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UN SUSTAINABLE DEVELOPMENT GOALS AND CORPORATE ACCOUNTABILITY: SDG 5 IN MNC WORKPLACE POLICIES AND INDIAN LEGAL ENFORCEMENT

~ ***NANDANA.B.S.***

I. INTRODUCTION

Gender equality occupies a peculiar position in the corporate imagination. Firms recite it in glossy sustainability reports, yet they lived reality inside the workplace frequently tells a different story. The United Nations Sustainable Development Goals (SDGs), adopted in 2015, gave this aspiration a numbered identity: SDG 5, the pledge to "achieve gender equality and empower all women and girls."[1] Multinational corporations (MNCs) have embraced the label with enthusiasm. Whether that enthusiasm translates into accountability is a separate question altogether, and it is the one this article interrogates.

The inquiry matters because SDG 5 is not self-executing. It is a political commitment made by states, not a binding obligation on companies. What converts a soft aspiration into enforceable conduct is domestic law. In India, that conversion has occurred through a patchwork of statutes, regulations, and judicial pronouncements. The central argument here is straightforward: SDG 5 supplies the vocabulary of corporate gender responsibility, but Indian legal enforcement supplies the teeth, and the two remain imperfectly aligned.

II. SDG 5 AND THE ARCHITECTURE OF CORPORATE ACCOUNTABILITY

[1] Transforming Our World: The 2030 Agenda for Sustainable Development, G.A. Res. 70/1, and U.N. Doc. A/RES/70/1, Goal 5 (Sept. 25, 2015).

SDG 5 contains nine targets. Two speak directly to the corporate sphere: Target 5.1, the elimination of discrimination against women, and Target 5.5, ensuring women's full participation and equal opportunities for leadership.[2] Neither, however, binds a private enterprise. The SDGs are addressed to governments.

The gap between state commitment and corporate conduct was anticipated. The United Nations Guiding Principles on Business and Human Rights (UNGPs), endorsed by the Human Rights Council in 2011 and architected by John Ruggie, rest on three pillars: the state duty to protect, the corporate responsibility to respect, and access to remedy.[3] The UNGPs concede what SDG 5 leaves implicit, namely, that corporate responsibility to respect human rights, including women's rights, exists independently of state enforcement but becomes meaningful only when a remedy is available. Herein lies the crux. Voluntary corporate commitment and enforceable legal duty are not the same animal, and MNCs have historically been adept at conflating the two.

Consider the scale of the problem SDG 5 confronts in India. The World Economic Forum's Global Gender Gap Report 2024 ranked India 129th of 146 countries, having closed only 64.1% of its overall gap.[4] Female labour force participation, though rising, stood at roughly 37% in 2023-24 per the Periodic Labour Force Survey, against far higher male participation.[5] Aspirational reporting cannot paper over figures of this magnitude.

III. MNC WORKPLACE POLICIES: THE RHETORIC–REALITY DIVIDE

MNCs operating in India typically arrive with globally standardised diversity, equity, and inclusion (DEI) policies. These documents pledge pay parity, harassment-free workplaces, and leadership pipelines for women. On paper, they map neatly onto SDG 5.

The difficulty is verification. A policy is a promise; a promise is not a practice. Global self-regulatory instruments, such as the UN Global Compact and the Women's Empowerment Principles, invite companies to align with SDG 5 but impose no sanction for hollow

[2] Id. Targets 5.1, 5.5.
[3] Human Rights Council, Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework, U.N. Doc. A/HRC/17/31 (Mar. 21, 2011).
[4] World Economic Forum, Global Gender Gap Report 2024, at 11, 202 (2024).
[5] Ministry of Statistics & Programme Implementation, Gov't of India, *Periodic Labour Force Survey (PLFS) Annual Report 2023-24* (2024).

compliance.[6] The consequence is a well-documented phenomenon: firms publicise the target while quietly under-delivering on it. The juxtaposition of a corporation's SDG 5 disclosures against its actual internal-complaints data or board composition often reveals a chasm.

This is precisely where Indian law intervenes; converting what would otherwise be a matter of corporate discretion into a matter of legal obligation.

IV. INDIAN LEGAL ENFORCEMENT: WHERE SDG 5 ACQUIRES TEETH

A. PREVENTION OF WORKPLACE SEXUAL HARASSMENT

The foundational moment predates the SDGs. In *Vishaka v. State of Rajasthan* (1997), confronted with the gang rape of a social worker and a legislative vacuum, the Supreme Court read Articles 14, 19, and 21 of the Constitution together with the Convention on the Elimination of All Forms of Discrimination against Women to formulate binding guidelines against workplace sexual harassment.[7] Judicial creativity filled the void where Parliament had defaulted.

Sixteen years later, the legislature codified that jurisprudence in the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the POSH Act). The statute mandates an Internal Complaints Committee (ICC) in every workplace with ten or more employees, prescribes redressal timelines, and defines "workplace" expansively under Section 2(o).[8] Section 26 supplies the sanction: non-compliance attracts a fine of up to ₹50,000, and repeat violations may double the penalty and trigger cancellation of the employer's licence or registration.[9]

SDG 5 lacks this enforcement architecture on its own. Yet compliance has been uneven. A FICCI-EY survey found substantial non-compliance among Indian companies and, notably, among MNCs as well.[10] The Supreme Court responded. In *Aureliano Fernandes v. State of Goa* (2023), the Court lamented the "sorry state of affairs" in POSH implementation, and in a subsequent order, dated 12 August 2025 it directed labour authorities across states to verify

[6] U.N. Global Compact & U.N. Women, *Women's Empowerment Principles* (2011).
[7] Vishaka v. State of Rajasthan, (1997) 6 S.C.C. 241 (India).
[8] Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, No. 14 of 2013, §§ 2(o), 4, 6 (India).
[9] Id. § 26.
[10] FICCI-EY, Fostering Safe Workplaces (Nov. 2015).

ICC constitution and establish a structured compliance-reporting chain.[11] The message was unambiguous: statutory compliance is a legal duty, not a discretionary gesture.

B. CORPORATE GOVERNANCE AND WOMEN IN LEADERSHIP

Target 5.5 finds its Indian counterpart in corporate law. Section 149(1) of the Companies Act, 2013, read with the relevant rules, requires prescribed classes of companies, including every listed company, to appoint at least one woman director.[12] SEBI reinforced this through the Listing Obligations and Disclosure Requirements Regulations, mandating that the top 1,000 listed entities by market capitalisation appoint at least one *independent* woman director.[13]

These mandates underpin a shift from voluntary aspiration to enforceable structure. The critique, however, writes itself. A single woman director on a board of a dozen risks becoming tokenism, satisfying the letter of Section 149 while betraying the spirit of Target 5.5. The law counts heads; it does not, on its own, redistribute power.

C. MANDATORY DISCLOSURE AS A REGULATORY TECHNIQUE

SEBI's Business Responsibility and Sustainability Reporting (BRSR) framework, mandatory for the top 1,000 listed companies, compels disclosure of gender-disaggregated data; including workforce composition, pay differentials, and POSH complaints.[14] This is enforcement by transparency. By forcing firms to publish what they once buried, BRSR narrows the rhetoric–reality divide that voluntary SDG reporting tolerates. Sunlight, in the regulatory sense, becomes a disinfectant.

V. CRITICAL ASSESSMENT: THE PERSISTENT GAPS

Three fault lines undercut the promise of this framework. First, coverage. The POSH Act, the Companies Act mandate, and BRSR all bite hardest on the formal, organised, listed sector. India's vast informal economy, where the majority of working women earn their livelihoods,

[11] Aureliano Fernandes v. State of Goa, (2023) SCC OnLine SC 621 (India); see also Order dated Aug. 12, 2025, Misc. Appl. Diary No. 22553 of 2023.

[12] Companies Act, No. 18 of 2013, § 149(1), proviso (India); Companies (Appointment and Qualification of Directors) Rules, 2014, r. 3.

[13] Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, reg. 17(1)(a) (India).

[14] SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 (May 10, 2021) (introducing BRSR).

remains substantially beyond effective reach. SDG 5's universality collides with enforcement's selectivity.

Second, quality of implementation. An ICC that exists on paper but lacks trained members, or a woman director appointed to satisfy a quota, produces compliance without substance. The Supreme Court's repeated interventions testify to the fact that mere existence of machinery does not guarantee its functioning.

Third, the enforcement instruments were not designed as SDG-implementation tools; the alignment is retrospective and coincidental rather than deliberate. India possesses no consolidated statutory mechanism that binds corporate conduct explicitly to SDG 5. The result is a fragmented regime, effective in patches, silent in others.

VI. REFORMING CORPORATE ACCOUNTABILITY FOR SDG 5

India does not need another aspirational framework; it needs a compliance architecture that juxtaposes disclosure, verification, and consequence. First, SEBI should expressly map existing gender-related BRSR indicators to SDG 5 targets and require a compact SDG 5 disclosure scorecard for covered listed entities. BRSR already captures metrics such as gross wages paid to women and complaints under the POSH Act, while BRSR Core assurance is scheduled to extend to the top 1,000 listed entities from financial year 2026–27. The regulatory gap is therefore not an absence of data, but an absence of an explicit accountability bridge. A meaningful scorecard should distinguish inputs—representation and remuneration—from outcomes such as retention, promotion, and complaint resolution. That would make SDG 5 reporting less susceptible to the familiar corporate manoeuvre of satisfying disclosure while obscuring performance.[15]

Second, POSH compliance should be audited for function, not merely constitution. The Supreme Court's 12 August 2025 order directed Labour Departments to collect district-level data on whether employers had constituted Internal Complaints Committees and to act where statutory compliance was absent. The next step should be an auditable compliance protocol covering committee composition, periodic training, awareness measures, statutory reporting, complaint disposal, and remedial follow-through, while preserving the confidentiality required

15SEBI, BRSR Core—Framework for Assurance and ESG Disclosures for Value Chain, Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 (July 12, 2023); see also Securities & Exchange Board of India, Speaking Notes of Amarjeet Singh, Whole Time Member, National Conference (July 2025).

by the Act. Such an approach would shift POSH from a documentary checklist to a continuing internal control. It would also give boards a defensible basis for treating workplace safety as a governance risk rather than an HR formality.[16]

Third, the accountability perimeter must extend beyond the listed elite. The present architecture concentrates its most visible disclosure discipline on the largest listed entities, leaving substantial segments of the corporate economy outside comparable transparency requirements. SEBI should therefore consider a graduated gender-accountability regime: mandatory core disclosures for large unlisted companies and significant corporate groups, simplified indicators for smaller enterprises, and sector-specific escalation where workforce or workplace risks are demonstrably higher. The objective is not to replicate the full BRSR machinery across every enterprise. It is to prevent SDG 5 from becoming a reporting privilege of companies already large enough to be visible. Accountability should follow materiality, not merely listing status.[17]

VII. CONCLUSION

SDG 5 and Indian law occupy complementary but distinct registers. The former articulates the aspiration; the latter enforces fragments of it. MNC workplace policies, however elegantly they invoke gender equality, remain voluntary self-portraits until domestic statute compels honesty. India's framework, the POSH Act, Section 149, the LODR mandate, and BRSR, has done more to hold corporations accountable than any SDG pledge, precisely because it carries sanction.

The way forward is not more voluntary commitment but tighter integration: embedding SDG 5 metrics into mandatory disclosure, extending enforcement beyond the listed elite, and insisting on substance over symbolism. Until then, corporate accountability for gender equality in India will rest less on the promise of a numbered Goal than on the enforceable weight of domestic law, and that, on the present evidence, is exactly as it should be.

16Aureliano Fernandes v. State of Goa, Misc. Appl. Diary No. 22553 of 2023, Order (S.C. Aug. 12, 2025).

17Securities & Exchange Board of India, BRSR—Business Responsibility and Sustainability Report, Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 (May 10, 2021); Companies Act, No. 18 of 2013, § 149(1) (India).