

A Study of Environmental Law & Accounting Frameworks: The Case of BRICS Economies

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ABSTRACT

Environmental degradation and the risks associated with it has cornered the countries and their complex governance systems. It has motivated them to enforce and execute stricter environmental regulations. The BRICS nations before the expansion, which are Brazil, Russia, India, China and South Africa and the nations after the expansion, Egypt, Ethiopia, Iran, and the United Arab Emirates- have some of the diverse legal systems and representations along with the challenges and obstacles in implementing those systems in their respective nations to curb out climate related risks like emissions production, fossil fuel consumption, wastage of natural resources, etc. Overall, a major chunk of these problems generates in these countries. Due to this specific reason, it becomes important for the legal and accounting frameworks to align themselves with the changing environment. It is also essential for the stakeholders in such countries to understand these frameworks and policies for maintaining sustainability in their institutions. This research paper helps in the examination of various acts and policies associated with sustainability in the above-mentioned countries. This paper also focuses on the interaction between the legal mandates, judicial cases and their interpretations as well as the corporate standards that focus on sustainability reporting. Various constitutional and statutory provisions have been explored in this study which includes Brazil's Environmental Crimes Law, India's Environment (Protection) Act, 1986, etc. To conduct a deep-analysis of the provisions made in the countries before the expansion, few of the landmark cases have also been studied. The research also investigates the corporate sustainability frameworks of these nations in synchronization with the legal aspect which is to be studied before. The findings suggest that there has been a lot of differences in the legal dimension but when it comes to the accounting dimensions, countries have tried to learn from each other & evolve accordingly but still it is suggested that there's a constant to have an integrated approach towards advancing environmental issues & challenges.

Keywords: Environmental Law, BRICS Economies, Regulatory Frameworks, Corporate Environmental Responsibility.

Introduction

Environmental degradation and over-utilisation have posed severe threats to the natural resources leading towards an unsustainable future, specifically in the BRICS economies. Concerns about this depletion drives towards the increasing recognition of sustainable development(Rani et al., 2025). The BRICS' economies being a prime target of this depletion has enforced stricter rules and regulations over the years. It included in the past, countries like Brazil, Russia, India, China and South Africa and was later expanded and included countries like Egypt, Ethiopia, Iran, Saudi Arabia and the United Arab Emirates (UAE). These countries together are worth more than \$28.5tn - about 28% of the global economy and a combined population of about 3.5 billion, or 45% of the world's inhabitants(BBC News, 2024). Out of these countries, three countries, viz., Brazil, Russia and India were selected for them due to the availability of fully developed taxonomies or frameworks in order to take into account the

sustainable practices being conducted in their respective areas. Brazil has made significant progress in the domain of environmental law and sustainability. It has passed several laws and followed sustainable policies and practices which has been studied in this research paper. Russia, although has faced challenges in the implementation of the legislative ideas and norms enforced in the country. India has been able to not only enforce but also implement their environmental plans and policies. This research article aims to discuss all these frameworks and also study some of the case laws to understand the complexity and practicality of all the sustainable measures adopted across these three nations.

Objectives of the Study

- To examine the environmental legal frameworks of BRICS countries (Brazil, Russia and India), with a focus on constitutional, statutory, and regulatory provisions.
- To analyze the landmark judicial decisions that have shaped environmental governance and public interest litigation in the above-mentioned BRICS nations.
- To evaluate the corporate sustainability and environmental accounting practices adopted by the companies in the BRICS economies.

Literature Review

Alkofahi et al. (2024), in their study didn't specifically address the environmental, legal and accounting frameworks but its impact on carbon reduction strategies taking into account stricter laws and regulations being enforced in the concerned country. Fiase et al. (2024) employed a mixed-method approach to specifically study the impact of regulatory policies and standards on business operations, financial transparency and corporate governance in which it was later revealed that there has been a significant impact and challenges keep rising in the way of emerging markets. Haryono (2024) in his study, conducted a comparative analysis of the policies made regarding green finance in the BRICS economies. At the end of the study, it was observed that, while countries like China and India have robust frameworks that enhanced the use of green finance, countries like Brazil, Russia and South Africa have been facing challenges in its regulation as well as policies implementation. Rahmawati et al. (2024), utilized normative analysis in which legal frameworks and related practices were observed, which also emphasized the need to integrate these frameworks with the United Nations Sustainable Development Goals and several variations were also found regarding these frameworks in the BRICS Economies. D (2023), in his research, explored the accounting frameworks related to derivatives in the BRICS economies. His study focused on IFRS implementation and adoption. Khan et al. (2023), didn't specifically addressed the issue but involved various regression techniques in which the impact of natural resources on carbon emissions were studied and restructuring plans and policies related to the topic were discussed as well as suggested. Zhang et al. (2023), utilized extensive literature reviews and case studies of carbon trading mechanisms and their implementation to explore various dimensions related to laws and regulations being followed in the BRICS economies. The study also proposed effective solutions for combating the challenges and recommendations were also given to mitigate risks related to sustainability, legal and accounting frameworks. Negi et al. (2020), discussed the challenges faced by the emerging economies including the nations that fall under the BRICS framework. The study supported the need for alignment of the environmental laws with the sustainability standards. For the purpose of the research, comparative analysis was conducted and most different systems design was utilized for cross-country comparison. Weetman & Tsalavoutas (2019) in their study, discussed the accounting practices being followed in several countries that includes the BRICS nations as well. The frameworks applied in these economies addresses and emphasizes the need for integrating these frameworks to enhance sustainability within these nations. Valliřová et al. (2018), in his study, proposed a standardized legal and accounting framework that enhances financial reporting systems in BRICS economies, which also takes into consideration, the environmental and social aspects. Oliveira et al. (2017), examined how variables like stakeholder and regulatory pressures that also includes the legal frameworks impact sustainability related disclosures and results suggested there has been varying degrees of impact on these disclosures across BRICS countries. Borges & Bergamini (2001), studied the environmental accounting frameworks within Brazil's legal domains and why is transparency needed in the formation, implementation and execution of sustainability reports. The domestic approach related to financial environmental accounting were utilized.

Research Methodology

A legal and accounting framework analysis was conducted in this study and data were derived from various sources that includes Sustainability and integrated reporting guidelines, indices related to sustainability like GRI adherence and also, the environmental accounting frameworks. The case laws and litigations were also taken into consideration.

Analysis & Findings

Brazil

- **Legal:** Like numerous other countries, Brazil has laws and regulations that should ensure a healthy environment, such as limiting pollution of rivers and waters and conserving forests. **Nonetheless, some of the laws are old. Only in 1998, Brazil approved the Environmental Crimes Act, which centralized and made clear the rules and violations related to the environmental crimes**(Imazon, n.d.).**This law of Brazil seeks to protect wildlife and plants of the country, particularly endangered species**(Animal Legal & Historical Center, n.d.).The National Environmental Policy, established by Federal Law No. 9.638/1981, seeks to safeguard, boost, and rehabilitate the quality of the environment in order to ensure socioeconomic growth, national security, and the preservation of human life. **This law also creates the National Environment System (SISNAMA), which is constituted by: (i) the Environmental National Council (CONAMA), an advisory and deliberative body to assess and propose policy guidelines; (ii) the Ministry of Environment, responsible for controlling and coordinating national environmental policy; (iii) executive bodies, including the Brazilian Institute for the Environment and Natural Renewable Resources (IBAMA) and the Biodiversity Conservation Institute (ICMBio) at the Federal level; and (iv) State and local agencies, responsible for policy implementation in respective jurisdictions**(Alves & de Carvalho, 2025).

- **Landmark judicial decision: *The Brazilian Supreme Court and the Climate Fund Case***

In a landmark ruling made in the Climate Fund Case, the Brazilian Supreme Court became the first to recognize the Paris Agreement as the human rights treaty. The ruling made the Brazilian government to fully reactivate its national climate fund. The lawsuit was filed against the government by the four opposing parties which were Workers' Party, Socialism and Liberty Party, Brazilian Socialist Party and Sustainability Network. The case revolved around the inability of the concerned government in operating and disbursing the climate fund properly. **The Supreme Court acknowledged the climate fund as the primary tool available to reduce Brazil's emissions, and in the ruling, which was supported by ten out of eleven presiding justices, Justice Luís Roberto Barroso noted the massive increase in deforestation in the Brazilian Amazon in 2021—a problem that has shown no signs of slowing down. A public hearing was held in September 2020 in this regard, and it included intellectuals from various indigenous groups.**It also recognised the climate fund as the main tool available to cut Brazil's emissions. Not using it was therefore a breach "by omission" of the national constitution, which requires the state to protect the environment for current and future generations(Kaminski, 2022).

Corporate sustainability and environmental accounting frameworks: Brazil released a draft of its proposed sustainable taxonomy framework, or the Taxonomy, in late 2024. By 2026, the nation hopes to make it mandatory in some cases. These kinds of frameworks have been adopted by a number of nations, such as Mexico, the European Union, and Columbia, and they obviously seek to shed light on the sustainability standards that are being adhered to in these nations. Brazil has expanded on the pattern of Latin American nations bringing noteworthy improvements in the handling of social criteria and safeguards for sustainability concerns that are not addressed by the Taxonomy's primary goals in the present iteration of the Taxonomy. **The first phase of the taxonomy ran through January 31, 2025 which focused on addressing the key issues like monitoring, reporting and verification of the taxonomy and its interconnection with the other regulatory obligations whereas the second phase which ran from February 1, 2025 through March 31, 2025, focused on the technical limits and quantifiable thresholds within each sector** (Pierce & von Staa Toledo, 2025).

Russia

- **Legal: *Federal Law on Environmental Protection No. 7-FZ of January 10, 2002***

Legal regulation of environmental protection in Russia is established, first, by the Constitution of the Russian Federation and federal laws. In accordance with Article 42 of the Constitution of the Russian

Federation, all citizens of the Russian Federation have the right to a favourable environment, reliable information about its condition and to compensation for damage caused to their health or property by environmental violations (**Gerasimenko, 2023**). The Federal Law lays down a legal foundation for governing the relations in the field of interaction between the society and the laws of nature. It provides a legal foundation for the state policy in the field of environmental protection as ensuring a balanced solution for socio-economic tasks, preservation of a favourable environment, biological diversity and natural resources for the purpose of meeting the needs of the present and future generations, enhancing law and order in the field of environmental protection as well as ecological safety (**Federal Law on Environmental Protection No. 7-FZ, 2002**).

- **Landmark Judicial Decision: *Kotov and Others v. Russia***

The ten applicants live in the town of Klin which is located near to the Aleksinskiy Quarry. Since 1993 the quarry has been used as a landfill site for solid household waste collected in the Klin District. It is operated by a local waste management company Kombinat LLC, pursuant to a lease agreement with the Klin municipal administration. The applicants alleged that the company had been depositing large amounts of solid waste in the landfill site, without the required control and/or protective measures by the authorities to minimise or eliminate the effects of the resulting environmental nuisances (**European Court of Human Rights, 2021a**). The court made the decision to give notice to the Russian Government of the complaints being made by the applicants on the grounds of "Right to Respect for their Private Life" and also to provide effective domestic remedies with regards to the complaint (**European Court of Human Rights, 2021b**).

- **Corporate Sustainability and Environmental Accounting Frameworks:** The SEEA-Central Framework is responsible for measuring the environment and its relationship with the economy (**United Nations et al., 2014**) whereas GRI has been established as the leading framework for sustainability reporting. According to a study, 66% of the reports were written in accordance with GRI or citing GRI as a reference. The majority of the reports (41%) were based on the GRI G4 guidelines, which remained valid until 1 July 2018 (**Acting Responsibly, 2018**).

India

- **Legal: *The Environment (Protection) Act, 1986***

In 1986, the Environment (Protection) Act was passed with the objective of safeguarding and improving the environment. According to section 3(3), it gives the Central Government the authority to create authorities tasked with preventing environmental pollution in all of its manifestations and addressing regionally specific environmental issues. **The Act was last amended in 1991** (Central Pollution Control Board, 2025).

- **Landmark Judicial Decision: *Vellore Citizens Welfare Forum v. Union of India***

The 'Vellore Citizens Welfare Forum' filed a Public Interest Litigation (PIL) under Article 32 of the Constitution, claiming extensive environmental degradation and water pollution as a result of unchecked discharge of untreated effluents into the Palar River by tanneries and other industries in Tamil Nadu. The court made a landmark judgement in this regard and asked the Central Government to establish an authority under section 3(3) of the Environment Protection Act of 1986 and prescribed some guidelines which allowed the authorities to exercise powers to deal with the concerned issues and also to provide compensation to the affected individuals. A fine of Rs. 10,000 was imposed on all the tanneries (**Gupta, 2023**).

- **Corporate Sustainability and Environmental Accounting Frameworks:** The Business Responsibility and Sustainability Reporting (BRSR) was created by the Securities and Exchange Board of India (SEBI) to compel Indian businesses to submit concrete information on sustainability-related aspects, like environmental preservation or civil rights adherence. Business Responsibility Reporting (BRR) rules were introduced in 2009, laying the groundwork for India's ESG regulatory framework. The amended BRSR, in effect since 2023, is more closely aligned with globally endorsed reporting standards like the GRI and TCFD. **It requires the top 1,000 listed companies in India to respond to 140 questions, divided into 98 essential indicators (mandatory) and 42 leadership indicators (voluntary)** (EcoVadis, 2023).

Conclusion

Brazil, Russia, and India are at a pivotal point in aligning their legal and accounting systems with sustainable development imperatives. Enhanced integration of environmental considerations into legal and financial frameworks can support more resilient and accountable growth models. As the urgency of the global climate crisis intensifies, these three BRICS economies hold substantial responsibility—and opportunity—in shaping a sustainable future. While Brazil, Russia, and India are at varying stages of integrating environmental considerations into legal and accounting systems, all three exhibit both progress and gaps. The harmonization of laws with international environmental norms, the institutionalization of sustainability accounting, and the promotion of inclusive green economies are essential steps forward. With sustained political will, intersectoral collaboration, and public participation, these nations can transition from reactive environmental governance to proactive, innovation-driven sustainability leadership. This alignment is not only vital for their domestic well-being but also for global efforts to address climate change and environmental degradation.

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