach including representatives from government, industry, and unions.³³ The government at its own behest has tried to address maximum issues pertaining to CSR even though they emphasise primarily on voluntary action. On the legislative front, the basis for socially responsible behaviour in Singapore dates back to 2001 when the Corporate Governance Committee, laid down the Code of Corporate Governance for the first time.³⁴ The most recent amendment to the said document was carried out in 2018 by the Monetary Authority of Singapore.³⁵ It lays down a certain set of principles and provisions and it is mandatory for all the listed companies to abide by them. The companies are under a “comply or explain” obligation and all the requirements are to be met by the company and must be stated in the company’s annual reports. The listed companies are required to address issues of board independence and diversity of thought and background, division of responsibilities between the leadership of the board and the company management, transparency of the appointment of directors, assessment of the board’s effectiveness, remuneration policies, risk management and

³¹ Hu Yuen Ping, “Corporate Social Responsibility in Singapore: Institutions, Framework and Practices” *Asia-Pacific Economic Cooperation* (2005).

³² Mauraqz, “How Singapore became Asia’s Greenest City”, *QUARTZ* (2017).

³³ Thomas Thomas, CSR Singapore Style, *Social Space* (2019).

³⁴ Code of Corporate Governance, 2018 (Sing.)

³⁵ *Id.* at 20.

internal controls, audit, shareholder rights, engagement with shareholders and interests of other stakeholders.³⁶

The Singapore Exchange (SGX) is another pivotal body to ensure compliance with sustainability in Singapore. With the global push for Sustainability Reporting and the benefits that Sustainability Reporting brings to both investors and companies, SGX introduced Guide to Sustainability Reporting for listed companies in the year 2011 though this guide provided for voluntary reporting of sustainability practices by the listed companies.³⁷ In order to make the mechanism more robust, in 2016, SGX came up with a new listing rule which mandated the listed companies to issue annual sustainability reports on a “comply or explain” basis. An option was given to issue standalone sustainability reports or the same could be incorporated well within the annual reports submitted by the companies. These requirements were further elaborated upon by SGX-ST Listing Rule 711B. This rule listed down the main components which should be there in sustainability reports. They are:³⁸

- Material ESG factors (where ESG stands for Environmental, Social, and Governance)
- Policies, practices, and performance
- Targets
- Sustainability reporting frameworks
- Board statement

The Monetary Authority of Singapore and the SGX can be seen hand in hand in working towards making the sustainability regime in Singapore more and more effective.³⁹ Along with them being the flag bearers of the corporate sustainability regime in Singapore, there are various other authorities also in place to protect the environment and uplift the society like the Ministry of Sustainability and Environment- MSE (erstwhile The Ministry of the Environment and Water Resources), National Environment Agency, Council for Corporate Disclosures and Governance (CCDG), etc. The MSE is committed to providing Singaporeans with a clean and green environment, clean and safe water, and food. The CCDG, on the other hand, lays down accounting standards for companies in Singapore and reviews the corporate governance and disclosure practices regularly.⁴⁰ In furtherance of the world’s largest corporate sustainability initiative i.e. The UN Global Compact, Singapore launched the Global Compact Network

³⁶ ESG Disclosures in Asia Pacific, *CFA Institute* (2012).

³⁷ Lawrence Loh & Michael Tang, “Sustainability Reporting- Progress and Challenges” *NUS Business School* (2019).

³⁸ *Id.* at 23.

³⁹ PWC, *SGX Sustainability Reporting Guide* (2017).

⁴⁰ Government of Singapore, Press Release, (Ministry of Finance, 2002)

Singapore in 2005. Eventually, Singapore Compact for CSR was also launched, and it primarily seeks to foster collaboration and dialogue amongst various CSR stakeholders.

V. CSR and SDGs

The concept of CSR is incomplete without studying the famous article by Milton Friedman titled “The Social Responsibility of Business is to Increase its Profits”. This paper portrayed a pure shareholder-centric approach. Milton Friedman is often cited as the father of the shareholder theory of corporate governance which identifies the shareholders as the only group, a company is responsible for or accountable towards. He always stated that the sole and primary responsibility or purpose of business is to maximise the wealth of its shareholders. He also said that CSR is a “fundamentally subversive doctrine in a free society”⁴¹. For the most part of the last century, we saw businesses being governed by this ideology. Even though we saw corporates flourishing but it was also seen that such an ideology gave rise to huge scams and frauds being committed in the companies. The profit-making zeal surpassed all ethical and sustainable vigour in the company. Companies were said to be prospering at the expense of the larger community. A lot of social and environmental challenges were being faced across the globe. That was the time when people started talking about the aspects of social responsibility and the sustainability of businesses.

The last decade across the globe has seen excessive importance being given to sustainability and social responsibility. A paradigm shift can be observed in Michael Porter and Mark Kramer’s article titled “Creating Shared Value” which observes that businesses need to change their approach and methods of doing business and redefine their purpose. It states that businesses should aim to “create shared value” and “responsible profits”.⁴² They further argued that a business should, while remaining competitive, also focus on the economic and social advancement of the society in which it operates.⁴³ Creating shared value should be the basic ethos of doing business and it should be understood as a concept that will benefit the company itself in the longer run.

In the pursuit of sustainability, the United Nations came up with the Sustainable Development Goals (SDG) or the Global Goals in the year 2015. These goals that were adopted by all the member states, focus on an “action to end poverty, protect the planet and ensure that all people

⁴¹ Milton Friedman, “The Social Responsibility of Business is to Increase its Profits”, NY Times (2019).

⁴² Michael E Porter & Mark R. Kramer, “Creating Shared Value” *Harvard Business Review* (2011).

⁴³ Janos Takacs, “CSR and Sustainability- from Milton Friedman to Michael Porter and beyond” *EOQ MNB*, (2013)

enjoy peace and prosperity by 2030.”⁴⁴ It lists down 17 goals that are all correlated to each other and aspire to balance economic, social, and environmental sustainability. In July 2017, each goal had some targets allocated to them which are either outcome-based or implementation-based. In total, we have 169 targets to be accomplished by the year 2030.⁴⁵ The goals adopt a practical approach to sustainability at all levels, incorporating a model which seeks to attain holistic societal and environmental development. These objectives lay out a clear path for achieving optimal growth and making the world a better place.

Even though these goals are not legally binding on nations and are often referred to as soft law nevertheless member states pursue the goals and the targets as per the stipulations and commitments. There are a few scholars who claim⁴⁶ that the SDGs are utopian in nature but still most people believe that even trying to achieve them will improve the quality of life of all and save the planet as well. Both India and Singapore are pursuing the SDGs. By integrating the SDGs with the national development plan, India has set itself ambitious targets for their implementation. However, achieving the goals may not be possible just through government actions; high-level interaction between the government, the corporate sector, and civil society is required. The Government of India has tasked NITI Aayog with designing and developing a framework that defines policies, processes, and a road map for government regulatory mechanisms to implement the SDGs. Businesses, on the other hand, can play an important role in achieving the SDGs by serving as a catalyst through CSR.⁴⁷

SDGs and the Indian CSR regulation both were implemented and formulated around the same time and seemingly have a tremendous potential to develop a cohesive sustainable growth model. SDGs and CSR thematic development areas share a lot of overlap in terms of activities needed to achieve either. The CSR regulation sets a broad framework and gives direction for a better sustainable future and the SDGs set tangible well defined targets to measure the outcome of activities. The Government of India is aggressively trying to integrate the national agenda with SDG by taking many measurable actions. A three-year draft agenda for integrating SDGs with the national agenda is one such action that has clearly shown the vision of the Indian government in achieving the goals. Moreover, the Schedule VII of Companies Act 2013 is also similar in

⁴⁴ United Nations Development Program, Sustainable Developmental Goal, *available at*: <https://www.undp.org/content/undp/en/home/sustainable-development-goals.html>.

⁴⁵ The Global Goals, The Global Goals, *available at*: globalgoals.org (last visited on July 08, 2021).

⁴⁶ Teppo Eskelinen, “Interpreting the Sustainable Development Goals through the Perspectives of Utopia and Governance” 48 (2) *Forum for Development Studies* (2021).-

⁴⁷ NIT Aayog, NITI, *available at*: <http://niti.gov.in/> (last visited on July 08, 2021).

theme to the SDGs. The various heads mentioned there are very well connected to the SDGs. Each head mentioned under the said schedule can be mapped with at least 2 or more SDGs.

The chart given below, elaborates the mapping further:⁴⁸

List of activities allowed under Schedule VII ⁴⁹	Correlated SDGs
Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Goal number 1,2,3, and 6
Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Goal number 1,2, 4, and 8
Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Goal number 1,5, and 10
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and	Goal number 6,7,9,11,13,14, and 15

⁴⁸ Global Compact Network India, Sustainable Development Goals (SDGs): Leveraging CSR to achieve SDGs, 2017, available at: https://assets.kpmg/content/dam/kpmg/in/pdf/2017/12/SDG_New_Final_Web.pdf (last visited on July 03, 2021).

⁴⁹ The Companies Act, 2013, sch. VII.

<p>maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.</p>	
<p>Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts.</p>	<p>Goal number 9 and 11</p>
<p>Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.</p>	<p>Goal number 3,4 and 8</p>
<p>Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.</p>	<p>Goal number 8 and 10</p>
<p>Contribution to the prime minister’s national relief fund or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities, and women.</p>	<p>Goal number 1,2,3,4,6,9, and 15</p>
<p>Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency</p>	<p>Goal number 9,12 and 13</p>

<p>of the Central Government or State Government; and Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).</p>	
<p>Rural development projects.</p>	<p>Goal number 1,2,3,4 and 9</p>
<p>Slum area development.</p>	<p>Goal number 1,2,3,4,6,7 and 9</p>
<p>Disaster management, including relief, rehabilitation, and reconstruction activities.</p>	<p>Goal number 1,2,3,6,9 and 11</p>

As both CSR and SDGs overlap, while working towards the SDGs, a company should focus on innovation in CSR programs and should have a vision of the consequences they are going to achieve. Only by implementing a proactive and well-thought-out CSR program can a good social impact be achieved. National and multinational corporations can help achieve these objectives by using not only their financial resources, but also their reach, resources, technology,

research, knowledge, and creativity. The High-Level Committee on CSR, which was set up in the year 2018 under the chairmanship of Mr. Injeti Srinivas has expressly discussed the importance of SDGs for India and how CSR can aid in the attainment of these goals.⁵⁰ Even the NGRBCs promote businesses to focus on stakeholders to fulfill the SDG goal. It facilitates discussions on topics such as climate change, the circular economy, and various aspects of sustainable development. It makes it easier to examine the social costs of economic progress, particularly in relation to natural resources like clean drinking water, clean and pollution-free air, and contaminant-free food, etc.⁵¹ Therefore, CSR and SDGs definitely play a crucial role in present-day Indian society.

As far as the comparative jurisdiction of Singapore is concerned, it is an avid supporter of the United Nations' 2030 Agenda for Sustainable Development. It held its first Voluntary National Review of the SDGs in July 2018, co-led by the Ministry of Foreign Affairs and the Ministry of Sustainability and the Environment, at the UN High-Level Political Forum, where the country took stock and shared its progress on sustainable development, particularly in areas such as water and sanitation and sustainable cities.⁵² 57 out of the 100 top SGX listed companies incorporated SDGs into their sustainability or annual reports. Even though incorporating SDG-related activities into company reporting is voluntary in Singapore, the fact that 57 percent of the top 100 SGX companies mentioned the SDGs is commendable. Some companies have also reported they are working on initiatives aligned with the SDGs and that they intend to incorporate SDGs into their future reports.⁵³

Enormous emphasis is laid on the ESG factors by Singapore, all of which are directly related to the SDGs. As sustainability, is a way of doing business there, their endeavor to accomplish the SDGs is relatively much smoother and simpler as compared to India. As discussed previously, the Code of Corporate Governance and the rules enforced by the SGX are key drivers of corporate substantiality across Singapore.

VI. Conclusion and Recommendations

⁵⁰ *Supra* note 23.

⁵¹ Government of India, "National Guidelines on Responsible Business Conduct", (Ministry of Corporate Affairs, December, 2018).

⁵² Government of Singapore, "Sustainability Development Goals", (Department of Statistics Singapore, 2020)

⁵³ How are Singaporean Companies Disclosing on the SDGs in 2020, *Paia, 2020*, available at: <https://paiaconsulting.com.sg/how-are-singaporean-companies-disclosing-on-the-sdgs-in-2020/> (last visited on July 08, 2021).

The Brundtland Commission report defined sustainable development as “development which meets the needs of current generations without compromising the ability of future generations to meet their own needs”.⁵⁴ The aforesaid is the most acceptable definition of sustainable development in the world. This makes the agenda of sustainable development extremely clear. It makes it clear then our activities should not only be focused on a bright day today, but we also have to ensure that we have brighter days in the times to come.

CSR and Corporate Sustainability, as has been explained in the course of this paper, are not the same concepts at all, though both of them are means to attain the end of sustainable development. Even though CSR aids in achieving the latter, the role of CSR is way more than that. A properly implemented CSR concept can bring along a variety of competitive advantages for the company, such as enhanced access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality, efficient human resource base, improved brand image and reputation, enhanced customer loyalty, better decision making, and risk management processes. Hence, the ultimate objective of CSR is not just to make the world a better place to live in but also to make the corporations sustainable and in a position to pursue their profit-making objectives for a longer period.

When the world’s future is at stake and our planet is facing significant economic, social, and environmental issues, businesses can’t imagine a future without attempting to protect the environment in which they seek to thrive in.⁵⁵ Therefore, CSR started being directly associated with the concept of SDGs as both the CSR and SDGs aim to achieve sustainable development. By broadening the possibility for participation amongst various stakeholders throughout the international arena, the SDGs signify an essential turning point in the process of achieving sustainable development. While the Millennium Development Goals (MDGs) were aimed only at governments,⁵⁶ the SDGs seek to achieve crucial objectives by bringing together governments, intergovernmental organisations, non-governmental organisations, corporations, and individuals. The SDGs also give an interesting opportunity for corporates looking to extend and improve their CSR strategy by establishing a coordinated intergovernmental approach. It is pertinent to

⁵⁴ Sustainable Development, UNESCO, *available at*: <https://en.unesco.org/themes/education-sustainable-development/what-is-esd/sd#:~:text=The%20concept%20of%20sustainable%20development,to%20meet%20their%20own%20needs.%E2%80%9D> (last visited on July 13, 2021).

⁵⁵ Ruchi Singh, “Linking CSR with SDGs: Reorient purpose of business” (2019) *available at*: <https://indiacr.in/linking-csr-with-sdgs-reorient-purpose-of-business/> (last visited on July 13, 2021)

⁵⁶ Why do the Sustainable Development Goals matter?, UNEP, *available at*: <https://www.unep.org/explore-topics/sustainable-development-goals/why-do-sustainable-development-goals-matter> (last visited on July 13, 2021)

note here that mapping and alignment of Schedule VII activities with SDGs, as discussed in the course of this paper, is extremely crucial and CSR is definitely a useful instrument in the pursuit of SDGs in India.

In order to ensure that there is an availability of the best set of policies to implement and reach global standards, a comparative analysis is extremely important. It has often been said that “to know just one country is to know no country and to know just one culture is to know no culture.”⁵⁷ We learn best about the culture in which we live when we make a comparison with other cultures. Keeping the same in mind, the paper tries to compare the regime in India and Singapore. Singapore consistently outperforms India as far as sustainability indices are concerned. In a sustainability-minded ranking, which is backed by jurists like Michael Porter, the Social Progress Index (Social Progress Imperative 2020), Singapore ranks 29 while India ranks 117.⁵⁸ This index aims at measuring “the capacity of a society to meet the basic human needs of its citizens, establish the building blocks that allow citizens and communities to enhance and sustain the quality of their lives, and create the conditions for all individuals to reach their full potential”. Also, in the Global Sustainable Competitiveness Index 2020, Singapore ranks 44 and India ranks 127. This index measures the “competitiveness of countries in an integrated way.”⁵⁹ Although none of these rankings should be individually relied upon, a cumulative understanding of them depicts that India can learn and grow a lot with its deeper understanding of sustainability concepts, practices, and measures in Singapore.

Primarily, the very basic difference that we can make out in the course of this paper is the difference in approach towards the concept of CSR in the two nations. While Singaporean corporates look at CSR more from a sustainability-oriented mindset, the approach in India is deeply philanthropic in nature.⁶⁰ The corporates in India have been mostly observed to have a very negative kind of approach towards the concept of CSR and tend to mostly see it as a burden. A burden, which forces them to divulge a share of their profits, fruits of their labour, for the

⁵⁷ Robert Strand, R. Edward Freeman, et.al., “Corporate Social Responsibility and Sustainability in Scandinavia: An Overview” *Springer Link*, 2015, available at: <https://link.springer.com/article/10.1007/s10551-014-2224-6> (last visited on July 15, 2021)

⁵⁸ Global Index Results, Social Progress, 2020, available at: <https://www.socialprogress.org/index/global/results> (last visited on July 15, 2021)

⁵⁹ Global Sustainability Competitiveness Index, Solability, 2020, available at: <https://solability.com/the-global-sustainable-competitiveness-index/the-index> (last visited on July 15, 2021)

⁶⁰ APEC, “Corporate Social Responsibility in APEC Region, Current Status and Implication” available at: https://www.apec.org/docs/default-source/publications/2005/12/corporate-social-responsibility-in-the-apec-region-current-status-and-implications-december-2005/toc/singapore.pdf?sfvrsn=4a424d8d_1 (last visited on Dec 15, 2021).

betterment of someone else. CSR expenditure is, most often than not, thought of as an added tax on the corporates. There are constant debates around the issue that CSR as a concept is inherently voluntary and nobody can be forced to do social service. The impetus of social work should always come from within and can never be forced. The aspect of sustainability tends to always take a back seat around such discussions.

Secondly, In India, excessive dependence is seen on just ensuring compliance.⁶¹ A lot of it is owed to the nature and language of our statute also. India is the only country in the world to direct its corporates, on how much to spend, where to spend, etc.⁶² Schedule VII of the Companies Act, 2013 sets boundaries for what can come under the purview of CSR expenditure. Even though there is a major overlap between the SDGs and Schedule VII in India, the burden of compliances has been made such that the aspect of sustainability again goes missing. A result of this is that most corporates are spending money just to avoid legal soups and are spending money, not on a need basis but just to fulfill the legal formalities. As a result, the quality of reporting in India is also not up to the mark and is very superficial with no detailing being done. Moreover, there are no such criteria to judge the appropriateness of the reports.⁶³ With the recent amendment of 2021 with respect to CSR policy in India, it is presumed that with the coming on of the concept of Impact Assessment of CSR projects, the nation will be able to make the CSR expenditures much more goal-oriented and focused on sustainability.⁶⁴

Even though it is a stated fact, that the CSR expenditure in India has greatly increased after the enactment of section 135,⁶⁵ it is still way behind what it should have actually achieved. Most problems are due to the fact that India is still a developing economy and enforcement, as pointed out earlier, has always been a tricky issue for India. To overcome the issues, a lot of steps are being taken by the Indian government to strengthen its legal framework as much as possible.⁶⁶ A

⁶¹ Initial Experience in Implementing CSR Law in India, University of Oxford, 2018, *available at*: <https://www.law.ox.ac.uk/business-law-blog/blog/2018/07/initial-experience-implementing-csr-law-india> (last visited on July 17, 2021)

⁶² IANS, "India now only country with legislated CSR", *Business Standard*, April 3, 2014, *available at*: https://www.business-standard.com/article/companies/india-now-only-country-with-legislated-csr-114040300862_1.html (last visited on July 17, 2021)

⁶³ *Supra* note 10 at 4.

⁶⁴ CSR Amendment Rules, 2021

⁶⁵ India's CSR Reporting Survey 2018, *KPMG*, (2018)

available at: https://assets.kpmg/content/dam/kpmg/in/pdf/2019/01/India_CSR_Reporting_Survey_2018.pdf (last visited on July 17, 2021)

⁶⁶ Rahul Rishi and Milind Antani, "India-Amendments to CSR Rules: A Game Changer" XII (91) *The National Law Review* (2022)

lot of deliberations and discussions are done aimed at redressing the same but a lot more can be done to address the issue of sustainability.

If we look at the Singaporean regime, it does not have a legal mandate for undertaking CSR expenditures typically, though it has mandatory sustainability reporting requirements. The corporates themselves set their ESG goals in the light of SDGs. The government empowers the corporates with the importance of sustainability and for the corporates based in Singapore, sustainability can be understood as a way of doing business. It forms a part of their basic business ethos, and the corporates seem to have a ubiquitous culture of sustainability. The government also promotes the expenditures towards social causes by corporates by giving them tax breaks on such expenditures. Also, sustainability practices have grown manifold in the past two decades owing to such practices.⁶⁷ It is not that the Singaporean system is unblemished or flawless but with a positive mindset towards sustainability and vigour for creating a better society, they are firmly moving towards their goal.

Indian corporates need to be explained that sustainability initiatives will increasingly serve to help protect companies' licenses to operate, save costs, recruit, and retain talent, drive innovation and open up new markets. By actively addressing sustainability issues, companies will better manage their risks and drive long-term growth. It is crucial for the listed companies to understand that the process of implementing Sustainability Reporting includes more than just the Sustainability Report. The real importance of Sustainability Reporting lies in how businesses can successfully integrate sustainability within their business strategies, operations, and processes. Sustainability or CSR should not just be restricted to legal compliance but the deep-rooted intent behind the concept should be clearly understood. Therefore, it is very important for them to come to terms with the differences between the concept of CSR and social philanthropy. They should be promoted to make sustainability a way of doing business and their basic ethos of functioning in the market. The pursuit of CSR and SDGs together, to say the least, will also aid in the massive enhancement of the reputation of the corporates.

Also, a more robust and elaborate scheme of sustainability reporting should be introduced which is in line with the SDGs. Only then, it will be possible to reach out to the global levels of sustainable practices and disclosures. The disclosures should be comprehensive and as detailed

⁶⁷ Two Decade of Progress: Singapore's Good Governance Pays off, *CEO Magazine*, September 1, 2020, available at: <https://www.theceomagazine.com/business/sponsored-content/two-decades-of-progress-singapores-good-governance-pays-off/> (last visited on July 18, 2021)

as possible to clearly demarcate which practice will be or has been undertaken and in what time frame. They should focus more on the reporting schemes given by organizations like the Global Reporting Initiative (GRI) as it will help them to attain the ends of standardisation and make a global presence.

To conclude, simply by making a practice legally mandatory, it is very difficult to achieve the desired result. Looking at the reports laid down by KPMG, it is *as clear as a bell* that India is definitely growing in its pursuit to attain SDGs which will in turn aid in achieving sustainable development.⁶⁸ Even though a lot has already been done, a lot still needs to be focused on to achieve the desired results. There is quite a hope that in order to keep itself up to the mark globally and to meet the standards of good governance, India will adopt sustainability, both in letter and in spirit.

⁶⁸ *Supra* note 27 at 9.