

Forest (Conservation) Act, 1980 and Wildlife (Protection) Act, 1972: A Governance Perspective

The Forest (Conservation) Act, 1980 and the Wildlife (Protection) Act, 1972 are cornerstones of India's environmental governance, ensuring sustainable use of forests and protection of biodiversity. In today's climate-conscious world, their relevance extends beyond legal compliance into the domain of sustainability, responsible governance, and global ESG expectations. With SEBI's BRSR framework, India's net-zero commitments, and rising investor scrutiny, these Acts now shape boardroom decisions and corporate accountability. Company Secretaries play a vital role in this transition—guiding Boards, embedding sustainability into strategy, and ensuring that economic growth coexists with ecological integrity.



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INTRODUCTION

Forests and wildlife have always been the lifeblood of civilizations. They are not just resources that can be consumed but trustees of our future, carrying within them the promise of clean air, water, bio-diversity and climate resilience. India, with its rich environmental heritage, has over the years adopted a comprehensive legislative framework to ensure that the country's pursuit of development does not come at the cost of ecological devastation. Among the earliest and most significant legislations in this regard are the **Forest (Conservation) Act, 1980** and the **Wildlife (Protection) Act, 1972**. These two enactments have provided a legal backbone to India's environmental governance and remain central even today, as the world grapples with challenges of deforestation, habitat loss, and climate change.

At the same time, the rise of **ESG—Environmental, Social and Governance—frameworks** has brought corporate responsibility into sharper focus. Companies are no longer evaluated only on financial performance but also on their environmental footprints, their contribution to social well-being and the integrity of their governance structures. It is in this evolving ecosystem that the role of

the **Company Secretary (CS)** assumes great significance. Traditionally seen as a compliance officer and custodian of legal processes, the CS is now emerging as a governance professional with an expanded mandate, one that includes steering companies through complex terrains of sustainability reporting, social audits and environmental compliance.

THE LEGISLATIVE BACKGROUND

The Forest (Conservation) Act, 1980 was enacted in response to the rampant diversion of forest lands for agriculture, industry and infrastructure during the 1970s. The law sought to impose a centralised check by requiring prior approval of the Union Government before any forest land could be de-reserved or diverted for non-forest purposes. Over the years, through amendments and judicial interpretations—most notably in the landmark *T.N. Godavarman Thirumulpad* case—the Act has been read in an expansive manner, covering not only notified forests but also those that meet the dictionary definition of forests. This broadened the scope of protection and placed a higher onus on corporations and state authorities to ensure compliance.

The Wildlife (Protection) Act, 1972, enacted even earlier, laid the foundation for systematic wildlife protection in India. It created a legal architecture for the establishment of national parks, wildlife sanctuaries, and conservation reserves, while prohibiting hunting and regulating trade in wild animals and their derivatives. Its importance has only grown with time, especially as India became a signatory to global conventions such as CITES, requiring it to regulate trade in endangered species. Recent amendments have enhanced penalties, strengthened enforcement and aligned domestic law more closely with international obligations.

BEYOND LEGAL MANDATES: A CHANGING SHIFT IN CORPORATE RESPONSIBILITY

While the Forest (Conservation) Act, 1980 and the Wildlife (Protection) Act, 1972 were initially regarded

by industries as regulatory hurdles that delayed projects and imposed costs, their relevance today transcends the narrow boundaries of environmental law. In the present corporate and investment climate, these statutes are deeply interlinked with the global movement towards **Environmental, Social and Governance (ESG)** responsibility.

The “E” in ESG does not merely signify a company’s environmental compliance; it represents the organisation’s entire relationship with nature—its carbon footprint, its biodiversity management, its use of natural resources, and its impact on forests and wildlife. The “S” emphasises the treatment of communities, workers and indigenous people, especially those living in and around forests whose lives are disrupted by industrial projects. The “G” underscores governance mechanisms that ensure accountability, transparency and ethical decision-making, preventing environmental degradation from being sacrificed at the altar of profit. Thus, ESG is not a tick-box activity but a holistic framework that reshapes how businesses are perceived by regulators, investors and society at large.

Globally, this transformation is visible across jurisdictions. In the **European Union**, the **Corporate Sustainability Reporting Directive (CSRD)** has made it mandatory for large companies to disclose detailed information on environmental risks, biodiversity impact and resource usage. The **United States Securities and Exchange Commission (SEC)** has proposed climate disclosure rules requiring companies to report their greenhouse gas emissions and climate-related financial risks. **Canada** and the **United Kingdom** have also tightened sustainability disclosure frameworks, with biodiversity conservation being a core element. Multinational corporations are therefore compelled to look at forests, wetlands, wildlife corridors and ecological zones not as distant environmental issues but as central to business continuity and investor trust.

This global trend resonates in India as well. SEBI’s **Business Responsibility and Sustainability Reporting (BRSR)** framework already requires the top listed companies to disclose their sustainability performance, including impacts on biodiversity, land and ecosystems. For corporations dealing with mining, infrastructure, or exports involving natural resources, compliance with the Forest (Conservation) Act, 1980 and the Wildlife (Protection) Act, 1972 becomes a vital component of ESG disclosures. Any failure—such as diversion of forest land without approval under Forest (Conservation) Act, 1980 or violation of wildlife trade rules under Wildlife (Protection) Act, 1972—can not only lead to legal penalties but also severely damage ESG ratings, erode investor confidence and trigger exclusion from global supply chains.

A mining company operating near forest areas, for instance, may technically obtain environmental clearance but still face ESG scrutiny if compensatory afforestation is not effectively carried out. Similarly, exporters of leather, exotic plants or herbal medicines must ensure strict adherence to Wildlife (Protection) Act, 1972 and CITES

provisions, for even minor non-compliance can result in blacklisting in international markets. This shift illustrates that environmental law is no longer peripheral—it has entered the heart of **boardroom governance**.

Therefore, the transition from mere compliance with the Forest (Conservation) Act, 1980 and the Wildlife (Protection) Act, 1972 to a broader ESG-driven governance model signifies a profound shift in corporate responsibility. What was once seen as regulatory paperwork has now become central to maintaining investor trust, attracting green financing, and safeguarding reputation in a climate-conscious global economy. Environmental responsibility has, in fact, become a defining measure of good governance, and the CS stands at the intersection of law, business and sustainability, tasked with ensuring that corporations not only obey the law but also align with global expectations of ethical, sustainable conduct.

ROLE OF ESG IN STRENGTHENING FOREST AND WILDLIFE CONSERVATION

Environmental, Social, and Governance (ESG) frameworks have emerged as a transformative paradigm in global business and policy. They act as a bridge between statutory compliance and sustainable value creation by aligning corporate strategies, investor priorities, and societal expectations with ecological and social well-being. In the Indian context, the objectives of the Forest (Conservation) Act, 1980 and the Wildlife (Protection) Act, 1972 find strong reinforcement through ESG principles. While these Acts provide the legal foundation, ESG ensures that businesses and investors internalise conservation mandates and translate them into measurable outcomes.

- (a) **ESG and the Environmental Pillar:** The “E” in ESG has the closest resonance with the Forest (Conservation) Act, 1980 and Wildlife (Protection) Act, 1972. Companies operating in sectors such as mining, infrastructure, tourism, and energy often find themselves in ecologically sensitive zones. Here, ESG principles demand that compliance must go beyond minimum legal requirements:
 - i. Rigorous Environmental Impact Assessments (EIA) are integrated with biodiversity offsets, habitat restoration initiatives, and carbon neutrality commitments.
 - ii. ESG also embeds carbon accounting into operations. Notably, the Forest (Conservation) Act, 1980 (Amendment) 2023 envisions the creation of a 2.5–3 billion tonne CO₂ sink by 2030, and global standards such as the GRI (Global Reporting Initiative) and TCFD (Task Force on Climate-related Financial Disclosures) help ensure transparency and credibility in such reporting.
 - iii. A decisive move toward nature-positive operations—whether through renewable energy adoption, green infrastructure, or wildlife-friendly supply chains—illustrates how ESG converts compliance into ecological leadership.

(b) **ESG and the Social Pillar:** The “S” in ESG highlights the role of human dignity, inclusivity, and community participation in conservation. Forests and wildlife habitats are not just ecological zones—they are also home to indigenous and forest-dwelling communities. ESG-sensitive enterprises increasingly:

- i. Seek Free, Prior, and Informed Consent (FPIC) from local communities before pursuing projects that require forest land diversion under the Forest (Conservation) Act, 1980.
- ii. Integrate livelihood generation into conservation, for instance by supporting eco-tourism or community-managed conservation reserves under the Wildlife (Protection) Act, 1972 provisions.
- iii. Invest in mitigating human-wildlife conflicts, rehabilitating displaced families, and enabling skill-building for sustainable alternatives to practices like poaching or unsustainable resource use.

(c) **ESG and the Governance Pillar:**

Governance forms the backbone of ESG and is indispensable for accountability in forest and wildlife protection. The Forest (Conservation) Act, 1980 and the Wildlife (Protection) Act, 1972 compliance cannot remain perfunctory—it must be reinforced by governance standards that investors and regulators trust. ESG ensures this by:

- i. Integrating statutory compliance with transparent disclosures, so that companies report not only financial outcomes but also afforestation results, biodiversity preservation, and wildlife protection metrics.
- ii. Establishing strong internal risk management frameworks, since violations of the Forest (Conservation) Act, 1980 and the Wildlife (Protection) Act, 1972 expose businesses to financial penalties, reputational damage, and investor distrust.
- iii. Promoting collaborative governance, where corporates, regulators, NGOs, and communities come together to design and monitor conservation initiatives.

(d) **Future ESG-Conservation Synergy:** India's sustainability roadmap—including the net-zero 2070 commitment and the 2030 carbon sink target cannot be achieved without ESG-led financing and implementation. In the years ahead, ESG will:

- i. channel global green capital into afforestation drives, wildlife corridors, and biodiversity-positive infrastructure;
- ii. enhance India's sovereign ESG ratings as adherence to the Forest (Conservation) Act, 1980 and the Wildlife (Protection) Act, 1972 signals responsible resource management to international investors; and
- iii. place CSs and governance professionals at the heart of this transition, as they ensure that ESG reporting, and compliance frameworks are not just legal obligations but instruments of long-term value creation.

THE ROLE OF COMPANY SECRETARIES IN ENVIRONMENTAL GOVERNANCE

As the governance professional within an organisation, CS has the vantage point to integrate environmental considerations into decision-making at the highest level. When a company contemplates expansion into forest areas, diversion of land, or projects that might affect eco-

sensitive zones, it is often the CS who is expected to alert the Board to the regulatory approvals required under the Forest (Conservation) Act, 1980. Likewise, before any contract involving wildlife products is entered into, it falls on the CS to ensure that the company is not in violation of Wildlife (Protection) Act, 1972 provisions.

Beyond legal compliance, CSs are increasingly being called upon to assist in **sustainability reporting** under SEBI's Business Responsibility and Sustainability Report (BRSR) framework. These reports require

disclosure on biodiversity, climate risks, carbon footprint, and social impacts—all areas closely tied to forest and wildlife legislation. A CS who can guide the Board on how to disclose, how to mitigate risks, and how to align with national and global commitments adds immense value.

The CS also plays a critical role in **social audits**, particularly for projects with environmental footprints. Whether it is compensatory afforestation under the Forest (Conservation) Act, 1980, or rehabilitation of communities displaced due to wildlife reserves, social audits help measure whether the commitments made by corporations have been honoured in spirit. By bringing transparency and accountability, CSs can help bridge the trust deficit between corporations, communities and regulators.

The CS, as a key managerial personnel under the Companies Act, 2013, plays a critical role in ensuring that organisations meet their legal and ethical obligations. In the context of environmental protection, the CS serves as a compliance officer, strategist, and governance facilitator—linking corporate operations with laws such as the **Forest**

India's environmental jurisprudence has evolved from a model of permission and policing to one that expects stewardship and strategy. The Forest (Conservation) Act, 1980 and the Wildlife (Protection) Act, 1972 were conceived to halt deforestation, protect habitats, and conserve species.

(Conservation) Act, 1980, and the Wildlife (Protection) Act, 1972, and broader ESG (Environmental, Social, and Governance) standards, the same are as follows:

a) Legal Compliance under the Forest (Conservation) Act, 1980 and the Wildlife (Protection) Act, 1972

- i. Clearances and Approvals: A CS ensures that companies seeking to establish infrastructure, mining, or industrial projects near forest or wildlife areas obtain prior approvals from the Ministry of Environment, Forest and Climate Change (MoEFCC) as required under Forest (Conservation) Act, 1980.
- ii. Monitoring Operations: Regular compliance audits are conducted to ensure no violation of the Wildlife (Protection) Act, 1972 provisions, such as disturbing habitats or engaging in illegal trade of wildlife and their derivatives.
- iii. Documentation and Filing: CSs oversee timely submission of environmental reports, compensatory afforestation records, and sustainability disclosures to regulatory authorities.

b) Integration of ESG Frameworks

- i. Policy Development: The CS assists in drafting and implementing ESG policies aligned with conservation mandates, including biodiversity protection and carbon reduction strategies.
- ii. Board-Level Guidance: They facilitate Board discussions on sustainability, ensuring conservation laws are factored into corporate risk assessments and strategic planning.
- iii. BRSR Reporting: As per SEBI requirements, CS professionals prepare and verify Business Responsibility and Sustainability Reports (BRSR), capturing efforts toward forest and wildlife protection.

c) Ethical Governance and Stakeholder Engagement

- i. Corporate Social Responsibility (CSR): CSs guide CSR initiatives toward reforestation, wildlife conservation, and community-based eco-projects, ensuring alignment with Forest (Conservation) Act, 1980 and the Wildlife (Protection) Act, 1972.
- ii. Stakeholder Communication: They maintain transparency by disclosing conservation-related compliance and ESG performance to shareholders, regulators, and the public.
- iii. Risk Mitigation: CS professionals ensure businesses avoid reputational, legal, and financial risks by strictly adhering to environmental laws and ethical practices.

ESG, GREEN FINANCING AND GLOBAL ALIGNMENT

As global capital shifts towards sustainable financing, Indian companies are under increasing scrutiny to demonstrate compliance with environmental laws. Green bonds, sustainability-linked loans, and ESG-oriented funds require detailed due diligence on the company's environmental performance. Any red flag under Forest (Conservation) Act, 1980 or Wildlife (Protection) Act, 1972 can derail such financing efforts. Moreover, with India's commitment to the Paris Agreement and the Convention on Biological Diversity, corporations are expected to go beyond minimum compliance and adopt proactive conservation measures.

Here again, the CS acts as a bridge between corporate management and investors, assuring the latter of the company's commitment to lawful and sustainable practices. By embedding ESG principles into governance documents, drafting biodiversity policies, and ensuring truthful disclosures, the CS can help attract sustainable capital while reducing greenwashing risks.

SOCIAL AUDITS AND STAKEHOLDER CONFIDENCE

One of the most powerful tools in this space is the **social audit**, which goes beyond financial metrics to assess the real impact of corporate activities on people and environment. For instance, when forest land is diverted for industry, the law requires compensatory afforestation. But has the plantation actually been done? Are local communities benefitting from it? Similarly, when wildlife corridors are disrupted by infrastructure, have mitigation measures been put in place? These are questions a social audit can answer.

The CSs, with their emphasis on governance and transparency, is well placed to institutionalise such audits. By involving local communities, NGOs, and independent experts, the CS can ensure that environmental compliance is not a mere tick-box exercise but a genuine contribution towards sustainability. In turn, this strengthens stakeholder confidence, enhances reputation and aligns the company with SDGs such as Climate Action (SDG 13) and Life on Land (SDG 15).

COMPARATIVE ANALYSIS OF ENVIRONMENTAL CONDITIONS IN RURAL, URBAN, AND METRO AREAS

India's environmental landscape exhibits stark contrasts across **rural**, **urban**, and **metropolitan** areas. Factors such as population density, industrial activity, lifestyle patterns, infrastructure, and governance frameworks influence air quality, water availability, waste management, biodiversity, and ecological health in these regions.

a) Environmental Conditions in Rural Areas

- i. Biodiversity and Green Cover: Rural areas often retain higher levels of natural vegetation and biodiversity due to lower industrialization. Forests, wetlands, and farmlands contribute to carbon sequestration and ecological balance.
- ii. Air and Water Quality: Generally better than urban zones, though localized pollution may arise from biomass burning, use of chemical fertilizers, or small-scale industries.
- iii. Challenges:
 - Deforestation for agriculture or fuelwood.
 - Inadequate waste management infrastructure.
 - Lack of environmental awareness and regulatory enforcement.

b) Environmental Conditions in Urban Areas

- i. Air Quality: Moderate to poor, largely due to vehicular emissions, construction dust, and small-scale industries.
- ii. Water Resources: Often under stress due to over-extraction of groundwater, industrial discharge, and limited sewage treatment capacity.
- iii. Waste Management: Municipal waste management systems exist but face operational challenges, leading to open dumping and pollution of water bodies.
- iv. Biodiversity: Green spaces exist but are shrinking, impacting urban flora and fauna.

c) Environmental Conditions in Metropolitan Areas

- i. Air Quality: Metro cities like Delhi, Mumbai, Bengaluru, and Kolkata face severe air pollution due to heavy vehicular traffic, high population density, and industrial activities. Air Quality Index (AQI) often exceeds safe limits, especially during winters.
- ii. Water Availability and Quality: Severe pressure on water resources due to high consumption and contamination from industrial effluents and untreated sewage.
- iii. Waste Generation: Massive solid and electronic waste generation, requiring advanced treatment technologies like waste-to-energy plants and large-scale recycling facilities.
- iv. Biodiversity Loss: Rapid urbanization has led to loss of wetlands, mangroves, and natural habitats, intensifying human-wildlife conflicts.

CONCLUSION

India's environmental jurisprudence has evolved from a model of permission and policing to one that expects stewardship and strategy. The Forest (Conservation) Act, 1980 and the Wildlife (Protection) Act, 1972 were conceived to halt deforestation, protect habitats, and conserve species. In today's economy, they also signal how leadership understands risk, reputation, and responsibility. When boards treat forest and wildlife compliance as a strategic question embedded in capital allocation, supply-chain decisions, and disclosures then law becomes the architecture of long-term value rather than a speed-breaker.

CSs sit at the fulcrum of this change. As key managerial personnel, they convert legal mandates into boardroom practice: mapping the Forest (Conservation) Act, 1980/ the Wildlife (Protection) Act, 1972 touchpoints early in project design; building credible sustainability narratives through BRSR; assuring that community consent, compensatory afforestation, and mitigation plans are real, measurable, and auditable; and cautioning management when shortcuts trade away future licence to operate. Social audits, ethical sourcing, and transparent reporting are not parallel exercises; they are how a company earns trust with regulators, investors, and communities living closest to forests and wildlife corridors.

The path ahead is clear. Businesses that align strategy with the spirit of the Forest (Conservation) Act, 1980 and the Wildlife (Protection) Act, 1972, disclose honestly, invite scrutiny, and invest in restoration will not only comply more cleanly; they will compound trust over time. In doing so, they help move India from a compliance culture to a stewardship culture, where development and biodiversity are held in balance and the next generation inherits more than we took. That, finally, is the true test of good governance: not choosing between ecology and economy but designing for both—and delivering.

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